

**Company No: 00018582**  
**Charity Registration No: 313999**

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD**  
**AND ITS SUBSIDIARY UNDERTAKINGS**

---

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**INDEX**

---

	<b>PAGE</b>
<b>Reference and administrative details</b>	1 – 2
<b>Trustees' report (incorporating the strategic report)</b>	3 – 32
<b>Report of the independent auditor</b>	33 – 36
<b>Consolidated statement of financial activities (incorporating income and expenditure account)</b>	37 – 40
<b>Consolidated balance sheet</b>	41 – 42
<b>Charitable company balance sheet</b>	43
<b>Consolidated cash flow statement</b>	44
<b>Consolidated statement of net debt</b>	45
<b>Notes to the financial statements</b>	46 – 90

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE GROUP,  
ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

<b>Company registered number</b>	00018582
<b>Charity registered number</b>	313999
<b>Registered and principal office of the Charitable Group</b>	Worldwide House Thorpe Wood Peterborough PE3 6SB
<b>Chief executive officer</b>	Sir Jon Coles
<b>Company secretary</b>	Mrs Alison Hussain
<b>Bankers</b>	Barclays Bank PLC One Snowhill Snowhill Queensway Birmingham B4 6GN
<b>Solicitors</b>	Hewitsons LLP Elgin House Billing Road Northampton NN1 5AU  Stone King LLP 91 Charterhouse Street London EC1M 6HR
<b>Independent auditor</b>	Grant Thornton UK LLP Statutory Auditor Chartered Accountants Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE GROUP,  
ITS TRUSTEES AND ADVISERS (Continued)  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**Senior Management team and key  
management personnel  
(as at 1 September 2020)**

Sir Jon Coles, Chief Executive Officer  
Dame Sally Coates, Director of Secondary Education  
Mr Darran Ellison-Lee, Director of Primary Education  
Mrs Louise Johnston, Chief Financial Officer  
Mr Dominic Norrish, Chief Operating Officer  
Ms Anna Paige, Head of Strategy and Performance

**Trustees**

Mr Neil Davidson (Chair)  
Dr Stephen Critchley  
Mr Michael George  
Mr Benjamin Gordon  
Mr Richard Greenhalgh  
Mr Michael Litchfield

Biographies for the Trustees and Senior Management team can be found at [www.unitedlearning.org.uk](http://www.unitedlearning.org.uk)

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

The Board presents its report together with financial statements for the year ended 31 August 2020.

#### **Constitution and objects**

United Church Schools Foundation Ltd ('UCSF') is registered with the Charity Commission (No. 313999) and is constituted as a company limited by shares and registered in England and Wales, governed by Memorandum and Articles of Association, which were last amended in 1996.

The Company is established for charitable purposes and in accordance with its Memorandum of Association; its principal activity is to provide a liberal, practical and general education for children which includes religious instruction in the doctrine and duties of Christianity.

Details of the schools and academies operating within UCSF and its subsidiaries ('the Charitable Group') are listed later in this report.

#### **Members of the Board (hereafter called "Trustees")**

The present membership of the Board is set out under Reference and Administrative Details. All Trustees served throughout the year except where indicated. They are also the Directors of the Charitable Company for the purposes of the Companies Act.

All members of the Board of United Church Schools Trust ('UCST') hold one ordinary £5 share in the Charitable Company each for as long as they are members of the Board. There are six Trustees of UCST who each hold one £5 ordinary share. The Trustees of United Church Schools Foundation also hold 12,983 non-voting shares. The shares have no value.

#### **Appointment of Trustees**

Members of the Board of Trustees hold office for three years, and then resign at the end of that period. They may, with consent of the Board, remain in office for a further three years. They may then be re-appointed for a further year upon the proposal of the Chairman. At that point, they are subject to annual proposal and re-election.

The Charitable Company may increase or reduce the number of Trustees and determine their rotation. Any casual vacancy arising may be filled by the Board, the person holding office until the next General Meeting.

The training and induction provided for new Trustees is dependent upon their existing experience. Where necessary, induction will provide training on charity and educational legal and financial matters. All new Trustees are given tours of the Charitable Group's schools and academies and the chance to meet with staff and students. They are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. Induction is tailored specifically to the individual. The Company Secretary works with the Trustees to identify training needs and steps to keep the trustees updated regarding the regulatory environment.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**Trustees' indemnities**

In accordance with normal commercial practice, the Charitable Group has insurance in place to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Charitable Group business.

**Governance of the Charitable Group**

During the year, the Board of Trustees of UCSF held four meetings. Attendance at these meetings was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Neil Davidson (Chair)	4	4
Dr Stephen Critchley	3	4
Mr Michael George	4	4
Mr Benjamin Gordon	4	4
Mr Richard Greenhalgh	4	4
Mr Michael Litchfield	4	4

UCSF has two subsidiary charitable companies, United Church Schools Trust ('UCST') which is responsible for running the Charitable Group's Independent Schools and United Learning Trust ('ULT'), which is responsible for running the Charitable Group's Academies. The Trustees of UCST and ULT have delegated their powers and functions to a committee of both Boards known as the Group Board. All Trustees from both UCST and ULT are members of the Group Board. The Group Board met for a total of nine meetings during the year. Attendance during the year at the meetings of the Group Board was as follows:

	<b>Group Board Meetings attended</b>	<b>Out of a possible</b>
Dame Yasmin Bevan	9	9
Sir Jon Coles	9	9
Dr Stephen Critchley	7	7
Ms Mary Curnock Cook	9	9
Mr Neil Davidson	5	9
Mr Michael George	7	9
Dr Rosalind Given-Wilson	7	9
Mr Benjamin Gordon	9	9
Mr Richard Greenhalgh (Chair)	9	9
The Very Rev John Hall	6	7
Dame Reena Keeble	8	9
Mr Michael Litchfield	8	9
Mr Neil MacDonald	6	7
Mr David Robinson	2	2
Mrs Sarah Squire	9	9

The Board of Trustees delegates clear responsibilities to the Schools' Local Governing Bodies ("LGBs"), whose purpose is to provide support and challenge to the school on behalf of the Board. The functions and duties of the LGBs are set out in the LGB Members' Handbook. The Group Board maintains links with the LGBs through

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Governance of the Charitable Group (continued)**

the Company Secretary, and designated Trustees for the schools. The Chairs and Vice Chairs of the LGBs are invited to attend meetings of the Education Board, which meet three times in the academic year and provide advice on strategy and education, relevant continuing professional development and the opportunity for sharing of best practice with their peers. The Education Board meetings further enhance communications between LGBs and the Trustees.

An external review of Board effectiveness has been completed since year end. This was due to take place in May and June 2020 but was deferred due to the COVID-19 lockdown. Outcomes are currently being considered by Trustees.

Each Committee has also considered its effectiveness, terms of reference and cycle of business and made any appropriate adjustments.

#### **Board Committees**

The Board of Trustees has four committees, which advise on matters defined by their terms of reference. The Committees are the Finance Committee, the Risk and Audit Committee, the Nominations and Remuneration Committee and the Education Standards and Performance Committee. The minutes of all committees are made available to the Board of Trustees at meetings of the Group Board and any matters of concern are highlighted.

The Finance Committee's purpose is to:

- ensure that the Charitable Group properly plans the use of its finances and is adequately funded to undertake projected expenditure
- review and recommend the annual budgets for approval by the board
- monitor financial performance against agreed budgets
- ensure, with the Risk and Audit Committee, that the Charitable Group's financial statements are supported accurately by management accounts
- monitor and review the Charitable Group's arrangements in relation to investments and make recommendations to the Board in relation to the appointment and removal of investment advisors.

Attendance at meetings in the year was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Neil Davidson (Chair)	4	4
Dr Stephen Critchley	3	4
Mr Michael George	4	4
Mr Benjamin Gordon	4	4
Mr Richard Greenhalgh	4	4
Mr Michael Litchfield	4	4

The Risk and Audit Committee for the Charitable Group advises the Trustees and met four times during the year to review the major risks to which the Charitable Group is exposed. The Risk and Audit Committee's purpose is to:

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**Governance of the Charitable Group (continued)**

- ensure implementation of a risk management framework for the Group
- ensure the Charity's annual financial statements are reconciled to the management accounts
- ensure effective audit functions are in place (both external and internal)
- ensure adequate risk management processes are in place
- ensure an adequate internal control environment is established.

The Chair of the Risk and Audit Committee, Professor Colin Coulson-Thomas stood down at the end of his term. Mr Neil MacDonald was appointed as Chair from 1 April 2020. Ms Mary Curnock Cook joined the Committee in May 2020.

Attendance at meetings in the year was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Professor Colin Coulson-Thomas (Chair - to 31 March 2020)	3	3
Mrs Karen Bowles	6	6
Dr Stephen Critchley	5	6
Ms Mary Curnock Cook	3	3
Mr David D'Arcy Hughes	6	6
Mr Neil MacDonald (Chair – from 1 April 2020)	6	6

A Group Nominations and Remuneration Committee exists to oversee the appointments of the Group Chairman and Trustees and to approve Executive salaries and remuneration. The Committee is chaired by the Chair of the Group Board and it is advised by the Director of HR and the Company Secretary as appropriate.

The Nominations and Remuneration Committee regularly reviews the terms of office, skills and attributes of the Board of Trustees. On the basis of this, the Committee plans succession in order to ensure that the Board has available to it the range of skills and experience required to discharge its responsibilities. The Committee makes recommendations to the Board as to the need for new Trustees and leads the process of recruitment of Trustees as required, making recommendations of appointment to the Board. The Committee ensures that appointment is on merit, but also seeks to ensure that the Board reflects the diversity of the communities it serves.

In considering Executive pay, the Committee takes account of the needs of the organisation for skills, experience and personal capabilities to enable it to achieve its objectives and the price of such skills in the labour market. The Committee considers that in order to attract and retain leaders with the skills to achieve organisational objectives, senior pay must be competitive in the marketplace, taking account of the pay rates of comparably senior and skilled employees in other organisations – particularly in comparable organisations in education, in public service and in the charitable sector, and taking account of the transferability of skills into other sectors. The Committee is also mindful of the need for charities and organisations in receipt of public funding to set pay rates which are publicly defensible and seen to be appropriate.

The Committee considers annual pay in relation to the performance of the organisation, and of individuals against their objectives and in their broader contribution and in any changes to job role.



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**Governance of the Charitable Group (continued)**

Attendance at meetings in the year was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Richard Greenhalgh (Chair)	2	2
Mr Benjamin Gordon	2	2
Mr David Robinson	1	1
Mrs Sarah Squire	2	2

The Group Education Standards and Performance Committee's purpose is to:

- ensure that the Charitable Group discharges its responsibilities for educational improvement in providing excellent education so that all pupils are able to progress, achieve and to go on to succeed in life
- advise the Group Board with respect to group strategic educational priorities and key performance indicators
- provide an overview, scrutiny and challenge of education performance of all schools
- receive reports from the Executive regarding education standards and performance of schools, and to hold the Executive to account, against the approved group strategic priorities and key performance indicators relating to schools' educational performance
- review annually the performance of local/cluster governing bodies to ensure they are operating at maximum effectiveness
- receive reports from the Executive regarding safeguarding, and to hold the Executive to account regarding the effectiveness of policies and processes designed to keep children safe.

Attendance at meetings in the year was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Dame Yasmin Bevan (Chair)	3	3
Sir Jon Coles	2	3
Ms Mary Curnock Cook	3	3
Dr Rosalind Given-Wilson	3	3
Mr Richard Greenhalgh	3	3
Dame Reena Keeble	2	3

**The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Charitable Company's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Charitable Company for the year from 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Governance of the Charitable Group (continued)**

##### **Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Charitable Group is exposed, including the risks associated with the COVID-19 pandemic, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Charitable Group's significant risks that has been in place for the year 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Charitable Group has a risk register that identifies the key strategic risks facing the Charitable Group, the actions taken to mitigate those risks and the owners of those actions. Risk control is exercised by the senior management team, which reviews the risk register on a monthly basis. The Risk and Audit Committee considers the risk register at each of their meetings. Its views are reported to the Group Board via the Committee's minutes and the Chair's reports. Further details of the key risks are shown in the risk assessment section on page 21.

##### **The Risk and Control Framework**

The Charitable Company's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and monthly financial reports, which are reviewed and agreed by the Board of Trustees;
- regular reviews by the management and the Finance Committee of reports which indicate financial performance against the forecasts and major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Group employs an Internal Auditor and a Head of Internal Audit who have a direct reporting line to the Chair of the Risk and Audit Committee. The Internal Audit service operates best practice professional standards and guidelines. Internal Audit independently and objectively reviews, on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Charitable Group's objectives, and contributes to the proper, economic, efficient and effective use of resources.

Internal Audit's role includes giving advice on internal controls and performing a range of checks on the Charitable Group's core financial systems. Checks carried out in the year included testing of school level key controls, covering local governance, procurement, income, cash management, human resources, payroll and fixed assets. Furthermore, testing of non-financial systems and departments was conducted, including reviews of the organisation's counter-fraud arrangements, estates management, strategic planning and Freedom of Information and subject access requests.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Governance of the Charitable Group (continued)**

##### **The Risk and Control Framework (continued)**

On a quarterly basis, the Head of Internal Audit reports to the Board of Trustees through the Risk and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The internal audit plan for the year ended 31 August 2020 was impacted by the COVID-19 pandemic and could not be fully completed. The furloughing of internal audit staff for a period of time also resulted in a reduction of available audit days. In April 2020, Internal Audit ceased work on any audit assignments which created any unnecessary pressure on schools and central office functions which led to the postponement of eleven school audits and four central office reviews. Short-term prioritisation and regular reviews of the audit plan took place and from June 2020 onwards internal audit continued to deliver its ongoing assurance activities by conducting audits remotely where possible. 59% of the original audit plan was delivered providing a sufficient level of coverage across schools and central office to provide an annual opinion. For the year ended 31 August 2020, based on the work undertaken, an internal audit opinion of reasonable assurance was given on the adequacy and effectiveness of the organisation's risk management, internal control and governance arrangements.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

##### **Chief Executive**

The Trustees delegate the day to day responsibility of the running of the Charitable Group to the Chief Executive.

##### **Connected charities**

There is a relationship between United Church Schools Foundation Ltd and other charities as set out in note 30.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

## Strategic report

### Objectives, strategies and activities

#### About United Learning

Founded in 1883 as an educational charity anchored in the Church of England, the Charitable Group manages the operation of a group of Independent Schools within the United Church Schools Trust ("UCST") charity to provide education for students of different abilities between the ages of 0 and 18. Its admission policies welcome people from all employment, faiths and backgrounds.

In 2001, it created a subsidiary charity, United Learning Trust ("ULT") to extend its work into some of the most challenging inner city areas through the City Academy programme, and to this day UCST remains the sponsor of the ULT multi-academy trust. As at 31 August 2020, UCST sponsors 72 state sector academies through ULT.

The overall aim of the Charitable Group is to promote excellent education, providing strong schools which enable all young people to make a success of their lives. The roots of our charity can be traced back 137 years, and over this period, we have founded and developed a large number of schools, focused on the most important social and educational challenges of the day. Our strength as a group of schools lies in the unique collaboration between the state and independent sectors, in our national reach and growing regional clusters and in our dedication to continuous improvement and our pursuit of excellence. Our track record in some of the country's most challenging schools is based on structures and systems which ensure high expectations, rigour, enthusiasm and breadth.

As of 31 August 2020, United Learning – the trading name of the Charitable Group – comprises 14 independent schools operated within UCST, 72 state sector academies operated within ULT and a central office function that serves all our schools.

#### Operating review

##### COVID-19 Pandemic

The 2019/20 academic year was overshadowed by the COVID-19 pandemic which began to have an impact on all schools across the country from the middle of February 2020.

Our schools remained open throughout February and March until the Government announced the closure of all schools in England from 20 March 2020. During the lockdown period, our schools offered extensive remote learning programmes so pupils could continue to learn from home. Our schools remained open for children of key workers and those deemed to be vulnerable, with up to 1,350 children attending our schools each day. Further detail of the impact of COVID-19 is provided in the relevant sections of the Trustees' report.

