
UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

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UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)****REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees

Ms Mary Curnock Cook
The Very Rev. Dr John Hall (appointed 1 January 2020)
Mr Ben Gordon
Mr Richard Greenhalgh
Dr Rosalind Given-Wilson, Chair
Mr Mike Litchfield
Mrs Sarah Squire

Biographies for Trustees can be found at www.unitedlearning.org.uk

Company registered number 02780748

Charity registered number 1016538

Registered office Worldwide House
Thorpe Wood
Peterborough
PE3 6SB

Company secretary Mrs Alison Hussain

Chief executive officer Sir Jon Coles

Senior management team

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, Director of Strategy and Performance

Independent auditor Grant Thornton UK LLP
Statutory Auditor
Victoria House
199 Avebury Boulevard
Milton Keynes
MK9 1AU

UNITED CHURCH SCHOOLS TRUST

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Bankers Barclays Bank PLC
One Snowhill
Snowhill Queensway
Birmingham
B4 6GN

Solicitors Hewitsons LLP
Elgin House
Billing Road
Northampton
NN1 5BA

Stone King LLP
3rd Floor
Bateman House
82-88 Hills Road
Cambridge
CB2 1LQ

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

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

The Trustees (who are also directors of the Charitable Company for the purposes of the Companies Act) present their annual report together with the audited financial statements of United Church Schools Trust (Limited by Guarantee) (the Charitable Company) for the year ended 31 August 2020. The Trustees confirm that the Trustees' Report and financial statements of the Charitable Company comply with the current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of 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 (FRS102) ("SORP 2019").

Constitution and objects

The United Church Schools Trust (Limited by Guarantee) is registered with the Charity Commission (No. 1016538) and is constituted as a company limited by guarantee (registered in England and Wales), governed by Memorandum and Articles of Association, which were last amended in 2004. The Charitable 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.

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.

Each member of the Board of Trustees holds one share in United Church Schools Foundation Ltd ("UCSF"), the ultimate parent undertaking.

Appointment of Trustees

The Board has the power to appoint any person as an additional Trustee or to fill a casual vacancy. A Trustee holds office for three years, after which they must resign. They may remain in office for a further three years with the consent of the Board. Following this, they shall be eligible for re-election annually upon the proposal of the Chair.

The training and induction provided for new Trustees is dependent upon their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees are given tours of the United Learning Group's ("the Group") 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.

Strategic report**Strategies and activities**

The principal object of the Charitable Company is set out on above.

Founded in 1883 as an educational charity anchored in the Church of England, the Charitable Company manages the operation of a group of Independent Schools 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 the Charitable Company remains the sponsor of the ULT multi-academy trust.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

About United Learning

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 over 135 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, to developing each pupil's whole character 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 United Church Schools Trust ("UCST"), 72 state sector academies operated within the Charitable Company 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, the Charitable Company 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.

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.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Whilst the majority of pupils across the Group 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.

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.

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'.

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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 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 for the independents include:

At Primary:

- 92% of pupils agreed that there is the right level of challenge in their lessons and 88% that feedback helps them to improve;
- 98% of pupils said they were proud of their school;
- 95% of pupils said they felt safe;
- 94% of pupils said they felt a strong sense of belonging to their school.

At Secondary:

- 95% of students agreed that their teachers expect them to be successful;
- 95% of students said they felt safe at school;
- 90% said they were proud of their school;
- 83% of students said that the level of challenge in their lessons is right and 85% 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.

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FOR THE YEAR ENDED 31 AUGUST 2020**

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 70% for our independents. 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 79% for independents which is in line with last year's figure. 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:

- 92% of staff said they were proud to work in their school/department;
- 81% felt motivated in their current job;
- 85% said their job gave them a sense of fulfilment;
- 86% 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 915 staff in the Charitable Company were furloughed during the summer term and returned to their roles in the new academic year. Those who were furloughed included staff managing extra curricula activities such as after school clubs, boarding staff and nursery provision staff. The Charitable Company topped up the salaries of those who were furloughed so that they continued to receive their full pay.

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

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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 and 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.

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 feed back to the Executive Team. 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 trainee teachers were recruited and attended our Summer Institutes in July and August.

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**TRUSTEES' REPORT (CONTINUED)
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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 for the independents were:

- 97% of parents at secondary schools said they felt their child was safe at school;
- 97% of parents at secondary schools said their child's teachers treat them with respect;
- 99% of parents at prep schools said their child's teachers treat them with respect.

Parents were similarly supportive during the lockdown period with 84% of parents who responded to the June Pulse Survey saying that they felt the school cared about them, their child and their needs.

Growth of the Group

On 1 November 2019 the Charitable Company welcomed The Royal School – a co-educational day and boarding independent school in Surrey.

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 Company has adequate resources to continue in operational existence for the foreseeable future.

The COVID-19 pandemic has had a significant impact on the operations of the Charitable Company. The lockdown restrictions have resulted in all schools moving to remote learning for a proportion of both the 2019/20 and 2020/21 academic years. In recognition that pupils did not receive the full experience expected at an Independent school during the initial lock down period, a discount was awarded to all pupils for the 2020 Summer Term, resulting in a reduction in income for that year. Further income reductions resulted from lettings and hospitality being cancelled. Additional costs were incurred in areas such as property maintenance and cleaning to ensure schools are compliant with DfE COVID-secure guidance. The Charitable Company 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. The Charitable Company has been able to offset the reduction of income and additional costs through making use of the government's Coronavirus Job Retention Scheme ("CJRS") and through savings due to lower operating costs during lockdown.

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. Prior to the January 2021 lockdown, the financial results for the Charitable Company were in line with budget in terms of operating surplus and cash reserves. The forecast for the remainder of the year which includes a reduction of income and minimal use of the CJRS up until April when the scheme currently ends shows the operating results will be sufficient to remain within our banking facility and to meet the agreed banking covenants. Various cashflow scenarios have been modelled for the period to 31st August 2022. The worst-case scenario uses pessimistic assumptions including potential pupil number reductions resulting from a recession but also shows that in that scenario the Charitable Company is able to make sufficient cost savings to continue to have adequate 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 working capital at the low points in the headroom available, notwithstanding that these remain positive throughout. The Charitable Company has available to it a wide range of contingency measures which it could use to reduce costs and/or realise funds should that prove necessary. Management 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 Company 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

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management and the level of financial reserves available in the cash flow scenarios, the Board of Trustees are confident that the Charitable Company 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 deficit for the year amounted to £3,247k (2019: surplus of £1,317k). Included within these results was an actuarial loss on defined benefit pension schemes and other pension commitments of £278k (2019: £947k).

The schools operated by the Charitable Company during the year were 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

The Charitable Company is a sponsor of ULT which is a subsidiary undertaking of the Charitable Company. ULT's aim is to found and manage academies under the government initiative. Academies opened to date are listed on the United Learning website.

Funds

The value of restricted funds to be utilised in future years includes £720k (2019: £531k) for prize and scholarship funds and other donated funds and £1,729k (2019: £1,729k) for the sponsorship fund. Unrestricted funds amount to £16,156k (2019: £19,592k) including designated funds of £3,747k (2019: £392k). The assets are held in pursuance of the Charitable Company's objectives.

Plans for future periods

The Charitable Company 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 Company 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 obtain jobs or a place in higher education, as they choose, once they leave its schools.

Funding

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

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Risk assessments

During the year under review, the Trustees and senior management have formally identified, and documented, the major risks to which the Charitable Company 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 Company and its subsidiaries.

Principal risk areas for the Charitable Company 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 Company 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 Company 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 Company 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 Company'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 Company 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 lockdown also may mean international travel restrictions and therefore boarding numbers may reduce. The political landscape is currently uncertain, Brexit and possible changes in business rate relief rules could have a significant impact on the cost base of the Charitable Company's schools. 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.

The markets in which the Charitable Company'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 Company's costs relate to staff salaries, which are relatively fixed each year. There is a risk that a significant drop in revenue or further increases in pension contributions may lead to an inability to cover such costs.

The Charitable Company also belongs to the Local Government Pension Scheme ("LGPS") run by the relevant Local Authority for certain non-teaching staff. This is now a closed scheme relating to one school where

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employees transferred as part of the conversion from a maintained school. Under the application of FRS 102, the contributions made by the Charitable Company to these funded defined benefit schemes currently results in pension deficits recorded in the Statement of Financial Activities. Under FRS 102, the Charitable Company 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 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 Company to recognise the total value of all pension obligations that have accumulated (including deferred pensions) 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 Company, 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.