During the lockdown period, UCST set up a £4 million Hardship Fund to support those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic. We also waived fees for boarding and nurseries, and introduced reductions of 30% for Reception, 25% for Years 1 and 2 and 10% for all other year groups.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Objectives, strategies and activities (continued)**

##### **Framework for Excellence**

Our 'Framework for Excellence' sets out the principles of an excellent education that we follow as a Group. At the heart of this framework are two principles which articulate what we think schools should provide for young people: 'powerful knowledge' and 'education with character'. The first is about giving young people the knowledge, understanding and cognitive skills they will need to make a success of their lives; the second is about the development of the broader traits, personal qualities and dispositions they will need.

##### **Powerful Knowledge**

Our most important purpose is to teach young people things they would not learn outside school, which free them to think and act more powerfully in their lives. This includes succeeding in examinations and gaining subject-based knowledge but goes beyond it.

Across the Group, the Rosenshine Principles are being used to underpin all work in teaching and learning to support personal development, continuous professional development, work scrutiny, lesson observation, leadership and curriculum development, Schemes of Learning and policies as well as learning planning. The Rosenshine Principles aim to minimise the use of working memory and to work with long-term memory to embed learning. They are firmly based on research which shows how the brain acquires and uses new information, as well as research into successful classroom practice.

Whilst the majority of pupils could not physically attend schools during the lockdown period, their learning continued remotely and our schools sought to deliver a full curriculum through live online lessons, recorded lessons, and work packs and learning resources available on our group website and intranet The Hub. During this period, teachers downloaded more than 85,000 curriculum resources from the site and 10,000 pupils logged onto the central pupil-facing site. Where pupils could not access remote learning, the Group purchased 11,800 Chromebooks for use by disadvantaged pupils. In support of the Chromebooks, the Group provided 2,056 MIFI 4G Routers to give pupils internet access at home where they did not have their own internet broadband connection. ULT also sourced and supplied 152 laptops for teachers working from home.

Pupils engaged well in the schools' remote learning programmes. Throughout the summer term, the extent to which pupils reported following lessons plans and work packs from their school stayed consistently above 80%, as did their understanding of what their teachers were asking them to do. Pupils also felt well supported by their teachers with more than 70% of pupils reporting that they could access support from their teachers when needed. Over 80% of pupils reported that they were sent a good variety of learning tasks to complete throughout the term.

##### ***A Common Curriculum***

Our schools offer a deep education in inclusive schools. Over the past five years, we have developed a common curriculum for our schools, spanning both primary and secondary phases and covering a range of core subjects: English, maths, science, history, geography, MFL, computing, art and PE.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Objectives, strategies and activities (continued)**

These curricula are sequenced in such a way as to develop subject mastery and to encourage regular, deliberate practice from students. This is to ensure that every child across our Group gets the same core grounding in the body of knowledge needed to succeed in further study and beyond.

Following lockdown in March 2020 we accelerated our efforts to fully resource our curriculum, with lesson-by-lesson resources for teachers and pupils. These resources are hosted on our curriculum website where teachers can access classroom resources such as lesson PowerPoints, quizzes, topic tests and summative assessments. On the pupil side of the website, pupils can access pre-recorded video lessons which include pause points giving them time to complete tasks.

#### **Academic performance**

As a result of the COVID-19 pandemic, GCSE and A Level examinations were cancelled. Despite our, and others', warnings to Ofqual about the risks of the process that they attempted to put in place, results were ultimately based on teachers' predictions for individual students known as Centre Assessed Grades ("CAGs"). Staff calculated CAGs based on a comprehensive range of evidence including mock grades, past coursework and classroom learning.

The CAGs received robust scrutiny from middle and senior leaders within schools and across our cluster system to create the most accurate grades possible for what each student was likely to have received. The CAGs enabled students to receive their individual grades so they could progress on to further and higher education.

In most cases, Sixth Formers were able to progress on to their first-choice university which included Russell Group universities and Oxbridge. Likewise, all our schools endeavoured to provide places to students staying on for their school's Sixth Form. Students were also able to secure places at other Sixth Form Colleges and go into further training and apprenticeship courses.

Due to the pandemic, Key Stage 1 and 2 assessments were also cancelled.

Over the course of the year, **Dunottar School** received a full ISI inspection. Inspectors found that the school met all expected standards and described the quality of pupils' personal development as 'excellent'.

Until the suspension of Ofsted inspections in the Spring, several of our academies received Ofsted inspections; **Barnsley Academy, High Hazels Junior Academy, Lambeth Academy, Pegasus Primary School** and **Timbertree Academy** were judged "Good" whilst **Trumpington Community College**, which joined United Learning in September 2019, was judged to "Require Improvement".

#### **Education with Character**

Alongside the intellectual development of young people encompassed within our concept of 'powerful knowledge', we place significant weight on the development of the whole person. We want young people to emerge from school with the personal qualities and wider skills to make the most of their cognitive abilities. We call this Education with Character and this is an increasingly strong feature of our schools.

Across our Group, we expect all our pupils to contribute to their school and to society; to try things which they think they cannot do; to persist in the face of difficulty; to become resilient in overcoming obstacles; to manage themselves; to work independently on things which challenge them; to work with

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Objectives, strategies and activities (continued)**

others and in teams; to be courageous and caring; to lead. We encourage our schools to develop each student's personal integrity, to ensure they learn to make the right choices even when the rules are not clear.

Our schools have also continued to devise and develop their individual pupil charters – the promise they make to children about what they can expect to experience each year in addition to their normal classroom learning. As part of this, schools have dedicated extracurricular programmes and bring the curriculum to life with visits from external speakers and trips out into their local communities and beyond.

Furthermore, we encourage sustained and meaningful collaboration between our schools and others through a range of Group-wide activities, initiatives and competitions designed to further develop their confidence and soft skills and to ready them for the next stages of their school careers.

To ensure our schools are properly meeting the needs of the pupils they serve, we conducted a Learning from Learners Survey which questioned 25,000 Year 7-10 pupils across our academies and independent schools. The survey asked for their views on their school, teaching and learning, themselves as learners, reading and homework, their future and continuous improvement. Headline findings across the Charitable Group include:

#### *At Primary/Prep:*

- Over 90% of pupils agreed that there is the right level of challenge in their lessons and that feedback helps them to improve;
- 94% of pupils said they were proud of their school;
- 92% of pupils said they felt safe;
- 89% of pupils said they felt a strong sense of belonging to their school.

#### *At Secondary:*

- Over 90% of students agreed that their teachers expect them to be successful;
- 82% of students said they felt safe at school;
- 76% said they were proud of their school;
- 75% of students said that the level of challenge in their lessons is right and that the feedback they receive help them to move on in their learning.

Our commitment to Education with Character remained steadfast throughout the lockdown period with schools offering online enrichment provision such as physical activity and music. Schools also nurtured and celebrated key personal characteristics such as resilience, hard work and independent study.

Similarly, the schools continued to offer excellent pastoral care and sought to look after the physical and mental wellbeing of pupils in whichever ways they could. To enable our staff to remain in regular contact with pupils and their families, we set up over 4,500 Softphone accounts which enable phone calls via an app on laptops, PCs and smartphones. Over 100,000 calls were made using this service with three months' free usage generously donated by Gamma supported by Lloyds IP. Staff also made hundreds

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Objectives, strategies and activities (continued)**

of 'driveway' visits to check on the wellbeing of pupils and organised vouchers or other food support for approximately 15,000 pupils.

#### **Outstanding People and Leadership**

##### ***Successful Staff Engagement***

Our success as a Group is dependent on the excellent people and leadership at all levels of our schools – across the country and centrally. This was reflected in the response rate to our Group Staff Survey which remained high at 83%. Likewise, our Overall Employee Engagement score (defined by Ipsos Mori as “*an employee's willingness to put discretionary effort into their work in the form of time, thought and energy*”) was 77%. As in previous years, scores on staff's pride in their school, motivation and attitudes towards the Group's aims and values well exceeded the UK, public sector and education norms.

Key findings include:

- 89% of staff said they were proud to work in their school/department;
- 78% felt motivated in their current job;
- 81% said their job gave them a sense of fulfilment;
- 87% said they valued their school/department's culture.

During lockdown we continued to communicate regularly with staff. As well as email bulletins from central office, we also held two Chief Executive 'Town Hall' briefings in April and May. Each briefing was attended by 2,500 members of staff from across the Group. To support teachers provide remote learning, the Technology Team ran a host of training webinars on using specific software packages. Webinars covered how to deliver live lessons and webinars, how to set, hand in and mark assignments and how to facilitate parental information broadcasts.

The Best in Everyone conference which introduces new staff to the Group was also held virtually and saw an increase in attendance of 12.5% compared to last year. Likewise, our Heads Induction programme was successfully delivered online.

The Group's response to the COVID-19 pandemic was welcomed by staff at both our academies and independent schools with 94% of those who responded to the June Pulse Survey stating that they were 'proud' of their school's response to the situation.

A total of 1,068 staff in the Charitable Group were furloughed during the summer term and returned to their roles in the new academic year. Those who were furloughed included staff managing leisure centres and extra curricula activities such as after school clubs, boarding staff and nursery provision staff. The Charitable Group topped up the salaries of those who were furloughed so that they continued to receive their full pay.



---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Objectives, strategies and activities (continued)**

##### ***Developing Leaders***

Through our range of Group-wide initiatives, we aim to give all leaders the opportunity to develop all aspects of their leadership. We want to give them access to the best role models and training from within the Group and the time to reflect and grow as leaders.

Our flagship Leadership Development Residential helps develop Middle and Senior Leaders towards promotional opportunities. These popular two-day training programmes are always fully subscribed and continued to be consistently evaluated as good or outstanding during the 2019/20 academic year. 44 leaders attended the course between September to March, with the summer term events postponed due to COVID-19. We will be reviewing this initiative in the new year to establish how we can take it forward under current government guidelines and restrictions.

Building on our strong relationship with the Institute for Education and the LeadershipColab initiative, we continued to run National Professional Qualifications within ten clusters. The programmes were extended into 2020/21 due to school closures in the Autumn Term. 112 staff members have completed the NPQ in Middle Leadership, with a further 273 continuing their studies. 36 have completed the NPQ in Senior Leadership, with a further 178 continuing their studies. These programmes show our commitment to staff becoming highly effective leaders; building the skills, confidence, and knowledge to drive successful team performance and improve classroom practice.

This year we introduced two new programmes to our leadership development portfolio, the Aspiring to Headship programme and the Senior Leadership Programme. These are free, flexible, bespoke and webinar-based modular courses for talented, aspiring and recently appointed leaders. They are open to both academy and independent school staff within secondary. The programmes run from January to December, bringing together leadership expertise, theory and practice, immersed in educational context, in order to develop and accelerate our most talented leaders. 34 staff members are participating in the Aspiring to Headship programme and 73 are completing the Senior Leadership Programme. Both programmes were already web-based so we were able to continue to run them during lockdown.

In order to achieve our ambitions, we need a strong supply of talented Head Teachers that are able to operate at system level, whether as an Executive Head or in regional or national roles within the Group. Our System Leadership programme is a three-year initiative for those identified for potential systems/executive level leadership is a central part of our growth strategy. The programme went from strength to strength in 2019/20, with the 7 participants in year three of the programme completing their training for ILM7 Executive Coaching and Mentoring. A further 16 commenced and completed year one of the programme, which included them taking part in personality profiling, behavioural interviews, development centres, coaching and two residential. The course sought to help leaders better understand the role of a system leader and support them with managing organisational and career transitions. In a change from the previous cohort, year two and three will see the participants completing the NPQ in Executive Leadership in partnership with UCL Institute of Education. During the summer term, we moved these programmes online so that participants could continue to follow them.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Objectives, strategies and activities (continued)**

##### **Inclusion, Diversity and Equality**

A priority for the Group this year was to take major steps forward in creating a much more diverse and inclusive workforce, paying particular attention to supporting careers in leadership for those from a BAME background. We sought volunteers from within schools to gather views, ideas and input from BAME staff locally to feedback to the Executive. Following this, in June, we ran our first BAME Leaders Conference, aimed at Black and Minority Ethnic Middle and Senior Leaders. The aim of the conference was to explore the role of United Learning's minority ethnic leaders in supporting the Group in creating a more diverse and inclusive organisation. Over 100 Leaders attended the virtual event, setting actions designed to support colleagues in the Group-wide continuous improvement of this priority.

##### **United Teaching**

Our Initial Teacher Training Scheme, United Teaching continues to move forward strongly with a well-established programme for early career teachers. During 2019/20, we recruited 125 people to train to teach with United Teaching. 100% of trainees 'passed' and were recommended for Qualified Teaching Status.

We have retained the highest number of graduates of this programme into our schools with 81% returning to complete their NQT year.

Ahead of the 2020/21 academic year, a further 184 (2019/20: 134) trainee teachers were recruited and attended our Summer Institutes in July and August.

##### **Partnership with Parents**

Communicating regularly with parents about their child's work and wellbeing is a core focus of every United Learning school. Our 2019 Learning from Parents Survey was completed by over 10,000 parents from across our academies and independent schools in both phases. Headline findings were:

- 97% of parents at independent secondary schools said they felt their child was safe at school whilst the equivalent figure for academy parents was 92%;
- 97% of parents at independent secondary schools said their child's teachers treat them with respect; the equivalent figure at academies was 94%;
- At independent prep schools, 99% of parents said their child's teachers treat them with respect; the equivalent figure at academy primaries was 98%.

Parents were similarly supportive during the lockdown period with 74% of parents who responded to the June Pulse Survey saying that they felt the school cared about them, their child and their needs.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### Objectives, strategies and activities (continued)

##### Growth of the Group

Over the course of the year, we were pleased to welcome the following new schools into the Charitable Group:

- **Cambridge Academy for Science and Technology, Coleridge Community College, Parkside Community College, Trumpington Community College and The Galfrid School** – which transferred in from the Cambridge Academic Partnership multi-academy trust;
- **The John Roan School** – a secondary school in Greenwich, London;
- **Ham Dingle Primary School** in the West Midlands; and
- **The Royal School** – a co-educational day and boarding independent school in Surrey.

We also agreed a Service Level Agreement support contract with **Marsden Heights Community College** in Lancashire.

##### Going concern

After making appropriate enquiries, including full consideration of the impact of the COVID-19 pandemic, the Board of Trustees has a reasonable expectation that the Charitable Group has adequate resources to continue in operational existence for the foreseeable future.

The impact of the COVID-19 pandemic has had a significant impact on the operations of the Charitable Group. The financial impact for ULT is not as significant as for some other organisations, with government grants, the main income stream, continuing to be paid as normal. The lockdown restrictions have, however, meant a reduction in other income streams such as lettings and hospitality, and additional costs have been incurred in areas such as property maintenance and cleaning to ensure schools are compliant with DfE COVID-secure guidance. ULT has been able to offset some of these costs through savings due to lower operating costs during lockdown, and claim income received for certain additional costs incurred when opening for keyworkers.

The financial impact on UCST has been greater due mainly to a reduction in income as discounts were awarded for the 2020 Summer Term in recognition that pupils did not receive the full experience expected at an Independent school during the initial lockdown period, resulting in a reduction of income. Further income reductions resulted as lettings and hospitality were cancelled. UCST also set up a £4m COVID-19 Hardship Fund to support those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic. However, these income reductions have been offset through making use of the government's Job Retention Scheme and by savings due to lower operating costs during lockdown.

The Charitable Group's bank loans with Barclays which were due to mature on 31 March 2021 have been extended for a further year to 31 March 2022. For both ULT and UCST various cashflow scenarios have been modelled for the period to 31st August 2022. The UCST forecast for the remainder of the year includes a reduction of income and minimal use of the CJRS up until April when the scheme currently ends. The worst-case scenarios for both use pessimistic assumptions and show that the Charitable Group continues to have sufficient cash reserves to meet its liabilities as they fall due during the forecast period. In preparing these forecasts, management have considered the different levers available to them which can improve

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

working capital at the low points in the headroom available, notwithstanding that these remain positive throughout. They have also considered the impact of the base and worst-case scenarios on debt covenants and concluded that these will not be breached. The different levers available to the Charitable Group, including a wide range of contingency measures which it could use to reduce costs and/or realise funds should that prove necessary, have enabled management to conclude that the break point in the forecasts with the most uncertain assumptions is sufficiently unrealistic and remote that there is no material uncertainty in management's going concern assessment.

Therefore, based on the current financial position and latest forecasts, the robustness of cash flow management and the level of financial reserves available in the cash flow scenarios, the Board of Directors are confident that the Charitable Group has adequate resources to continue to operate for the foreseeable future, being at least twelve months from the date of approval of these financial statements. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

**Financial Review**

The total surplus for the year amounted to £83.9m (2019: £30.8m). Included within these results was an actuarial loss on defined benefit pension schemes of £8.8m (2019: losses of £36.3m). The Charitable Group is not liable to pay corporation tax. The results also include the effect of acquisitions made during the year, as disclosed on the face of the Statement of Financial Activities as acquired operations. The surplus from acquired operations is set out on page 38. Further details of the financial effect of the acquisitions are given in note 7 to the financial statements.

The independent schools operated by the Charitable Group during the year are as follows:

AKS  
Ashford School  
Banstead Preparatory School  
Coworth Flexlands School  
Dunottar School  
Embley  
Guildford High School  
Hull Collegiate School  
Lincoln Minster School  
PHC Hitchin  
Rowan Preparatory School  
St. Ives (Haslemere)  
Surbiton High School  
The Royal School

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**Objectives, strategies and activities (continued)**

The Charitable Group is a sponsor of United Learning Trust ("ULT"), a subsidiary undertaking. ULT's aim is to found and manage a group of academies under the government initiative. Academies opened/joined to date are:

Manchester Academy	September 2003
Lambeth Academy	September 2004
Northampton Academy	September 2004
Salford City Academy	September 2005
Barnsley Academy	September 2006
Paddington Academy	September 2006
Sheffield Park Academy	September 2006
Sheffield Springs Academy	September 2006
Walthamstow Academy	September 2006
North Oxfordshire Academy	September 2007
William Hulme's Academy	September 2007
Swindon Academy	September 2007
Stockport Academy	September 2007
Accrington Academy	September 2008
Midhurst Rother College	January 2009
Kettering Buccleuch Academy	September 2009
Shoreham Academy	September 2009
The Regis School	January 2012
Southway Primary School	January 2012
Beacon View Primary Academy	January 2012
Hanwell Fields Community School	February 2012
Carter Community School	April 2013
Corngreaves Academy	June 2013
Timbertree Academy	June 2013
Nova Hreod Academy	January 2013
Winton College	September 2013
Wye School	September 2013
Wilberforce Primary School	September 2013
Glenmoor School	September 2013
The Victory Primary Academy	September 2013
Grange Primary Academy	September 2013
Abbey Hey Primary Academy	December 2013
Silverdale Primary Academy	January 2014
John Smeaton Academy	January 2014

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**Objectives, strategies and activities (continued)**

Cravenwood Primary Academy	April 2014
Seahaven Academy	April 2014
Goresbrook School	September 2014
Richard Rose Central Academy	September 2014
Richard Rose Morton Academy	September 2014
The Hurlingham Academy	January 2015
High Hazels Academy	January 2015
Walthamstow Primary Academy	September 2015
Hill View Primary School	October 2017
Newstead Wood School	October 2017
The Hyndburn Academy	November 2017
Bacon's College	March 2018
Castle View Academy	March 2018
Orchard Meadow Primary School	September 2018
Pegasus Primary School	September 2018
Windale Primary School	September 2018
Dukesgate Academy	February 2019
Irlam and Cadishead Academy	February 2019
Marlborough Road Academy	February 2019
The Albion Academy	February 2019
Longshaw Primary Academy	April 2019
Salisbury Manor Primary Academy	April 2019
Whittingham Primary Academy	April 2019
Winston Way Academy	April 2019
Avonbourne Boys' Academy	August 2019
Avonbourne Girls' Academy	August 2019
Cambridge Academy for Science and Technology	September 2019
Coleridge Community College	September 2019
Parkside Community College	September 2019
Trumpington Community College	September 2019
The Galfrid School	September 2019
The John Roan School	September 2019
Ham Dingle Primary School	September 2019

**Funds**

The value of the scholarship and prize funds to be utilised in future years is £363,000 (2019: £363,000) for appeal and sponsorship funds and other donated funds (see note 22).

The value of other restricted funds to be utilised in future years is £526,000 (2019: £526,000) for appeal and sponsorship funds and other donated funds (see note 22).

Unrestricted funds (before the pensions reserve) amount to £135,088,000 (2019: £127,846,000) and designated funds amount to £3,768,000 (2019: £206,000).

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

The assets are held in pursuance of the Charitable Group's objectives.

#### **Key performance indicators**

The Charitable Group operates using a number of performance indicators, some financial, others related to the educational outcome for the pupils. The key indicators are:

1. All schools to improve their academic performance within the year;
2. All academies to be removed from categories within appropriate Ofsted timeframe;
3. High quality trainee teachers recruited and in schools by the start of the next academic year;
4. The Academy Trust to achieve a balanced in-year budget and the Independent Schools to meet their surplus budgets in order to enable future investment in the Schools.

The Charitable Group's schools' educational results are set on pages 10 to 13, Ofsted results on page 11 and trainee recruitment progress on page 15.

#### **Plans for future periods**

On 1 September 2020, the Charitable Group welcomed **Sedgehill School** a secondary school in south east London, and on 1 November 2020, the Charitable Group also welcomed **Marsden Heights Community College** in Lancashire. We had been supporting both schools prior to them joining the Charitable Group.

In the next twelve months, the Charitable Group will continue to primarily grow in its existing cluster locations. This includes welcoming Harrop Fold School in Greater Manchester with whom we have agreed a Service Level Support Contract.

The Charitable Group aims to continue to increase the number of pupils educated at its schools. This will be through organic growth and through mergers with other schools. The Charitable Group will continue to strive to improve the levels of performance of its students at all levels and will continue its efforts to ensure its primary students are well prepared for their secondary education and its secondary students are able to get jobs or a place in further or higher education once they leave its schools.

#### **Funding**

The Trustees are satisfied that the Charitable Group's assets attributable to each of its individual funds are available and adequate to fulfil its obligations in relation to those funds.

#### **Fixed assets**

The Board is of the opinion that in aggregate the market value of the land and buildings, the precise amount of which is not quantified, exceeds the book value of the assets.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Risk assessment**

During the year under review, the Trustees and Senior Executives have formally identified, and documented, the major risks to which the Charitable Group is exposed. Those risks have been reviewed by the Risk and Audit Committee and risk management strategies have been implemented. Risk management is embedded in the day to day processes of the Charitable Group.

Principal risk areas for the Charitable Group are the protection of pupils and employees, and of assets and data. Procedures and governance to minimise these risks are constantly being reviewed and updated.

#### **COVID-19 Pandemic**

The Charitable Group has considered the live issues and future risks associated with the pandemic as part of the overall risk management framework and whilst enacting our Business Continuity plans at the start of lockdown. Each principal risk has been considered in light of the pandemic and additional mitigating actions and plans included accordingly.

#### **Safeguarding**

The Charitable Group has Safeguarding and Child Protection policies in place, which focus on the need to ensure that its pupils are safe, feel safe and are fully supported in this respect by their school. These policies, which are available online, also provide a framework for its schools to develop secure processes for identifying and supporting pupils at risk of abuse. The implementation and effectiveness of these policies and procedures, which adhere to Department for Education guidelines on safeguarding and child protection, are regularly monitored and reviewed. To further mitigate this risk, the Group has a central safeguarding officer.

#### **Health and safety**

The Charitable Group recognises its position as employer and the health and safety duties this entails. Roles and responsibilities across the organisation are defined in the Group Health and Safety Management Policy and subsidiary topic policies exist to communicate and promote the standards expected of all the Charitable Group's schools to ensure the health, safety and wellbeing of staff, students and other non-employees alike. The implementation of these policies is regularly monitored, and any incidents of significance are investigated with the intention of preventing recurrence.

#### **Financial Pressures**

The Charitable Group is reliant upon Government funding. An economic downturn could have a direct impact on the levels of funding available. Senior management and the Trustees aim to keep abreast of proposed changes to funding streams and these are taken into account when preparing medium term financial forecasts for each school. The political landscape is currently uncertain and possible changes in business rate relief rules would have a significant impact on the cost base of the Charitable Group.

The Charitable Group is reliant upon the parents paying its school fees promptly and an economic downturn could have a direct impact on parents' ability to pay their fees. The impact of the COVID-19 lockdowns also may mean international travel restrictions and therefore boarding numbers may reduce. Senior management and the Trustees therefore aim to keep abreast of COVID-19 restrictions and the economic conditions both in the UK and abroad. Overheads are carefully monitored to ensure that resources are used effectively.



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**Financial Pressures (continued)**

The markets in which the Charitable Group's schools operate are highly competitive. Consequently, the schools constantly review their processes to ensure that their pupils receive a first-class education that helps them to perform to their full ability in all aspects of school life.

A large proportion of the Charitable Group's costs relate to staff costs which are relatively fixed each year. There is a risk that a significant drop in income or further increases in pension contributions may lead to an inability to cover such costs at one or more of the schools or academies.

The Charitable Group also belongs to the Local Government Pension Scheme ("LGPS") run by the relevant Local Authority for non-teaching staff. Under the application of FRS 102, the contributions made by the Charitable Group to these funded defined benefit schemes currently results in pension deficits recorded in the Statement of Financial Activities. Under FRS 102, the Charitable Group is required to account for the requirement benefits when it is committed to provide them, even if the actual provision will be many years into the future. Whilst FRS 102 is may be seen as a better reflection of the obligations of the employer to fund pension promises to employees, it does not reflect the actual accounting arrangements of the Pension Fund. It requires the Charitable Group to recognise the total value of all pension obligations that have accumulated (including deferred pensions) as at 31 August each year.

A better reflection of a pension fund's actual position comes from the more detailed triennial assessment made by the fund actuary. This assesses and examines the ongoing financial position of the Pension Fund. The actuarial valuation can differ considerably from the FRS 102 valuation. It is the triennial actual valuation that is used to review contribution rates to the Fund from the Charitable Group, to ensure that existing assets and future contributions will be sufficient to meet future pension payments, and thus creates a risk in terms of increased contribution rates.

To mitigate these financial risks senior management closely monitor all costs, including increased pension contributions, against budgets on a monthly basis. Variance analysis is undertaken to consider the impact of varying income and costs when budgets are being prepared and through monthly management accounts and reforecasts, and action plans are prepared and implemented to address any adverse impacts. With regards to the LGPS risk we review the accounting reports prepared annually by the respective schemes' actuaries, and Parliament has agreed that in the event of an academy or multi-academy trust closure, any outstanding LGPS liabilities would be met by the DfE.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Data protection**

Policies and procedures are in place to ensure compliance with General Data Protection Regulations , with information security policies covering the risk of breach or loss of access.

#### **Financial risk management objectives and policies**

The Charitable Group uses various financial instruments including loans, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Charitable Group's operations.

The main risks arising from the Charitable Group's financial instruments are liquidity risk and interest rate risk, and compliance with the facilities covenant tests.

Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

Financial risk management is managed by the Central Office Finance Department who act as the Charitable Group's treasury function ensuring that surplus funds are deposited so as to maximise interest receivable. In addition, it uses the Charitable Group's facilities in the most efficient manner.

Those facilities are designed to ensure that the Charitable Group has sufficient available funds for day to day operations and for planned expansion and capital expenditure.

The Charitable Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities.

The maturity of borrowings is set out in Note 18 to the financial statements. In addition to these borrowings the Charitable Group has access to undrawn committed borrowing facilities of an additional £1.0m (2019: £1.0m).

The Charitable Group finances its operations through a mixture of retained surpluses and bank borrowings. The Charitable Group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating rate facilities.

The Charitable Group is exposed to price risk in terms of fees but is content that these are in line with those in the sector, and budgets accordingly. The principal credit risk for the Charitable Group arises from its debtors. Strict payment terms are enforced by the Charitable Group's credit control department and debt collection is outsourced as necessary. Credit risk is further managed through regular contact with any families in financial difficulty in an effort to assist.

Covenant tests are reviewed monthly based on the latest management accounts and cash flow forecasts to ensure compliance in advance of the reporting periods.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### Reserves

It is the policy of the Charitable Group to hold reserves in its unrestricted funds which have not yet been committed or designated for any particular purpose. The Trustees have set aside these reserves in order to protect the future operations of the Charitable Group from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice. The Trustees have set the level of these reserves after undertaking a thorough assessment of the Charitable Group's needs and have concluded that a level of six weeks' expenditure is prudent which is approximately £47.4m. At 31 August 2020 there were free cash reserves of £37.9m (2019: £35.9m) plus undrawn committed borrowing facilities of £9.6m (2019: £15.7m) which in total exceed the required needs."

Reserves defined as net current assets/(liabilities) excluding bank loans amount to a surplus of £3.2m (2019: deficit of £11.6m).

During the year a COVID-19 Hardship Fund of £4.0m was set up as a designated fund (see page 25). Deficit funds arising from valuation of the LGPS assets and liabilities do not impact the day to day operations of the Charitable Group. However, Trustees are mindful of the impact of the formal triennial valuations on future contribution rates when considering reserves requirements.

#### Investment policy

The Trustees pursue an investment policy achieving reasonable returns and invest within ethical guidelines.

Cash reserves, with the exception of ULT's, are used to set-off against borrowings to minimise interest charges to the Charitable Group.

ULT cash balances are invested with Brewin Dolphin, the Central Board of Finance of the Church of England and a small number of other banks depending upon the anticipated length of time of the investment.

During the year the investment strategy produced returns in line with the Charitable Group's expectations and market rates.

#### Public benefit

The Trustees confirm that they have referred to the Charity Commission's guidance on Public Benefit when reviewing the Charitable Group's aims and objectives and in planning future activities for the year.

The Charitable Group aims to educate as many young people as possible irrespective of their backgrounds. The main strands to its work are:

- Sponsorship of academies;
- Bursaries and other financial assistance;
- United Learning Partnership team, nurturing collaboration between schools and giving students and staff exceptional academic, sporting and cultural experiences.

As part of our commitment to public benefit, United Learning made the single biggest contribution of any organisation to the **Oak National Academy** – an online learning resource set up by the Government to support children learning remotely during the lockdown period.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Public benefit (continued)**

Post year-end we led a series of DfE webinars for school leaders nationally on remote learning, followed by webinars for teachers. The Charitable Group has also joined the DfE 'EdTech' programme to provide technology support to other schools nationally.

#### **Access policy**

The Charitable Group works very hard to offer education to as many pupils as possible throughout England. Through its bursary policy it widens the number of pupils attending UCST schools. By setting up, sponsoring and working very closely with ULT, pupils in state funded academies enjoy the same educational resources available throughout the Charitable Group's schools. The two Charitable Companies' schools can all access United Hub which enables teachers at any of the schools in the Group to collaborate, share resources and challenges, all positively impacting on workload.

#### **Bursary policy**

The ability to offer education to children of families who would not be able to afford the school fees is very important to the Charitable Group. As a result of the desire to help children in this way the Charitable Group continued to operate its schemes of means tested financial assistance and its separate schemes of scholarships and family discounts, where parents have more than one child at one of our schools.

Means tested assistance is available to those who would not otherwise be able to afford the fees and, equally importantly, in cases of hardship where pupil's education or future prospects might be at risk. Bursaries range in value from 5% to 100% of the school fee. During the year UCST granted £1.56m (2019: £1.60m) to pupils attending its schools under means tested assistance. This equated to 1.41% of gross fees (2019: 1.53%). Included within this were means tested grants to 18 children of clergy from a range of different churches. Further details of our bursary policy and how to apply are on our website.

In addition during the year, UCST granted £0.5m of discounts and £0.6m of payment deferrals from the £4m Hardship Fund set up during lockdown to support those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic.

#### **Environmental policy**

The Charitable Group recognises that good environmental management must be an integral and fundamental part of its corporate business strategy.

The Charitable Group believes that protection of the environment is an integral part of good educational practice. The Charitable Group is fully committed to its responsibility for minimising the environmental impacts of its operations and will continuously aim to improve its environmental performance through the careful management of the Estate.