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 Company uses various financial instruments including 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 Company's operations.

The main risks arising from the Charitable Company's financial instruments are liquidity risk and interest rate risk.

Financial risk management is managed by the Central Office Finance Department who act as the Charitable Company's treasury function ensuring that surplus funds are deposited to maximise interest receivable. In addition, it uses the Charitable Company's facilities in the most efficient manner. Those facilities are designed to ensure that the Charitable Company has sufficient available funds for day to day operations and for planned expansion and capital expenditure.

The Charitable Company 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 Charitable Company finances its operations through retained surpluses and overdraft facilities.

The Charitable Company 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 Company arises from its debtors. Payment terms are enforced by the Charitable Company'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.

Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial

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instruments with our principal bankers.

Policies

As part of managing our risks and to ensure good governance we outline some key policies below.

Reserves

It is the policy of the Charitable Company 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 Company 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 Company's needs and have concluded that a level of six weeks' expenditure is prudent, which is approximately £13,547k. As at 31 August 2020, there were cash reserves of £8,254k (2019: £16,182k). Reserves defined as net current assets amount to £13,240k (2019: £16,390k).

Investment policy

The Charitable Company's cash reserves are used to set off against borrowings in other independent schools Group companies to minimise interest charges to the independent schools Group. Cash balances are invested with Barclays Bank. During the year the investment strategy produced returns in line with the Charitable Company's expectations and market rates.

Environmental policy

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

The Charitable Company believes that protection of the environment is an integral part of good educational practice. The Charitable Company 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 Company 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 Company'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.

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.

Pay policy for key management personnel

Details of the pay policy in respect of key management personnel is included in the Governance section on page 18.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Employee involvement and 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 staff meetings, notice boards, newsletters and the Group intranet United Hub.

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

The Charitable Company 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 Company 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. 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 Company's Equal Opportunities policy, the Charitable Company 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 Company's offices.

Details of the Charitable Group's Gender Pay report can be found on its website at unitedlearning.org.uk

Fundraising

United Learning has a soft fundraising approach. In prior years, the Charitable Group has received large donations from individuals, but generally, we do not actively fundraise.

Our current approach is to work with partners and suppliers from time to time to offer fundraising packages for specific events and programmes such as our annual student and staff award ceremony and our Enterprise Programme.

Our schools occasionally fundraise for themselves or charities via events such as performances, non-school uniforms day and fêtes.

With the exception of the above, the Charitable Group does not contact or seek funding from the public or individuals, nor do we work with professional fundraisers. Occasionally, the Group is approached by trusts or individuals who are interested in working with us, and we will provide them with programme and funding information in order to explore funding opportunities that meet both parties' objectives and ethos. In prior years, we have submitted joint bid applications to trusts and funding bodies, such as the Department for Education and the Careers and Enterprise Company along with other charities.

We are members of the Fundraising Regulator Fundraising Preference Service to monitor our fundraising

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

complaints. We did not receive any complaints this year.

Public benefit

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

The Charitable Company 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.

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

Academies

The Charitable Company is the sponsor of, and works very closely with, ULT in managing a group of academies. Through interaction in all of the schools and academies, the two charitable companies work together to give pupils in these academies every opportunity to succeed during their education. This involves such activities as group meetings at every level to share best practice and the sharing of educational resources over United Hub.

Access policy

The Charitable Company 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 Company's schools. The Charitable Company's schools all access United Hub, which enables teachers at any of the schools in the Group to collaborate, share resources and challenges, 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 Company. As a result of the desire to help children in this way the Charitable Company 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, the Charitable Company granted £1.56m (2019: £1.60m) to pupils attending its schools under means tested assistance. This equated to 1.41% of gross fees received (2019: 1.53%). Further details of our Bursary Policy and how to apply are on our website.

In addition during the year, the Charitable Company 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

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

schools who found themselves unable to pay school fees as a result of the pandemic.

Section 172 Statement

The Trustees fulfil their duty to promote the success of the Charitable Company under Section 172 of the Companies Act 2006 (the Act) and consider the interests of the Charitable Company's key stakeholders when making decisions as follows. The Charitable Company 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; employee, 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.

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.

The Charitable Company is regulated by the Charity Commission and has due regard to the Commission's guidance. The Trust 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.