The Charitable Group seeks to engage all members of the school community to develop a sustainable approach to their work and activities so as to help it achieve its aims. The Charitable Group's commitment includes the environmentally prudent management of its buildings and operations, collaboration with suppliers to improve its indirect environmental impacts, and environmental programmes and education for its employees and pupils.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Environmental policy (continued)**

At the beginning of the academic year, United Learning made a commitment to becoming a carbon neutral organisation within ten years – by the end of the 2029-30 academic year. We are working with The Carbon Trust to conduct a carbon footprint assessment across our schools while also developing a group-wide strategy to inform our prioritisation of areas to address. This will help inform both strategic efforts to minimise the daily impact of our carbon footprint – for example, through building maintenance – as well as how we continue to develop sustainability as an integral element of the curriculum in our schools. This work was paused in March as a result of COVID-19 but resumed over the summer.

As part of this work, all our schools have identified carbon neutral ambassadors whose remit is to share practice and ideas aimed at engaging pupils and staff in meeting our carbon neutral pledge.

#### **Streamlined Energy and Carbon Reporting**

##### **Consumption (kWh) and Greenhouse Gas emissions (tCO<sub>2</sub>e) Totals**

The following figures make up the baseline reporting for the Charitable Group, with this being the first year required to report this information.

Scope 1 consumption and emissions relate to direct combustion of natural gas, and fuels utilised for transportation operations, such as company vehicle fleets, and grey fleet.

Scope 2 consumption and emissions relate to indirect emissions relating to the consumption of purchased electricity in day to day business operations.

#### **Totals**

The total consumption (kWh) figures for energy supplies reportable by the Charitable Group are as follows:

<b>Utility and Scope</b>	<b>2019/20 UK Consumption (kWh)</b>
Grid-Supplied Electricity (Scope 2)	35,179,302
Gaseous and other fuels (Scope 1)	64,608,718
Transportation	610,332
<b>Total</b>	<b>100,398,352</b>

The total emission (tCO<sub>2</sub>e) figures for energy supplies reportable by the Charitable Group are as follows. Conversion factors utilities in these calculations are detailed in the reporting methodology:

<b>Utility and Scope</b>	<b>2019/20 UK Consumption (tCO<sub>2</sub>e)</b>
Grid-Supplied Electricity (Scope 2)	8,201.70
Gaseous and other fuels (Scope 1)	11,895.20
Transportation	143.80
<b>Total</b>	<b>20,240.70</b>

#### **Intensity Metric**

An intensity metric of tCO<sub>2</sub>e – Total number of pupils per the October census has been applied for the annual

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Streamlined Energy and Carbon Reporting (continued)**

total emissions of the Charitable Group.

The methodology of the intensity metric calculations are detailed below, and results of this analysis is as follows:

<b>Intensity Metric</b>	<b>2019/20 UK Intensity Metric</b>
tCO <sub>2</sub> e/m <sup>2</sup>	352.01

#### **Reporting Methodology**

Scope 1 and 2 consumption and CO<sub>2</sub>e emission data has been calculated in line with the 2020 UK Government environmental reporting guidance. The following Emission Factor Databases consistent with the 2019 UK Government environmental reporting guidance have been used, utilising the current published kWh gross calorific value (CV) and kgCO<sub>2</sub>e emissions factors relevant for reporting year 1 September 2019 to 31 August 2020:

Estimations undertaken to cover missing billing periods for properties directly invoiced to United Learning Trust were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 26% of reported consumption.

Intensity metrics have been calculated utilising the 2019/20 reportable figures for the following metrics, and tCO<sub>2</sub>e for both individual sources and total emissions were then divided by this figure to determine the tCO<sub>2</sub>e per metric

- Total number of pupils per October census      57,500

#### **Pay policy for key management personnel**

Details of the pay policy in respect of key management personnel is included on page 6 and in note 10.

#### **Equal opportunities**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Charitable Group aims to establish equal opportunities in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

#### **Employee involvement and the employment of the disabled**

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. Regular meetings are held with staff in our schools to brief them on major issues and discuss local issues. Each school also ensures that all staff are kept fully briefed through a variety of mechanisms, including notice boards, newsletters and the school Intranet. In addition, staff have the ability to access the Charitable Group website and intranet, United Hub, for more information.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Employee involvement and the employment of the disabled (continued)**

All new staff joining the Charitable Group are fully inducted and annually the Charitable Group runs two induction programmes, lasting two days, for all teachers new to the Charitable Group. The Charitable Group carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Trustees.

The Charitable Group has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy;
- Volunteers policy;
- Health & Safety policy.

The Charitable Group has in place a National Recognition Agreement with the main teaching and support unions. Regular joint meetings of the Joint Negotiating Committee ('JNC') are held with this group where matters of mutual interest are discussed and agreed upon.

The union members of the JNC report back to their members through locally appointed representatives.

In addition, local meetings are held in the school where the Head meets with the local representatives to discuss and agree any local issues. Each school also ensures all staff are kept fully briefed by using a variety of methods including staff meetings and newsletters.

In accordance with the Charitable Group's Equal Opportunities policy, the Charitable Group has long established fair employment practices in the recruitment, selection, retention and training of disabled staff. Full details of these policies are available from the Charitable Group's offices.

Details of the Charitable Group's Gender Pay report can be found on its website at [unitedlearning.org.uk](http://unitedlearning.org.uk)

#### **United Learning Trust trade union facility time**

The tables below set out ULT's trade union facility time data for the period from 1 April 2019 to 31 March 2020.

##### **Relevant Union Officials**

Total number of the Academy Trust employees who were relevant union officials during the relevant period (1 April 2019 to 31 March 2020).

Number of employees	Full time equivalent employee number
43	40

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**Relevant Union Officials (continued)**

**Percentage of time spent on facility time**

The percentage of their working hours that relevant unions' officials spent on facility time is as follows:

Percentage of Time	Number of Employees
0%	8
1 - 50%	35
51 - 99%	0
100%	0

**Percentage of pay bill spent on facility time**

Total cost of facility time	£73,938
Total pay bill	£246,460,000
Percentage of the total pay bill spent on facility time	0.03%

**Paid trade union activities**

As a percentage of total paid facilities time hours, the amount of time spent by relevant trade union officials during the relevant period on paid trade union activities.

Time spent on trade union activities as a percentage of total paid facility time hours	7.2%
--	------

**Section 172 Statement**

The Trustees fulfil their duty to promote the success of the Charitable Company and Group under Section 172 of the Companies Act 2006 (the Act) and consider the interests of UCSF's key stakeholders when making decisions as follows. The Charitable Group has a clear purpose which is to promote excellent education, providing strong schools that enable all young people to make a success of their lives. This requires the Board, senior leadership team and other employees to maintain an approach to strategic, financial and operational decision making that is values based and sustainable in approach, and therefore aligned to the requirements and expectations of Section 172. Our long-term success relies upon our delivering the strategic objectives described in the Trustees' report above through our talented and committed employees; close working relationships with regulators and suppliers, providing benefits to both the pupils in our schools and the wider school community.

In the light of our purpose and strategy as set out in the Trustees' Report our Trustees take steps to understand the needs and priorities of each stakeholder group and do so via a number of mediums, including by direct engagement through school visits and discussions with employees; parent and pupil surveys; and via committees and forums.

Strategic priorities are discussed with the Board at the start of each year. These are informed by our long-term vision, the outcomes for pupils and other key performance measures from the previous year and the outcomes of our stakeholder surveys. The Board sets key performance indicators and targets relating to these priorities and monitor performance against these at each Group Board meeting.



---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Section 172 Statement (continued)**

At Board meetings, the Trustees receive reports summarising the current status of each of our schools and highlighting any notable successes or concerns. Sub-committees, as described in the Governance Statement, meet to enable scrutiny of a wider range of data and reports and to review progress against the strategic objectives.

The Board has designated a named Trustee to act as the key link between the Board and LGBs, and with the education teams. The Board has also identified link Trustees for safeguarding, people, health & safety and estates, finance and information governance. Link Trustees attend relevant meetings of the executive and speak regularly with relevant key employees to provide regular oversight and ensure they understand the key issues facing the organisation and how these are being tackled.

All Trustees are invited to visit schools on a regular basis. These visits are generally scheduled alongside education teams so that they are able to observe the way in which Regional Directors/Education Directors engage with senior school staff in pursuing improvement priorities. Their notes of visits are shared with the Executive and with the Board.

United Church Schools Foundation is regulated by the Charity Commission and has due regard to the Commission's guidance. The Charitable Company is regulated by the Information Commissioner's Officer ("ICO"), and policies and procedures are in place to ensure compliance with General Data Protection Regulations, which have been shared with the ICO. ULT is regulated by the Department for Education ("DfE") and has due regard to the provisions of its funding agreements and the Academies Financial Handbook. Regular returns are submitted to the DfE and the Education and Skills Funding Agency ("ESFA"), and we have regular senior contact with both.

The Trustees consider relationships with suppliers through the oversight of the Group procurement policy and Modern Slavery statement. The impact of the Charitable Group's operations on the community is referred to in the Environmental Policy in the Trustees' report.

The outcomes of this engagement with our stakeholders informs Board decision making as described in the Trustees' report above.

#### **Statement of Trustees' (collectively known as the Board) responsibilities**

The Trustees (who are also directors of United Church Schools Foundation Ltd for the purposes of company law) are responsible for preparing the Trustees' Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and Group and of its incoming resources and application of resources, including the income and expenditure, of the Charitable Company and Group for that period.

In preparing these financial statements, the Trustees are required to:

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**Statement of Trustees' (collectively known as the Board) responsibilities (continued)**

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company and Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company and Group's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company and Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as that Trustee is aware there is no relevant audit information of which the Charitable Group's auditor are unaware;
- the Trustee has taken all steps that they ought to have taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charitable Group's auditor is aware of that information.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Group's website. Legislation in the United Kingdom governing the preparation and dissemination of Charitable Group's financial statements may differ from legislation in other jurisdictions.

The Trustees' Report (incorporating the Strategic Report), was approved by order of the board of Trustees, as the Company Directors, on 4 February 2021 and signed on the Board's behalf by:



**Mr Neil Davidson, Trustee**



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS FOUNDATION LTD

### **Opinion**

We have audited the financial statements of United Church Schools Foundation Ltd (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020, which comprise the Consolidated Statement of Financial Activities (incorporating Income and Expenditure Account), the Consolidated and Charitable Company Balance Sheets, the Consolidated Cash Flow Statement, the Consolidated Statement of Net Debt and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and the parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS FOUNDATION LTD

### **The impact of macro-economic uncertainties arising on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as COVID-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the trustees and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's and parent charitable company's future prospects and performance.

COVID-19 and Brexit are amongst the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the group's and parent charitable company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a group or parent charitable company associated with these particular events.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group or the parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Report incorporating the Strategic Report set out on pages 1 to 30 other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS FOUNDATION LTD

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Trustees' Report, prepared for the purposes of company law, included in the Trustees' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Trustees' Report included in the Trustees' Annual Report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Trustees' Report, included in the Trustees' Annual Report.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of the trustee's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees for the financial statements**

As explained more fully in the Statement of Trustees' (collectively known as the Board) responsibilities set out on page 29, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS  
FOUNDATION LTD**

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

**William Devitt FCA**  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes  
Date: 15/2/2021

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020**


---

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000	Total 2019 £'000
<b>Income</b>						
<b>Income from donations</b>						
Voluntary income	5	3,148	144	-	3,292	4,156
Net assets transferred from other charities and on conversion	7	3,050	100,099	-	103,149	84,261
<b>Income from charitable activities</b>						
School fees receivable	2	96,986	-	-	96,986	96,347
Other educational related activities	3	15,347	-	-	15,347	14,917
Grants from Department for Education	4	-	329,054	-	329,054	253,530
Rents and lettings		253	-	-	253	313
<b>Income from other trading activities</b>						
Trading income		4,344	-	-	4,344	5,967
<b>Income from investments</b>						
Investment income	6	331	-	-	331	374
<b>Other income</b>						
Gains on disposals of tangible fixed assets		627	-	-	627	320
<b>Total income</b>		<b>124,086</b>	<b>429,297</b>	<b>-</b>	<b>553,383</b>	<b>460,185</b>
<b>Acquired operations</b>		<b>8,010</b>	<b>127,473</b>	<b>-</b>	<b>135,483</b>	<b>107,097</b>
<b>Continuing operations</b>		<b>116,076</b>	<b>301,824</b>	<b>-</b>	<b>417,900</b>	<b>350,135</b>
<b>Discontinued operations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,953</b>

In 2019, of total income from acquired operations, £16,045k was to unrestricted funds and £91,052k was to restricted funds and total income from discontinued operations was to unrestricted funds.

The notes on pages 46-90 form part of these financial statements.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020**


---

	Note	Unrestricted Funds £'000	Restricted Funds £'000	Endowment funds £'000	Total 2020 £'000	Total 2019 £'000
<b>Expenditure</b>						
<b>Expenditure on raising funds</b>						
Trading expenditure		2,332	-	-	2,332	2,589
<b>Expenditure on charitable activities</b>						
School and academy operating costs, project management and finance costs		<u>110,895</u>	<u>347,420</u>	<u>-</u>	<u>458,315</u>	<u>390,562</u>
<b>Total expenditure</b>	8	<u>113,227</u>	<u>347,420</u>	<u>-</u>	<u>460,647</u>	<u>393,151</u>
<b>Acquired operations</b>		<b>5,705</b>	<b>28,358</b>	<b>-</b>	<b>34,063</b>	23,821
<b>Continuing operations</b>		<b>107,522</b>	<b>319,062</b>	<b>-</b>	<b>426,584</b>	366,932
<b>Discontinued operations</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	2,398

In 2019, of total expenditure on acquired operations, £4,622k was from unrestricted funds and £19,199k was from restricted funds. Expenditure on discontinued operations was all from unrestricted funds.

The notes on pages 46-90 form part of these financial statements.



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020**


---

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000	Total 2019 £'000
<b>Net incoming resources before investment gains and transfers</b>		10,859	81,877	-	92,736	67,034
<b>Acquired operations</b>		2,305	99,115	-	101,420	83,276
<b>Continuing operations</b>		8,554	(17,238)	-	(8,684)	(16,797)
<b>Discontinued operations</b>		-	-	-	-	555
Net (losses)/gains on investments		(51)	18	-	(33)	70
<b>Net income before other recognised gains and losses</b>		10,808	81,895	-	92,703	67,104
Transfers between funds		(15)	15	-	-	-
Actuarial losses on defined benefit pension schemes	28	(278)	(8,507)	-	(8,785)	(36,314)
<b>Net movement in funds for the year</b>		10,515	73,403	-	83,918	30,790
<b>Acquired operations</b>		2,305	100,764	-	103,069	84,925
<b>Continuing operations</b>		8,210	(27,361)	-	(19,151)	(54,690)
<b>Discontinued operations</b>		-	-	-	-	555
Funds brought forward at 1 September 2019		125,701	516,928	277	642,906	612,116
<b>Funds carried forward at 31 August 2020</b>		136,216	590,331	277	726,824	642,906

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020**

---

In 2019, of net incoming resources before investment gains and transfers from acquired operations, £11,423k was to unrestricted funds and £71,853k was to restricted funds. Discontinued operations were to unrestricted funds.

In 2019, of the net movement in funds from acquired operations, a surplus of £11,423k was to unrestricted funds and £73,502k was to restricted funds. Discontinued operations were to unrestricted funds.

The notes on pages 46-90 form part of these financial statements.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2020**


---

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Intangible assets	12	2,254	1,919
Tangible assets	13	874,993	773,702
Investments	11	9,898	9,711
		<u>887,145</u>	<u>785,332</u>
<b>Current assets</b>			
Stocks	14	200	227
Debtors	15	55,677	52,851
Cash and cash equivalents	25	37,889	35,882
		<u>93,766</u>	<u>88,960</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(105,002)</u>	<u>(116,971)</u>
<b>Net current liabilities</b>		<u>(11,236)</u>	<u>(28,011)</u>
<b>Total assets less current liabilities</b>		<b>875,909</b>	<b>757,321</b>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(15,003)</u>	<u>(9,348)</u>
<b>Net assets excluding pension liability</b>		<b>860,906</b>	<b>747,973</b>
<b>Defined benefit pension scheme liabilities</b>	28	<u>(134,017)</u>	<u>(105,002)</u>
<b>Net assets including pension liability</b>		<u><b>726,889</b></u>	<u><b>642,971</b></u>

The notes on pages 46-90 form part of these financial statements.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2020**


---

	Note	2020 £'000	2019 £'000
<b>Capital</b>			
Called up share capital	19	65	65
<b>Capital funds</b>			
Endowment fund	20	277	277
<b>Income funds</b>			
Restricted funds			
Restricted general funds	22	720,819	618,690
Other restricted funds	22	889	889
		<u>721,708</u>	<u>619,579</u>
Pension reserve	22	<u>(131,377)</u>	<u>(102,651)</u>
		590,331	516,928
Unrestricted funds	21	135,088	127,846
Pension reserve	21	(2,640)	(2,351)
Designated funds	21	<u>3,768</u>	<u>206</u>
		<u>136,216</u>	<u>125,701</u>
		<u>726,889</u>	<u>642,971</u>

The financial statements were approved by the Board and authorised for issue on 4 February 2021 and signed on its behalf by:

*Neil Davidson*

Mr Neil Davidson, Trustee

The notes on pages 46-90 form part of these financial statements.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**CHARITABLE COMPANY BALANCE SHEET AS AT 31 AUGUST 2020**


---

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Tangible assets	13	181,384	178,955
Investments	11	<u>625</u>	<u>607</u>
		<b>182,009</b>	<b>179,562</b>
<b>Current assets</b>			
Debtors	15	1,969	408
Cash and cash equivalents		<u>2</u>	<u>3</u>
		<b>1,971</b>	<b>411</b>
<b>Creditors: amounts falling due within one year</b>	16	<u>(43,534)</u>	<u>(51,397)</u>
<b>Net current liabilities</b>		<u>(41,563)</u>	<u>(50,986)</u>
<b>Total assets less current liabilities</b>		<b>140,446</b>	<b>128,576</b>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(14,696)</u>	<u>(9,029)</u>
<b>Net assets</b>		<u><b>125,750</b></u>	<u><b>119,547</b></u>
<b>Capital</b>			
Called up share capital	19	65	65
<b>Capital funds</b>			
Endowment fund	20	277	277
<b>Income funds</b>			
Restricted funds	22	696	678
Unrestricted funds	21	124,691	118,506
Designated funds	21	<u>21</u>	<u>21</u>
		<u><b>125,750</b></u>	<u><b>119,547</b></u>

The Charitable Company generated a surplus for the year of £6.203m (2019: £8.562m).

The financial statements were approved by the Board and authorised for issue on 4 February 2021 and signed on its behalf by:

*Neil Davidson*

Mr Neil Davidson, Trustee

The notes on pages 46-90 form part of these financial statements.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**


---

	Note	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	24	<b>17,303</b>	10,366
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<b>(22,692)</b>	(22,303)
Purchase of intangible fixed assets		<b>(460)</b>	(764)
Proceeds from the sale of tangible fixed assets		<b>5,327</b>	13,231
Purchase of investments		<b>(1,710)</b>	(2,555)
Proceeds from the sale of investments		<b>1,671</b>	2,318
Dividends and interest received from fixed asset investments		<b>331</b>	374
ESFA capital grants received		<b>10,443</b>	15,029
Net cash acquired in business combinations		<b>336</b>	622
<b>Net cash (used in)/from investing activities</b>		<b>(6,754)</b>	5,952
<b>Cash flows from financing activities</b>			
Repayment of borrowings		<b>(5,060)</b>	(4,743)
Receipt of new bank loans		<b>6,100</b>	-
Repayment of finance leases		<b>(20)</b>	(19)
Cash inflows from finance leases		<b>-</b>	65
Interest paid		<b>(546)</b>	(1,993)
<b>Net cash from/(used in) financing activities</b>		<b>474</b>	(6,690)
<b>Change in cash and cash equivalents in the year</b>		<b>11,023</b>	9,628
Cash and cash equivalents brought forward		<b>20,458</b>	10,830
<b>Cash and cash equivalents carried forward</b>	25	<b>31,481</b>	20,458

The notes on pages 46-90 form part of these financial statements.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**CONSOLIDATED STATEMENT OF NET DEBT FOR THE YEAR ENDED 31 AUGUST 2020**


---

	At 1 September 2019 £'000	Cash flows £'000	Debt acquired £'000	New bank loans £'000	Repayment of bank loans £'000	At 31 August 2020 £'000
Cash and cash equivalents	20,458	9,983	-	6,100	(5,060)	<b>31,481</b>
Debt due within one year	(16,453)	-	(2,626)	-	4,626	<b>(14,453)</b>
Debt due after one year	(9,074)	20	-	(6,100)	434	<b>(14,720)</b>
	<b>(5,069)</b>	<b>10,003</b>	<b>(2,626)</b>	<b>-</b>	<b>-</b>	<b>2,308</b>

The notes on pages 46-90 form part of these financial statements.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

---

#### 1 Accounting Policies

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

United Church Schools Foundation Ltd meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### 1.2 Consolidation

The Charitable Group financial statements consolidate those of the Charitable Company and of its subsidiary undertakings as disclosed in note 11. Acquisitions are accounted for under the acquisition method. The results of the Charitable Company's subsidiaries have been incorporated on a line by line basis. Surpluses or deficits on intra group transactions are eliminated in full. On acquisition of a subsidiary, all of the subsidiary's assets and liabilities which exist at the date of acquisition are recorded at their fair values reflecting their condition at that date.

In the 12 months following acquisition, fair values are reassessed and adjusted for such matters as increased liabilities and provisions that may emerge during that period.

United Learning Trust has been consolidated as a 100% subsidiary undertaking on the basis that it operates as a wholly owned subsidiary and the control of all day to day activities is held by United Church Schools Foundation Ltd via United Church Schools Trust.

The Charitable Company has taken advantage of the disclosure exemption permitted by Section 1.11 of FRS 102 from the requirement to prepare a company Cash Flow Statement, by virtue of the fact that consolidated financial statements are prepared.

##### 1.3 Income

All income is recognised once the Charitable Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions or there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met.

School fees receivable are accounted for in the period during which the service is provided, and are stated after the deduction of bursaries, remissions and other allowances granted by the Charitable Group.

Donated services or facilities are recognised at fair value when the Charitable Group has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charitable Group of the item is probable and that economic benefit can be measured reliably.



---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

---

#### Accounting Policies (continued)

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

#### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Charitable activities are costs incurred in the Charitable Group's educational operations. Governance costs are those incurred in connection with administration of the Charitable Group and compliance with constitutional and statutory requirements.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Charitable Group's educational operations, including support costs and costs relating to the governance of the Charitable Group apportioned to charitable activities.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

Exceptional items are material items of income and expenditure which by virtue of their size and nature are separately disclosed to assist in the better understanding of the Charitable Group's performance. This includes non-recurring costs arising from the closure of a school.

All resources expended are inclusive of irrecoverable VAT.

#### 1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Group and which have not been designated for other purposes.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

---

#### **Accounting Policies (continued)**

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements. The pension reserve funds relate to the deficits arising on valuation of the various Local Government Pension Schemes in which the Group is a participating employer and other unfunded pension obligations. Pension reserve funds arising from the Charitable Group's academy schools are restricted by virtue of the fact that these are funded by restricted grant income from the Department for Education. All other pension reserves are unrestricted funds.

Endowment funds are funds which are held as capital. They represent the cost value of tangible fixed assets.

#### **1.6 Company status**

The Charitable Company is a company limited by share capital, incorporated in England and Wales (No. 00018582) and regulated by its Memorandum and Articles of Association.

#### **1.7 Going concern**

The Trustees assess whether the use of going concern is appropriate, considering whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charitable Group to continue as a going concern. The Trustees make this assessment in respect of a period at least one year from the signing date of these financial statements. The Trustees have considered the effects of the COVID-19 pandemic in reaching their conclusions, preparing an annual budget and monitoring performance against it with forecasts for the balance of the financial year and beyond, and preparing a range of cash flow forecast scenarios. The Charitable Group maintains reserves to meet unexpected obligations and forecast models indicate that, even allowing for the economic impacts of the pandemic, the Charitable Group has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis as discussed in the Trustees' Report on pages 17 and 18.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**Accounting Policies (continued)**

**1.8 Intangible fixed assets and amortisation**

Intangible assets are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation begins when the intangible asset is available for use, and is charged straight line over the useful economic life of 8 – 10 years.

**1.9 Tangible assets and depreciation**

Tangible assets are carried at cost or valuation, net of depreciation and any provision for impairment. Valuation relates to tangible fixed assets donated to the Charitable Group which are capitalised based upon either an independent valuation or a members' valuation following consultation with a professional valuation firm which then represents the deemed historic cost of the asset.

Long term leaseholds on academy conversion are included in the Balance Sheet at cost on signature of the lease assignment, representing the point at which the Charitable Group takes over the risks and rewards associated with ownership. Cost is determined with reference to available third party valuations conducted by the Education and Skills Funding Agency. Where these are not made available, other suitably reliable measurement methods including deemed replacement cost and market appraisals conducted by appropriately qualified experts are utilised.

Where tangible assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fund in the Statement of Financial Activities.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicated that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use. Borrowing costs are not capitalised.

Depreciation is provided at rates calculated to write off the cost of fixed assets excluding freehold land and investment properties, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	- 50 years
Long term and short term leasehold improvements	- Term of the lease
Motor vehicles	- 4 years
Fixtures and fittings	- 10 years
Computer equipment	- 3 years

Freehold land is not depreciated.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**Accounting Policies (continued)****1.10 Investments**

Listed fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are measured at cost less accumulated impairment.

**1.11 Goodwill**

Goodwill, arising on the acquisition of a subsidiary (whether positive or negative), represents the excess of the fair values of the consideration given over the fair values of the identifiable net assets acquired and is capitalised and then amortised on a straight line basis over its useful economic life. It is tested for impairment and written off when it is impaired.

**1.12 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Financial Activities.

**1.13 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Group; this is normally upon notification of the interest paid or payable by the Bank.

**1.14 Operating leases: the Charitable Group as lessee**

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

The Group has four academies with buildings under Private Finance Initiative (PFI) contracts.

The Transfer Agreement does not transfer the ownership of the new school built by the Contractor to the Local Authority until the end of the Project Agreement. Whilst the PFI agreement remains between the Local Authority and the Contractor, the Charitable Company makes an Academy Contribution to the unitary charge via the Schools Agreement to cover the service element of the charge.

The Trustees have considered the risks and rewards associated with the agreement and consider that these represent operating lease agreements, as risks and rewards associated with the PFI buildings are not transferred to the Trust until the end of the contract and it does not control the assets during this period. Accordingly, the Academy Contributions are recognised as operating charges in the Statement of Financial Activities on a straight line basis over the life of the contract.

At the end of the PFI contract, the risks and rewards will transfer to the Local Authority and then to the Charitable Group as part of a long lease at which point the buildings will be capitalised.

---

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

---

#### Accounting Policies (continued)

##### 1.15 Finance leases: the Charitable Group as lessee

Assets obtained under finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Charitable Group. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance cost element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.16 Taxation

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### 1.17 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

##### 1.18 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 1.19 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charitable Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### 1.20 Financial instruments

The Charitable Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**Accounting Policies (continued)**

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Charitable Group would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**1.21 Pensions**

The Charitable Group makes contributions to a number of defined contribution pension plans for non-teaching staff and the pension charge represents the amounts payable by the Charitable Group to the fund in respect of the year.

Retirement benefits to teaching staff are provided by the Teachers' Pension Scheme ("TPS") and to certain non-teaching staff by the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charitable Group in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 28, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and assets are held separately from those of the Charitable Group in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**Accounting Policies (continued)**

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

**1.22 Conversion to academy trust and transfer in of existing academies and schools**

The conversion from a state maintained school to an academy or the transfer into the Group of an existing academy or school involve the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion or transfer from each school to the Group have been valued at their fair value and recognised on the Balance Sheet at the point when the risks and rewards of ownership pass to the Group. Their fair value is determined in accordance with the accounting policies set out for the Charitable Group. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds and restricted funds. Further details of the relevant transactions are set out in note 7.

**1.23 Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Charitable Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts and liabilities within the next financial year are discussed below.

*Actuarial valuations for Local Government Pension Schemes*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

*Unfunded pension obligations*

The Charitable Group has also made provision for unfunded pension obligations. The key assumptions made in computing this provision comprise mortality assumptions and discount rates, with the total obligation arising as a result having been disclosed in note 28. Any changes in these assumptions would impact the carrying amount of the liability.

*Conversion of academies joining the group and transfer in of donated assets*

When new schools convert to academy status and join the Charitable Group, existing academies or schools join the Charitable Group or assets are donated to the Charitable Group, estimates are made in respect of the fair value of assets and liabilities transferred, using available information as well as in-house expertise.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**Accounting Policies (continued)**

*Buildings occupied under PFI Agreements*

At four of its academies, the Charitable Group occupies buildings under PFI agreements with the local authority and has applied judgement in determining that these buildings should not be capitalised on the balance sheet. In making this judgement, the Charitable Group considers the risks and rewards associated with the buildings and to what extent it has control over these and for what period. In making this assessment, judgement is also applied in determining what substance the arrangements take between the Charitable Group and the respective Local Authorities.

The Charitable Group has concluded that the arrangements represent an operating lease on the basis that only the services elements are charged to the Charitable Group and it does not control the assets and has neither the rights of rewards from ancillary use of the building nor the risks associated with maintenance, insurance and replacement during the life of the agreement which also is not substantially all of the assets' useful economic life.

*Depreciation of tangible fixed assets*

Depreciation is computed based on the best estimate of the useful economic lives of the relevant assets and their ultimate residual value.

*Impairment of tangible fixed assets*

An impairment review has been undertaken to consider the impact of COVID-19, at present the Trustees are not aware of any potential indicators of impairment, the specialist nature of the property assets meaning the majority are held on depreciated replacement cost and therefore their value is not linked to market.

**2 Fees and surplus on ordinary activities**

The fees and surplus on ordinary activities are attributable to the operation of schools under the Charitable Group's individual Charitable Company objects.

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Gross fee income receivable	<b>110,708</b>	104,489
Scholarships, bursaries and reduced fees	<b>(15,142)</b>	(10,166)
	<b>95,566</b>	94,323
Catering income	<b>1,420</b>	2,024
Net fee income receivable	<b>96,986</b>	96,347

In 2019 of the total income, £96,347k was income from unrestricted funds, and £nil was income from restricted funds.



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**3 Other educational related income**

	2020 £'000	2019 £'000
Accounting services to other schools	537	719
Pupil registration fees	260	276
Charges for additional classes	1,002	1,039
Income from Government's Coronavirus Job Retention Scheme	3,529	-
Trip income	1,555	3,009
Other miscellaneous school income	8,464	9,874
	<u>15,347</u>	<u>14,917</u>

In 2019 of the total income, £14,917k was income from unrestricted funds, and £nil was income from restricted funds.

Other miscellaneous school income comprises revenue generated from activities ancillary to the provision of education at each individual school or academy in the Charitable Group.

**4 Grants from DfE**

	2020 £'000	2019 £'000
<b>Grants from Department for Education:</b>		
Capital grants for new buildings	17,328	7,592
Revenue grants for operating costs of existing academies	311,726	245,938
	<u>329,054</u>	<u>253,530</u>

In 2019 of the total income, £nil was income from unrestricted funds, and £253,530k was income from restricted funds.

**5 Voluntary income**

	2020 £'000	2019 £'000
Other sponsorship and donations received	3,282	4,156
Gift aid – COVID-19 donations	10	-
	<u>3,292</u>	<u>4,156</u>

In 2019 of the total income, £4,019k was income from unrestricted funds, and £137k was income from restricted funds.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**6 Investment income**

Investment income comprises income from:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Listed investments	<b>258</b>	285
Bank deposits	<b>73</b>	89
	<b><u>331</u></b>	<u>374</u>

In 2019 of the total income, £374k was income from unrestricted funds, and £nil was income from restricted funds.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**7 Net assets transferred from other charities and on conversion**
**Existing academies acquired in the year:**

On 1 September 2019 shown below, the academies within Cambridge Academic Partnership, an existing multi-academy trust, joined the Charitable Group. The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

	ULT £'000	Total £'000
<b>Cambridge Academic Partnership</b>		
Fixed assets	67,367	67,367
Current assets	2,043	2,043
Creditors due in less than one year	(1,219)	(1,219)
Defined benefit pension scheme liabilities	(3,183)	(3,183)
	<u>65,008</u>	<u>65,008</u>
Net assets		

There was no consideration paid, and the net assets acquired totalling £65,008k have therefore been recorded within voluntary income as net assets transferred from other charities.

**Academies recognised on conversion in the year:**

On 1 September 2019, the schools below converted to academy status under the Academies Act 2010 and all the operations and liabilities were transferred to the Charitable Group from the respective Local Authorities for £nil consideration.

	ULT £'000	Total £'000
<b>Ham Dingle Primary Academy</b>		
Fixed assets	2,138	2,138
Current assets	34	34
Defined benefit pension scheme liabilities	(691)	(691)
	<u>1,481</u>	<u>1,481</u>
Net assets		
<b>The John Roan School</b>		
Fixed assets	35,397	35,397
Current assets	485	485
Defined benefit pension scheme liabilities	(1,807)	(1,807)
	<u>34,075</u>	<u>34,075</u>
Net assets		

There was no consideration paid, and the net assets acquired totalling £35,556k have therefore been recorded within voluntary income as net assets transferred from other charities.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**7 Net assets transferred from other charities on conversion (continued)**
**Business combinations in the year:**

On 1 November 2019, the Charitable Group acquired the trade and certain assets and liabilities of The Royal School Haslemere for £nil consideration.

	UCSF £'000	UCST £'000	Total £'000
<b>Total net assets from above transfers</b>			
Freehold land and buildings	6,975	-	6,975
Other fixed assets	-	452	452
Stocks	-	-	-
Debtors	-	333	333
Cash and cash equivalents	-	(1,792)	(1,792)
Creditors due within one year	-	(3,310)	(3,310)
Creditors due in more than one year	-	(73)	(73)
	<u>6,975</u>	<u>(4,390)</u>	<u>2,585</u>

There was no consideration paid, and the net assets acquired totalling £2,585k have therefore been recorded within voluntary income as net assets transferred from other charities.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**8 Analysis of total resources expended**

	Staff costs £'000	Other costs £'000	Depreciation and amortisation £'000	Total 2020 £'000	Total 2019 £'000
<b>Expenditure on raising funds</b>					
Trading expenditure	1,329	969	34	2,332	2,589
<b>Total expenditure on raising funds</b>	<b>1,329</b>	<b>969</b>	<b>34</b>	<b>2,332</b>	<b>2,589</b>
<b>Charitable activities</b>					
Schools operating costs					
Education costs	272,666	20,447	-	293,113	242,589
Catering	836	10,389	-	11,225	12,056
Premises and services	10,737	31,612	-	42,349	37,630
Technology	9,540	7,764	-	17,304	12,550
Marketing	895	1,476	-	2,371	2,372
Administration and other costs	40,258	20,162	-	60,420	60,029
Exceptional cost:					
School acquisition and closure costs	-	211	-	211	793
Bank interest payable and charges	-	794	-	794	848
Depreciation and amortisation	-	-	25,521	25,521	20,917
Loss on disposals of tangible fixed assets	-	-	4,216	4,216	-
Corporation tax	-	13	-	13	(7)
Governance costs:					
Group secretarial costs	242	35	-	277	283
Audit and accountancy fees – Auditor's remuneration	-	285	-	285	279
Audit and accountancy fees – Sub-auditors	-	44	-	44	42
Other governance costs	-	171	-	171	177
Members' meetings and travel expenses	-	1	-	1	4
<b>Total expenditure on charitable activities</b>	<b>335,174</b>	<b>93,404</b>	<b>29,737</b>	<b>458,315</b>	<b>390,562</b>
<b>Total resources expended</b>	<b>336,503</b>	<b>94,373</b>	<b>29,771</b>	<b>460,647</b>	<b>393,151</b>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**8 Analysis of total resources expended (continued)**

Exceptional costs incurred in school mergers, acquisitions and disposals during the year ended 31 August 2020 amounted to £211k (2019: £793k).

Exceptional costs incurred in relation to the COVID-19 outbreak during the year ended 31 August 2020 amounted to £2,074k (2019: £nil).

All exceptional costs noted above are net after deducting associated exceptional income, and certain costs such as exceptional fee discounts, are set directly against income in the financial statements.

Total resources expended include:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Auditor's remuneration – audit of the Charitable Company	17	16
Auditor's remuneration – audit of the accounts of subsidiary undertakings	191	191
Auditor's remuneration – tax compliance fees	-	-
Auditor's remuneration – other assurance fees	39	37
Auditor's remuneration – all non audit services not covered above	36	35
Subsidiary auditor's remuneration – component auditor	44	42
Depreciation:		
Tangible fixed assets, owned	25,402	20,799
Tangible fixed assets, financed	28	28
Loss /(profit) on sale of fixed assets	3,589	(320)
Amortisation	125	125
Operating lease rentals	2,017	2,156

Subsidiary auditor's remuneration – component auditor in the period is payable to a different firm than the statutory group auditor.

**Surplus for the financial year**

The Charitable Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Financial Activities in these financial statements. The Group surplus for the year includes a surplus of £6.203m (2019: £8.562m) relating to United Church Schools Foundation Ltd which is dealt with in the financial statements of the Charitable Group.

**9 Net interest**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
On bank loans and overdrafts	546	593
Interest on Local Government Pension Schemes	2,061	1,400
	<b>2,607</b>	1,993

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**10 Members and employees**

Staff costs during the year were as follows:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Wages and salaries	<b>247,056</b>	211,991
Social security costs	<b>22,023</b>	18,706
Other pension costs	<b>59,552</b>	39,192
	<b>328,631</b>	269,889
Supply teacher costs	<b>6,195</b>	5,526
Staff restructuring costs	<b>1,677</b>	1,782
	<b>336,503</b>	277,197

The average number of employees during the year was 9,495 (2019: 8,357).

The emoluments of the higher-paid employees fell within the following ranges:

	<b>2020</b>	2019
	<b>Number</b>	Number
£60,001 to £70,000	<b>163</b>	122
£70,001 to £80,000	<b>63</b>	46
£80,001 to £90,000	<b>36</b>	37
£90,001 to £100,000	<b>31</b>	18
£100,001 to £110,000	<b>14</b>	8
£110,001 to £120,000	<b>9</b>	10
£120,001 to £130,000	<b>6</b>	5
£130,001 to £140,000	<b>3</b>	6
£140,001 to £150,000	<b>5</b>	3
£150,001 to £160,000	<b>1</b>	2
£160,001 to £170,000	<b>4</b>	1
£170,001 to £180,000	<b>1</b>	2
£220,001 to £230,000	<b>1</b>	1
£230,001 to £240,000	<b>1</b>	-
£240,001 to £250,000	<b>-</b>	1
£250,001 to £260,000	<b>1</b>	-

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**10 Members and employees (continued)**

During the year, the following amounts were paid to higher paid employees as shown above:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Pension contributions to defined contribution, Teachers' Pension Scheme and Local Government Pension Scheme	<u><b>5,518</b></u>	<u>3,114</u>

During the year, 27 higher paid employees (2019: 31) participated in defined contribution schemes, 295 (2019: 218) participated in the Teachers' Pension Scheme (operated by the Teachers' Pension Agency), 15 (2019: 13) participated in Local Government Pension Scheme and 2 (2019: nil) did not participate in any scheme.

None of the Trustees received any remuneration in the year (2019: none).

Expense reimbursements paid to 6 Trustees of Group entities were £641 (2019: £3,259) and all related to travel and subsistence costs.

The remuneration for Key Management Personnel; as defined in the Reference and Administration details, totalled £1,315,257 (2019: £1,430,128). This remuneration was recorded as an expense in UCST.

During the year, there were redundancy or termination payments made which amounted to £1,677k (2019: £1,782k).



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**11 Fixed asset investments**

	<b>Listed investments and investment funds £'000</b>
<b>The Charitable Group</b>	
Valuation	
At 1 September 2019	9,711
Additions	1,710
Transfers from other charities	181
Disposals	(1,675)
Loss on revaluation	(29)
	9,898
<b>At 31 August 2020</b>	<b>9,898</b>

Listed investments are stated at their bid price as at the Balance Sheet date.

The Charitable Group did not hold any investments in individual securities that represent more than 5% of the fund value.

	<b>Investment funds £'000</b>
<b>The Charitable Company</b>	
Valuation	
At 1 September 2019	607
Surplus on revaluation	18
	625
<b>At 31 August 2020</b>	<b>625</b>

The Charitable Company did not hold any investments in individual securities that represent more than 5% of the fund value.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**11 Fixed asset investments (continued)**

At 31 August 2020, the Charitable Company held more than 20% of the following:

	Company number	Class of share capital held	Cost of Investment		Proportion held		Nature of business
			£	Directly	Indirectly		
United Church Schools Trust (Limited by Guarantee)	02780748	-	-	100%	-	Education	
The Church Schools Trading Company Limited	02724038	Ordinary £1	2	100%	-	School lettings, uniform shops	
United Learning Trust (Limited by Guarantee)	04439859	-	-	-	100%	Education	
ULT Projects Limited	04717890	Ordinary £1	100	-	100%	Dormant	
ULT Trading Company Limited	06791313	Ordinary £1	100	-	100%	School lettings	
Bradtime Limited (dissolved on 22 September 2020)	02709055	Ordinary £1	2	-	100%	Dormant	
St. Ives (Haslemere) Limited (Limited by Guarantee)	00724728	-	-	-	100%	Dormant	
Regis Community Arena Limited (Limited by Guarantee)	07879081	-	-	-	100%	Provision of sports facilities & nursery care	
Priory School (Banstead) Trust Limited	00346881	-	-	-	100%	Dormant	
Bacon's College Community Services Limited	05321174	-	-	-	100%	School lettings	
Bacon's College Educational & Community Services Limited	02813215	Ordinary £1	-	-	100%	Dormant	
The Silver Birch Academy (Limited by Guarantee) (dissolved on 22 September 2020)	08107310	-	-	-	100%	Dormant	

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**11 Fixed asset investments (continued)**

The United Learning Trust has been consolidated as a 100% subsidiary undertaking on the basis that it operates as a wholly owned subsidiary. All of the Charitable Company's reserves are shown as restricted in the Charitable Group's financial statements as they can only be applied in operating academies on behalf of the ESFA.

The summary financial information prior to consolidation adjustments of the charitable subsidiaries of the Charitable Company is set out below:

	UCST		ULT		Bacon's College Community Services Limited	
	2020	2019	2020	2019	2020	2019
	£'000	£'000	£'000	£'000	£'000	£'000
Incoming resources	<b>114,470</b>	116,371	<b>440,195</b>	336,764	<b>213</b>	244
Expenditure	<b>(117,439)</b>	(114,107)	<b>(350,840)</b>	(280,667)	<b>(282)</b>	(377)
(Loss)/gain on investments	-	-	<b>(51)</b>	36	-	-
Actuarial gains/(losses)	<b>(278)</b>	(947)	<b>(8,507)</b>	(35,367)	-	-
Net surplus/(deficit)	<b><u>(3,247)</u></b>	<u>1,317</u>	<b><u>80,797</u></b>	<u>20,766</u>	<b><u>(69)</u></b>	<u>(133)</u>
Assets	<b>74,687</b>	80,729	<b>747,229</b>	636,465	<b>1,530</b>	1,493
Liabilities	<b>(56,082)</b>	(58,877)	<b>(161,909)</b>	(131,942)	<b>(943)</b>	(837)
Net assets	<b><u>18,605</u></b>	<u>21,852</u>	<b><u>585,320</u></b>	<u>504,523</u>	<b><u>587</u></b>	<u>656</u>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**11 Fixed asset investments (continued)**

The summary financial information prior to consolidation adjustments of the material trading subsidiaries of the Charitable Company is set out below:

	<b>Regis Community Arena Limited</b>		<b>The Church Schools Trading Company Limited</b>		<b>ULT Trading Company Limited</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Turnover	<b>1,772</b>	1,870	<b>679</b>	1,414	<b>1,687</b>	2,417
Cost of sales, administration and other costs	<b>(1,700)</b>	(1,832)	<b>(187)</b>	(274)	<b>(153)</b>	(540)
Retained profit for the year	<b>72</b>	38	<b>492</b>	1,140	<b>1,534</b>	1,877
Assets	<b>457</b>	506	<b>851</b>	418	<b>1,937</b>	2,643
Liabilities	<b>(385)</b>	(506)	<b>(359)</b>	(418)	<b>(409)</b>	(773)
Net assets	<b>72</b>	-	<b>492</b>	-	<b>1,528</b>	1,870

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**12 Intangible fixed assets**

**The Charitable Group**

	<b>Software development £'000</b>
Cost	
At 1 September 2019	2,140
Additions	460
	<b>2,600</b>
<b>At 31 August 2020</b>	<b>2,600</b>
Amortisation	
At 1 September 2019	221
Charge for the year	125
	<b>346</b>
<b>At 31 August 2020</b>	<b>346</b>
<b>Net book amount at 31 August 2020</b>	<b>2,254</b>
Net book amount at 31 August 2019	1,919

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**


---

**13 Tangible fixed assets**

<b>The Charitable Group</b>	<b>Total £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Long term leasehold property £'000</b>	<b>Short leasehold improvements £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Motor vehicles £'000</b>	<b>Assets under construction £'000</b>
Cost								
At 1 September 2019	969,562	262,645	597,115	1,812	39,239	44,007	998	23,746
Additions	23,492	42	12,060	83	2,827	2,170	36	6,274
Transfers from other charities	74,610	34,447	39,058	-	1,051	7	47	-
Transfers on conversion	37,535	-	37,535	-	-	-	-	-
Disposals	(9,989)	(5,000)	(4,887)	-	(21)	(23)	(58)	-
Transfers between categories	-	4,767	15,824	-	789	(191)	-	(21,189)
<b>At 31 August 2020</b>	<b>1,095,210</b>	<b>296,901</b>	<b>696,705</b>	<b>1,895</b>	<b>43,885</b>	<b>45,970</b>	<b>1,023</b>	<b>8,831</b>
Depreciation								
At 1 September 2019	195,860	25,539	101,119	936	25,831	41,586	849	-
Provided in the year	25,430	5,557	14,687	1	2,963	2,138	84	-
Disposals	(1,073)	(300)	(672)	-	(20)	(23)	(58)	-
<b>At 31 August 2020</b>	<b>220,217</b>	<b>30,796</b>	<b>115,134</b>	<b>937</b>	<b>28,774</b>	<b>43,701</b>	<b>875</b>	<b>-</b>
<b>Net book amount at 31 August 2020</b>	<b>874,993</b>	<b>266,105</b>	<b>581,571</b>	<b>958</b>	<b>15,111</b>	<b>2,269</b>	<b>148</b>	<b>8,831</b>
Net book amount at 31 August 2019	773,702	237,106	495,996	876	13,408	2,421	149	23,746

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**

---

**13 Tangible fixed assets (continued)**

All of the tangible fixed assets were used for charitable purposes.

The assets transferred from other charities relate to the business combinations and acquisitions described in note 7.

The net book value of assets held under finance lease, included above within fixtures and fittings is £58k (2019: £86k).

Included in freehold land and buildings is land with a carrying value of £15.481m (2019: £13.938m) on which depreciation has not been provided.

Included within the total carrying value of £874.993m (2019: £773.702m) are the following assets which are restricted fund assets paid for by the Government and held by ULT on its behalf so that ULT can operate its academies within the buildings to which the figures relate. The Charitable Group is unable to secure any borrowings against these assets.

**The Charitable Group**

	<b>Total £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Long term leasehold property £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Assets under construction £'000</b>
Net book amount at 31 August 2020	<u><b>692,292</b></u>	<u><b>88,428</b></u>	<u><b>585,699</b></u>	<u><b>-</b></u>	<u><b>12,159</b></u>	<u><b>6,006</b></u>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**

---

**13 Tangible fixed assets (continued)**

<b>The Charitable Company</b>	<b>Total £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Short leasehold improvements £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Assets under construction £'000</b>
Cost						
At 1 September 2019	207,930	202,469	325	869	55	4,212
Additions	4,023	3	-	36	6	3,978
Transfers from other charities	6,975	6,975	-	-	-	-
Transfers between categories	-	4,767	-	598	-	(5,365)
Disposals	(5,000)	(5,000)	-	-	-	-
At 31 August 2020	<b>213,928</b>	<b>209,214</b>	<b>325</b>	<b>1,503</b>	<b>61</b>	<b>2,825</b>
Depreciation						
At 1 September 2019	28,975	28,038	325	558	54	-
Provided in the year	3,869	3,727	-	139	3	-
Disposals	(300)	(300)	-	-	-	-
At 31 August 2020	<b>32,544</b>	<b>31,465</b>	<b>325</b>	<b>697</b>	<b>57</b>	<b>-</b>
Net book amount at 31 August 2020	<b>181,384</b>	<b>177,749</b>	<b>-</b>	<b>806</b>	<b>4</b>	<b>2,825</b>
Net book amount at 31 August 2019	178,955	174,431	-	311	1	4,212



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**

---

**13 Tangible fixed assets (continued)**

All tangible fixed assets were used for charitable purposes.

As a result of the coronavirus pandemic, the valuation of The Royal School has been reported on the basis of “material valuation uncertainty” as set out in Valuation Practice Guidance Application (VGPA) 10 of the Royal Institute of Chartered Surveyors Global Valuation Standards. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations than would normally be the case.

Included in freehold land and buildings is land with a carrying value of £15.481m (2019: £13.938m) on which depreciation has not been provided.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**14 Stocks**

	The Charitable Group		The Charitable Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Finished goods and goods for resale	<u>200</u>	<u>227</u>	-	-

Stock recognised in total expenditure during the year was £149k (2019: £204k).

**15 Debtors**

	The Charitable Group		The Charitable Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	31,772	31,784	6	43
Amounts owed by group undertakings	-	-	114	360
Other debtors	19,425	17,186	1,849	5
Prepayments and accrued income	<u>4,480</u>	<u>3,881</u>	-	-
	<u>55,677</u>	<u>52,851</u>	<u>1,969</u>	<u>408</u>

**16 Creditors: amounts falling due within one year**

	The Charitable Group		The Charitable Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Bank loans	14,432	16,433	14,432	16,433
Bank overdrafts	6,408	15,424	6,408	15,424
Trade creditors	11,228	12,871	418	358
Amounts owed to group undertakings	-	-	22,214	18,176
Social security and other taxes	6,013	5,655	1	1
Corporation tax	-	440	-	-
Other creditors	19,394	19,097	-	-
Accruals and deferred income	47,506	47,031	61	1,005
Amounts due under finance leases	<u>21</u>	<u>20</u>	-	-
	<u>105,002</u>	<u>116,971</u>	<u>43,534</u>	<u>51,397</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**16 Creditors: amounts falling due within one year (continued)**

The terms and conditions attached to bank and other loans are disclosed in note 18.

	<b>2020</b>	2019
	<b>£'000</b>	£'000
<b>Deferred income</b>		
Deferred income at 1 September 2019	<b>35,557</b>	34,007
Resources deferred during the year	<b>35,454</b>	35,557
Amounts released from prior year	<b>(35,557)</b>	(34,007)
	<hr/>	<hr/>
<b>Deferred income at 31 August 2020</b>	<b><u>35,454</u></b>	<b><u>35,557</u></b>

Deferred income relates to income received in the year specifically relating to the following financial year including fees billed in advance for Autumn term, Universal Infant Free Schools Meals funding, nursery funding, sports partnership funding and payments in advance for music tuition.

**17 Creditors: amounts falling due after one year**

	<b>The Charitable Group</b>		<b>The Charitable Company</b>	
	<b>2020</b>	2019	<b>2020</b>	2019
	<b>£'000</b>	£'000	<b>£'000</b>	£'000
Bank loans	<b>14,696</b>	9,029	<b>14,696</b>	9,029
Other creditors	<b>173</b>	158	-	-
Accruals and deferred income	<b>110</b>	116	-	-
Amounts due under finance leases	<b>24</b>	45	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<b><u>15,003</u></b>	<b><u>9,348</u></b>	<b><u>14,696</u></b>	<b><u>9,029</u></b>

The terms and conditions attached to bank and other loans are disclosed in note 18.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**18 Borrowings**

Borrowings are repayable as follows:

	The Charitable Group		The Charitable Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Within one year				
Bank overdrafts, bank loans and other loans	20,840	31,857	20,840	31,857
Amounts due under finance lease	21	20	-	-
After one and within five years				
Bank loans and other loans	14,696	9,029	14,696	9,029
Amounts due under finance lease	24	45	-	-
After five years				
Bank loans and other loans	-	-	-	-
	<b>35,581</b>	<b>40,951</b>	<b>35,536</b>	<b>40,886</b>

The bank loans are secured by fixed and floating charges over all the assets of United Church Schools Foundation Ltd, United Church Schools Trust and The Church Schools Trading Company Limited.

Annual commitments for bank loans repayable by instalments amount to £432k. Interest is charged at fixed rates on top of the Bank of England Base Rate of between 0.80% and 1.48%. Facilities with year end balances of £13.4 million mature in March 2021 with all outstanding balances falling due for repayment at maturity.

Long term bank loans are repayable by equal instalments over the remaining term to July 2024.

**19 Share capital**

	2020 £'000	2019 £'000
Authorised ordinary shares of £5 each	<b>100</b>	100
Allotted, called up and fully paid ordinary shares of £5 each	<b>65</b>	65

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**20 Endowment fund**

The Milton Mount Foundation endowed Wentworth Milton Mount Limited (which became part of Bournemouth Collegiate School) with £277,000 as part of the arrangement by which Wentworth College took over the education of Milton Mount School pupils. The amount was returnable should the Charitable Group be wound up.

When Wentworth College became a part of the United Church Schools Foundation Ltd Group, this arrangement was modified so that the endowment would only become repayable if the school should cease to function on the current site.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**


---

**21 Unrestricted funds**

<b>Current year</b>	<b>At 1 September 2019 £'000</b>	<b>Incoming resources £'000</b>	<b>Expenditure £'000</b>	<b>Transfers £'000</b>	<b>Gains and and losses £'000</b>	<b>At 31 August 2020 £'000</b>
<b>The Charitable Group</b>						
Unrestricted funds	127,846	124,430	(113,045)	(4,092)	(51)	<b>135,088</b>
Pension reserve	(2,351)	-	(11)	-	(278)	<b>(2,640)</b>
Designated funds						
Embley	21	-	-	-	-	<b>21</b>
Other school funds	185	(344)	(171)	4,077	-	<b>3,747</b>
Total designated funds	206	(344)	(171)	4,077	-	<b>3,768</b>
<b>Total unrestricted funds</b>	<b>125,701</b>	<b>124,086</b>	<b>(113,227)</b>	<b>(15)</b>	<b>(329)</b>	<b>136,216</b>
<b>The Charitable Company</b>						
Unrestricted funds	118,506	10,845	(4,660)	-	-	<b>124,691</b>
Designated funds						
Embley	21	-	-	-	-	<b>21</b>
<b>Total unrestricted funds</b>	<b>118,527</b>	<b>10,845</b>	<b>(4,660)</b>	<b>-</b>	<b>-</b>	<b>124,712</b>

The Embley designated fund is an amount set aside for the specific future major building maintenance work at Embley.

Other school funds are accumulated surpluses from prior years designated for use by the school that generated the funds.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**


---

**21 Unrestricted funds (continued)**

Previous year	At 1 September 2018 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and and losses £'000	At 31 August 2019 £'000
<b>The Charitable Group</b>						
Unrestricted funds	117,924	134,623	(121,444)	(3,293)	36	127,846
Pension reserve	(1,402)	-	(2)	-	(947)	(2,351)
Designated funds						
Embley	21	-	-	-	-	21
Other school funds	185	-	-	-	-	185
Total designated funds	<u>206</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>206</u>
<b>Total unrestricted funds</b>	<b><u>116,728</u></b>	<b><u>134,623</u></b>	<b><u>(121,446)</u></b>	<b><u>(3,293)</u></b>	<b><u>(911)</u></b>	<b><u>125,701</u></b>
<b>The Charitable Company</b>						
Unrestricted funds	109,978	17,625	(9,097)	-	-	118,506
Designated funds						
Embley	21	-	-	-	-	21
<b>Total unrestricted funds</b>	<b><u>109,999</u></b>	<b><u>17,625</u></b>	<b><u>(9,097)</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>118,527</u></b>

The Embley designated fund is an amount set aside for the specific future major building maintenance work at Embley.

Other school funds are accumulated surpluses from prior years designated for use by the school that generated the funds.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**


---

**22 Restricted funds**

<b>Current year</b>	<b>At 1 September 2019 £'000</b>	<b>Incoming resources £'000</b>	<b>Expenditure £'000</b>	<b>Transfers £'000</b>	<b>Gains and and losses £'000</b>	<b>At 31 August 2020 £'000</b>
<b>The Charitable Group</b>						
Sponsorship fund	11,515	-	-	-	-	11,515
DfE funds – revenue	5,617	312,604	(308,675)	-	18	9,564
DfE funds - fixed assets	601,558	122,374	(24,207)	15	-	699,740
Pension reserve	(102,651)	(5,681)	(14,538)	-	(8,507)	(131,377)
	<u>516,039</u>	<u>429,297</u>	<u>(347,420)</u>	<u>15</u>	<u>(8,489)</u>	<u>589,442</u>
<b>Other restricted funds</b>						
Scholarship and prize funds	363	-	-	-	-	363
Appeal funds	53	-	-	-	-	53
Other donated funds	444	-	-	-	-	444
Other sponsorship funds	29	-	-	-	-	29
	<u>889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>889</u>
<b>Total restricted funds</b>	<u><u>516,928</u></u>	<u><u>429,297</u></u>	<u><u>(347,420)</u></u>	<u><u>15</u></u>	<u><u>(8,489)</u></u>	<u><u>590,331</u></u>

The scholarship and prize funds comprise the Centenary Fund and other prize funds which were donated to give scholarships to pupils who attend the schools operated by UCST.

The sponsorship fund has been formed to gather together the external donations received towards the Charitable Group's charitable support for the academies of ULT. The government capital grants are made under the funding agreements between the Secretary of State and ULT for the construction of buildings for the academies together with equipment within them.

The other DfE grants are receivable either directly from the DfE or through the Local Education Authority to cover the operating expenses of the academies administered by the Charitable Group. These General Annual Grants are agreed prior to each academic year with the DfE.



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**


---

**22 Restricted funds (continued)**

Previous year	At 1 September 2018 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and and losses £'000	At 31 August 2019 £'000
<b>The Charitable Group</b>						
Sponsorship fund	11,515	-	-	-	-	11,515
DfE funds – revenue	5,256	246,337	(245,968)	(42)	34	5,617
DfE funds - fixed assets	520,013	93,444	(15,234)	3,335	-	601,558
Pension reserve	(42,562)	(14,219)	(10,503)	-	(35,367)	(102,651)
	<u>494,222</u>	<u>325,562</u>	<u>(271,705)</u>	<u>3,293</u>	<u>(35,333)</u>	<u>516,039</u>
<b>Other restricted funds</b>						
Scholarship and prize funds	363	-	-	-	-	363
Appeal funds	53	-	-	-	-	53
Other donated funds	444	-	-	-	-	444
Other sponsorship funds	29	-	-	-	-	29
	<u>889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>889</u>
<b>Total restricted funds</b>	<u>495,111</u>	<u>325,562</u>	<u>(271,705)</u>	<u>3,293</u>	<u>(35,333)</u>	<u>516,928</u>

The scholarship and prize funds comprise the Centenary Fund and other prize funds which were donated to give scholarships to pupils who attend the schools operated by UCST.

The sponsorship fund has been formed to gather together the external donations received towards the Charitable Group's charitable support for the academies of ULT. The government capital grants are made under the funding agreements between the Secretary of State and ULT for the construction of buildings for the academies together with equipment within them.

The other DfE grants are receivable either directly from the DfE or through the Local Education Authority to cover the operating expenses of the academies administered by the Charitable Group. These General Annual Grants are agreed prior to each academic year with the DfE.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**


---

**22 Restricted funds (continued)**

<b>Current year</b>	<b>At 31 August 2019 £'000</b>	<b>Incoming resources £'000</b>	<b>Expenditure £'000</b>	<b>Transfer to other charity £'000</b>	<b>Gains £'000</b>	<b>At 31 August 2020 £'000</b>
<b>The Charitable Company</b>						
Scholarship and prize funds	662	-	-	-	18	680
Sponsorship fund	6	-	-	-	-	6
Appeal funds	6	-	-	-	-	6
Other donations	4	-	-	-	-	4
	<b>678</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>696</b>
<b>Previous year</b>	<b>At 31 August 2018 £'000</b>	<b>Incoming resources £'000</b>	<b>Expenditure £'000</b>	<b>Transfer to other charity £'000</b>	<b>Gains £'000</b>	<b>At 31 August 2019 £'000</b>
<b>The Charitable Company</b>						
Scholarship and prize funds	628	-	-	-	34	662
Sponsorship fund	6	-	-	-	-	6
Appeal funds	6	-	-	-	-	6
Other donations	4	-	-	-	-	4
	<b>644</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34</b>	<b>678</b>

Under a scheme agreed with the Charity Commissioners, the above scholarship and prize funds for the Charitable Company were transferred from UCST on 1 September 1998. These funds have been donated over a number of years. They are utilised to give scholarships to pupils who attend the schools operated by the Charitable Company's subsidiary.

The sponsorship fund has been formed to gather together the external donations received towards the Charitable Group's support for the academies of ULT.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**23 Analysis of net assets between funds**
**The Charitable Group - current year**

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Investments	9,273	625	-	9,898
Intangible assets	2,254	-	-	2,254
Tangible assets	182,424	692,292	277	874,993
Current assets	37,779	55,987	-	93,766
Creditors: amounts falling due within one year	(77,806)	(27,196)	-	(105,002)
Creditors: amounts falling due after more than one year	(15,003)	-	-	(15,003)
Defined benefit pension liability	(2,640)	(131,377)	-	(134,017)
	<u>136,281</u>	<u>590,331</u>	<u>277</u>	<u>726,889</u>
Unrealised gains on investments included above	<u>1,039</u>	<u>372</u>	<u>-</u>	<u>1,411</u>

**The Charitable Company – current year**

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Tangible assets	181,107	-	277	181,384
Investments	-	625	-	625
Current assets	1,900	71	-	1,971
Creditors: amounts falling due within one year	(43,534)	-	-	(43,534)
Creditors: amounts falling due after more than one year	(14,696)	-	-	(14,696)
	<u>124,777</u>	<u>696</u>	<u>277</u>	<u>125,750</u>
Unrealised gains on investments included above	<u>-</u>	<u>372</u>	<u>-</u>	<u>372</u>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**23 Analysis of net assets between funds (continued)**
**The Charitable Group - previous year**

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Investments	9,104	607	-	9,711
Intangible assets	1,919	-	-	1,919
Tangible assets	180,407	593,018	277	773,702
Current assets	38,380	50,580	-	88,960
Creditors: amounts falling within one year	(92,345)	(24,626)	-	(116,971)
Creditors: amounts falling due after more than one year	(9,348)	-	-	(9,348)
Defined benefit pension liability	(2,351)	(102,651)	-	(105,002)
	<u>125,766</u>	<u>516,928</u>	<u>277</u>	<u>642,971</u>
Unrealised gains on investments included above	<u>1,358</u>	<u>354</u>	<u>-</u>	<u>1,712</u>

**The Charitable Company – previous year**

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Tangible assets	178,678	-	277	178,955
Investments	-	607	-	607
Current assets	340	71	-	411
Creditors: amounts falling due within one year	(51,397)	-	-	(51,397)
Creditors: amounts falling after more than one year	(9,029)	-	-	(9,029)
	<u>118,592</u>	<u>678</u>	<u>277</u>	<u>119,547</u>
Unrealised gains on investments included above	<u>-</u>	<u>354</u>	<u>-</u>	<u>354</u>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**24 Reconciliation of net movement in funds to net cash flow from operating activities**

	2020 £'000	2019 £'000
Net income for the year (as per Statement of Financial Activities)	<b>92,703</b>	67,104
<b>Adjustment for:</b>		
Depreciation	<b>25,430</b>	20,827
Amortisation	<b>125</b>	125
Loss/(profit) on disposal of fixed assets	<b>3,589</b>	(320)
Loss on disposal of investments	<b>4</b>	95
Dividends and interest received on fixed assets investments	<b>(331)</b>	(374)
Unrealised loss/(gain) on investments	<b>29</b>	(165)
Decease/(increase) in stock	<b>27</b>	(12)
(Increase)/decrease in debtors	<b>(1,537)</b>	2,947
Decrease in creditors	<b>(3,716)</b>	(506)
LGPS pension cost less contributions	<b>14,549</b>	10,505
Net assets transferred from other charities and on conversion	<b>(67,593)</b>	(84,261)
Net assets transferred from local authorities	<b>(35,556)</b>	-
ESFA capital grants received	<b>(10,966)</b>	(7,592)
Interest paid	<b>546</b>	1,993
	<b>17,303</b>	10,366
<b>Net cash provided by operating activities</b>	<b>17,303</b>	10,366

**25 Analysis of cash and cash equivalents**

	2020 £'000	2019 £'000
Cash and cash equivalents	<b>37,889</b>	35,882
Bank overdrafts	<b>(6,408)</b>	(15,424)
	<b>31,481</b>	20,458
Total cash and cash equivalents	<b>31,481</b>	20,458

**26 Capital commitments**

	The Charitable Group		The Charitable Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Contracted for but not provided in these financial statements	<b>3,841</b>	<b>3,652</b>	<b>1,051</b>	<b>2,993</b>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**27 Contingent liabilities****The Charitable Group**

If a capital asset acquired by United Learning Trust for market value using a capital grant made available to that Charitable Company by the Secretary of State for Education is disposed of during the period of the relevant funding agreement between that Charitable Company and the Secretary of State, that Charitable Company is required to repay to the Secretary of State the same proportion of the proceeds of the disposal as equates with the proportion of the agreed costs met by the Secretary of State, unless the Secretary of State agrees to grant all of the proceeds being retained by United Learning Trust for its charitable purposes.

The net book value of assets acquired to date from all resources, including capital grants and after accumulated depreciation is £692,292k (2019: £593,018k) in United Learning Trust.

**The Charitable Company**

There were no contingent liabilities at 31 August 2020 or at 31 August 2019.

**28 Retirement benefits**

The total pension cost to the Charitable Group during the year ended 31 August 2020 was £59,181k (2019: £39,192k) of which £35,837k (2019: £20,362k) relates to the TPS, £21,705k (2019: £17,153k) relates to LGPS and £1,639k (2019: £1,742k) relates to defined contribution pension schemes. Employee and employer contributions payable to the schemes at the Balance Sheet date amounted to £4,335k (2019: £2,394) and are included within creditors.

The Charitable Group operates defined contribution schemes for the benefit of its employees. The assets of the schemes are managed and held externally on behalf of the scheme members in funds independent from those of the Charitable Group.

The Charitable Group operates two defined benefit pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff.

Provisions for unfunded pensions included within the total defined benefit pension scheme liability amounted to £860k (2019: £895k). The current service cost amounted to £nil (2019: £nil) and actuarial losses recognised through other comprehensive income amounted to £73k (2019: £14k). Benefits paid during the year amounted to £107k (2019: £104k).

The current mortality assumptions in respect of unfunded pensions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on the retirement age of 65 are between 19-21 years. The discount rate applied in calculating the obligation is 1.85% with future pension increase and inflation being 2.6%.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**28 Retirement benefits (continued)****Teachers' Pension Scheme (TPS)****Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £35.837m (2019 - £20.362m).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Charitable Group has accounted for its contributions to the scheme as if it were a defined contribution scheme as the Charitable Group is unable to identify its share of assets and liabilities. The Charitable Group has set out above the information available on the scheme.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**28 Retirement benefits (continued)**

**Local Government Pension Scheme (LGPS)**

The Charitable Group is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The agreed contribution rates for the year ended 31 August 2020 were from 5.5% to 7.5% for employees and from 10.2% to 20.5% for employers.

The principal actuarial assumptions used by the actuary and expressed as weighted averages were as follows:

	<b>2020</b>	2019
	%	%
Discount rate for scheme	<b>1.70</b>	1.83
Rate of increase in pensions in payment	<b>3.48</b>	3.42
Rate of increase in salaries	<b>2.43</b>	2.20
Inflation assumption	<b>2.35</b>	2.15

The amounts charged in the Statement of Financial Activities are as follows:

	<b>2020</b>	2019
	£'000	£'000
Current service cost	<b>21,888</b>	13,768
Net interest cost	<b>2,061</b>	1,400
Past service cost	<b>91</b>	3,320
Losses on curtailments	<b>19</b>	-
Administration expenses	<b>71</b>	65
	<hr/>	<hr/>
Total	<b>24,130</b>	18,553
	<hr/> <hr/>	<hr/> <hr/>



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**28 Retirement benefits (continued)**

The amounts recognised in the consolidated Balance Sheet in respect of the LGPS and unfunded pension obligations are as follows:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Fair value of plan assets	<b>195,639</b>	176,358
Present value of funded and unfunded retirement benefit obligations	<b><u>(329,656)</u></b>	<u>(281,360)</u>
Net liability	<b><u>(134,017)</u></b>	<u>(105,002)</u>

The amounts (charged) or credited to other comprehensive income in respect of both LGPS and unfunded pension obligations are as follows:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Actuarial losses and return on assets less interest recognised in SOFA	<b><u>(8,785)</u></b>	<u>(36,314)</u>

The major categories of LGPS plan assets as a percentage of the total plan assets are as follows:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Equities	<b>115,145</b>	108,222
Bonds	<b>37,263</b>	32,079
Property	<b>17,557</b>	15,503
Cash	<b>8,086</b>	6,833
Other	<b><u>17,588</u></b>	<u>13,721</u>
Total market value of assets	<b><u>195,639</u></b>	<u>176,358</u>

As a result of the coronavirus pandemic, the valuation of certain directly and indirectly held property funds within the Local Government Pension Scheme assets have been reported on the basis of "material valuation uncertainty" as set out in Valuation Practice Guidance Application (VGPA) 10 of the Royal Institute of Chartered Surveyors Global Valuation Standards. Consequently, less certainty – and a higher degree of caution – should be attached to the valuations than would normally be the case. Despite this, the Trustees have considered the material valuation uncertainty in relation to these pension scheme assets, and concluded that the valuations can still be relied upon. The Trustees therefore consider these valuations to represent a fair reflection of the pension scheme assets' fair value, subject to any volatility arising from COVID-19.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**


---

**28 Retirement benefits (continued)**

The actual return on LGPS plan assets was as follows:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Actual return on LGPS plan assets	<b><u>2,993</u></b>	<u>11,578</u>

Changes in the present value of the LGPS and unfunded defined benefit obligation are as follows:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Opening defined benefit liabilities at 1 September 2019	<b>281,360</b>	177,155
Share of defined benefit obligation not previously recognised	-	5,525
Current service cost	<b>21,888</b>	13,768
Past service cost	<b>91</b>	3,320
Interest cost	<b>5,546</b>	5,660
Actuarial losses	<b>8,293</b>	43,394
Losses on curtailments	<b>19</b>	-
Contributions by plan participants	<b>2,927</b>	2,460
Acquired on business combinations	<b>13,138</b>	32,424
Benefits paid	<b>(3,499)</b>	(2,242)
Benefits paid – unfunded obligations	<b><u>(107)</u></b>	<u>(104)</u>
Closing defined benefit liabilities at 31 August 2020	<b><u>329,656</u></b>	<u>281,360</u>

Changes in the fair value of LGPS plan assets are as follows:

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Opening fair value of plan assets at 1 September 2019	<b>176,358</b>	133,191
Share of scheme assets not previously recognised	-	5,287
Return on assets less interest	<b>(492)</b>	7,318
Interest on assets	<b>3,485</b>	4,260
Contributions by employer	<b>9,474</b>	7,944
Contributions by plan participants	<b>2,927</b>	2,460
Acquired on business combinations	<b>7,457</b>	18,205
Administration expenses	<b>(71)</b>	(65)
Benefits paid	<b><u>(3,499)</u></b>	<u>(2,242)</u>
Closing fair value of LGPS plan assets at 31 August 2020	<b><u>195,639</u></b>	<u>176,358</u>

During the prior year, the Charitable Group recognised a net LGPS obligation that existed in previous years and as at 1 September 2018, amounted to £238k. The analysis of this amount between scheme assets and scheme obligations is shown as separate lines in the table above.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**29 Leasing commitments**

At 31 August 2020, the total of the Charitable Group's future minimum lease payments under non-cancellable operating leases was:

	<b>2020</b>	2019
	<b>Total £'000</b>	Total £'000
In one year or less	<b>4,740</b>	4,523
Between one and five years	<b>10,779</b>	11,283
In five years or more	<b>14,125</b>	14,674
	<b><u>29,644</u></b>	<u>30,480</u>

**30 Relationship with related parties and other charities**

United Church Schools Foundation Ltd is the sole member of United Church Schools Trust (Limited by Guarantee).

At the reporting date, United Church Schools Foundation Limited owed £22,214k (2019: £18,176k) to United Church Schools Trust in respect of cash balances due. This balance can be seen within amounts owed to group undertakings due within one year.

There have been no other transactions with related parties that require disclosure under either FRS 102 Charities SORP (FRS 102) (effective 1 January 2019).

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

---

**31 Agency arrangements**

United Learning Trust ("ULT"); a subsidiary of the Charitable Company, acts as an agent distributing 16-19 bursary funds from the Education and Skills Funding Agency ("ESFA"). Payments received from the ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as ULT does not have control over the charitable application of the funds. ULT can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities.

In the year ended 31 August 2020, ULT received £574k (2019: £509k) and disbursed £410k (2019: £430k) from the fund. An amount of £705k (2019: £541k) is included in other creditors relating to undistributed funds that are repayable to the ESFA if not disbursed.

ULT acts as an agent distributing bursary funds from the former National College for Teaching & Leadership ("NCTL") which has now been subsumed into the Department for Education. Payments received from the NCTL and subsequent disbursements to students are excluded from the Statement of Financial Activities as ULT does not have control over the charitable applications of the funds.

In the year ended 31 August 2020, ULT received £1,685k (2019: £1,392k) and disbursed £1,693k (2019: £1,402k) from the fund. An amount of £12k is included in other debtors (2019: £4k) relating to funds that are owed by or to the Department for Education if not disbursed.

**32 Post balance sheet events**

On 1 September 2020, the Charitable Group welcomed Sedgehill School a secondary school in south east London, and on 1 November 2020, the Charitable Group also welcomed Marsden Heights Community College in Lancashire. The Charitable Group had been supporting both schools prior to them joining.

In the next twelve months, the Charitable Group will continue to grow primarily in its existing cluster locations. This includes welcoming Harrop Fold School in Greater Manchester with whom we agreed a Service Level support contract during the year.

It is not yet possible to form a reliable estimate of the financial effect of these acquisitions, in relation to which no consideration was payable, until such time as completion accounts and final fair value assessments are available.

Since the year-end the bank loans with Barclays which were due to mature on 31 March 2021 have been extended for a further year to 31 March 2022.

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**The following pages are unaudited and do not form part of the statutory financial statements**

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**UNAUDITED STATEMENT OF FINANCIAL ACTIVITIES – UCSF FOR THE YEAR ENDED 31 AUGUST 2020**


---

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000	Total 2019 £'000
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Investment income	564	-	-	564	594
Gains on disposals of tangible fixed assets	627	-	-	627	844
<b>Incoming resources from charitable activities</b>					
Rents	2,679	-	-	2,679	2,657
Net assets transferred from other charities	6,975	-	-	6,975	13,530
<b>Total incoming resources</b>	<b>10,845</b>	<b>-</b>	<b>-</b>	<b>10,845</b>	<b>17,625</b>
<b>Resources expended</b>					
<b>Charitable activities</b>					
School and academy operating costs, project management and finance costs	4,660	-	-	4,660	9,097
<b>Total resources expended</b>	<b>4,660</b>	<b>-</b>	<b>-</b>	<b>4,660</b>	<b>9,097</b>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**UNAUDITED STATEMENT OF FINANCIAL ACTIVITIES – UCSF FOR THE YEAR ENDED 31 AUGUST 2020**


---

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2020 £'000	Total 2019 £'000
<b>Net incoming resources before transfers</b>	6,185	-	-	<b>6,185</b>	8,528
<b>Net incoming resources before other recognised gains and losses</b>	6,185	-	-	<b>6,185</b>	8,528
<b>Other recognised gains and losses</b>					
Investment revaluation gains	-	18	-	<b>18</b>	34
<b>Net movement in funds for the year</b>	6,185	18	-	<b>6,203</b>	8,562
Funds brought forward at 1 September 2019	118,527	678	277	<b>119,482</b>	110,920
<b>Funds carried forward at 31 August 2020</b>	<b>124,712</b>	<b>696</b>	<b>277</b>	<b>125,685</b>	119,482

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**STATEMENT OF NET DEBT FOR THE YEAR ENDED 31 AUGUST 2020**

---

	<b>At 1 September 2019 £'000</b>	<b>Cash flows £'000</b>	<b>New bank loans £'000</b>	<b>Repayment of bank loans £'000</b>	<b>At 31 August 2020 £'000</b>
Cash and cash equivalents	(15,421)	5,349	6,100	(2,434)	<b>(6,406)</b>
Debt due within one year	(16,433)	-	-	2,001	<b>(14,432)</b>
Debt due after one year	<u>(9,029)</u>	<u>-</u>	<u>(6,100)</u>	<u>433</u>	<u><b>(14,696)</b></u>
	<b><u>(40,833)</u></b>	<b><u>5,349</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(35,534)</u></b>



---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**


---

**UNAUDITED CASH FLOW STATEMENT – UCSF FOR THE YEAR ENDED 31 AUGUST 2020**


---

	Note	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>	1	<b>4,007</b>	<b>(1,504)</b>
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(4,024)	(5,540)
Sale of tangible fixed assets		<u>5,350</u>	<u>13,229</u>
<b>Net cash used in investing activities</b>		<b>1,326</b>	<b>7,689</b>
<b>Financing</b>			
Repayments of borrowing		(2,434)	(4,744)
Cash inflows from new borrowings		6,100	-
Interest paid		(543)	(604)
Interest received		<u>559</u>	<u>594</u>
<b>Net cash provided by/(used in) financing activities</b>		<b><u>3,682</u></b>	<b><u>(4,754)</u></b>
<b>Change in cash and cash equivalents</b>		<b><u>9,015</u></b>	<b><u>1,431</u></b>
Cash and cash equivalents brought forward	2	<u>(15,421)</u>	<u>(16,852)</u>
<b>Cash and cash equivalents carried forward</b>	2	<b><u>(6,406)</u></b>	<b><u>(15,421)</u></b>

---

**UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS**

---

**UNAUDITED NOTES TO THE CASH FLOW STATEMENT – UCSF FOR THE YEAR ENDED  
31 AUGUST 2020**

---

**1 Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Changes in resources before transfers and revaluations	<b>6,203</b>	8,562
Depreciation	<b>3,870</b>	3,733
Profit on disposal of fixed assets	<b>(650)</b>	(844)
Revaluation of investments	<b>(18)</b>	(35)
Interest paid	<b>543</b>	604
Interest received	<b>(559)</b>	(594)
Increase in debtors	<b>(1,561)</b>	(6)
Increase in creditors	<b>3,154</b>	606
Net assets transferred from other charities	<b>(6,975)</b>	(13,530)
<b>Net cash provided by operating activities</b>	<b><u>4,007</u></b>	<b><u>(1,504)</u></b>

**2 Analysis of cash and cash equivalents**

	<b>2020</b>	2019
	<b>£'000</b>	£'000
Cash and cash equivalents	<b>2</b>	3
Bank overdrafts	<b>(6,408)</b>	(15,424)
<b>Total cash and cash equivalents</b>	<b><u>(6,406)</u></b>	<b><u>(15,421)</u></b>