The Trustees consider relationships with suppliers through the oversight of the Group procurement policy and Modern Slavery statement. The impact of the Charitable Company'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.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020****Governance**

The Board of Trustees have delegated their powers and functions to a committee of Trustees known as the Group Board. All the Trustees of United Church Schools Trust ("UCST") are members of the Group Board. Members of the Group Board also include persons who are Trustees of United Learning Trust ("ULT"), a subsidiary Charitable Company. The Group Board of Directors has formally met 9 times during the year and the UCST Board of Trustees held 3 independent meetings. Attendance during the year at the meetings of the Trustees was as follows:

	Group Board meetings attended	Out of a possible	UCST meetings attended	Out of a possible
Ms Mary Curnock Cook	9	9	3	3
Dr Ros Given-Wilson	7	9	3	3
Mr Ben Gordon	9	9	2	3
Mr Richard Greenhalgh	9	9	3	3
The Very Rev John Hall	6	7	2	2
Mr Mike Litchfield	8	9	3	3
Mrs Sarah Squire	9	9	3	3

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 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 and outcomes are currently under review by Trustees. This was due to take place in May and June 2020 but was deferred due to the COVID-19 lockdown.

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

Board Committees

The Group Board 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 Directors at meetings of the Group Board and any matters of concern are highlighted.

The Finance Committee's purpose is to:

- ensure that the Charitable Company 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 of Trustees;
- monitor financial performance against agreed budgets;
- ensure, with the Risk and Audit Committee, that the Charitable Company's financial statements are supported accurately by management accounts;
- monitor and review the Charitable Company's arrangements in relation to investments and make recommendations to the Board of Trustees in relation to the appointment and removal of investment advisors.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Attendance at meetings during the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr Neil Davidson (Chair)	4	4
Dr Stephen Critchley	3	4
Mr Michael George	4	4
Mr Ben Gordon	4	4
Mr Richard Greenhalgh	4	4
Mr Mike Litchfield	4	4

The Risk and Audit Committee's purpose is to:

- ensure implementation of a risk management framework for the Group and to review disaster recovery/business continuity planning;
- ensure the Charities' 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 & 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:

Committee member	Meetings attended	Out of a possible
Professor Colin Coulson-Thomas (Chair)	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	6	6

A Group Nominations and Remuneration Committee exists to oversee the appointments of the Group Chairman and Directors 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 Directors. 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 Directors and leads the process of recruitment of Directors 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.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)****TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr Richard Greenhalgh (Chair)	2	2
Mr Ben 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 Trust discharges its responsibilities for education improvement in providing excellent education so that 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 related to schools' educational performance;
- review annually the performance of local/cluster governing bodies to ensure they are operating at maximum effectiveness;
- receive reports from Executive regarding safeguarding, and to hold the Executive to account regarding the effectiveness of policies and process designed to keep children safe.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
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.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Charitable Company is exposed, including those 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 Company's significant risks that has

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

been in place 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.

The Charitable Group has a risk register that identifies the key strategic risks facing the 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 Board of Trustees via the Committee's minutes and the Chair's report to the Group Board.

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 Company'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 Company'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.

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

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Chief Executive

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

Connected charities

There is a relationship between United Church Schools Trust (Limited by Guarantee) and other charities as set out in note 26.

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

The Trustees (who are also directors of United Church Schools Trust for the purposes of company law) are responsible for preparing the Trustees' 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 of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements 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 will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and disclose with reasonable accuracy at any time the financial position of the Charitable Company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

UNITED CHURCH SCHOOLS TRUST

(A company limited by guarantee)

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Disclosure of information to auditor

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

- so far as each Trustee is aware, there is no relevant audit information of which the Charitable Company's auditor is unaware, and
- the Trustees have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

This report was approved by the Trustees, on 4 February 2021 and signed on their behalf by:

Rosalind Given-Wilson

Dr Rosalind Given-Wilson, Chair
Trustee

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS TRUST

Opinion

We have audited the financial statements of United Church Schools Trust (the 'Charitable Company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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 Charitable Company's affairs as at 31 August 2020 and of its 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

The impact of macro-economic uncertainties 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 directors 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 Charitable Company's future prospects and performance.

COVID-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their 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 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 Charitable Company associated with these particular events.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS TRUST
(CONTINUED)**

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 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.

In our evaluation of the trustees' conclusions, we considered the risks associated with the Charitable Company's business model, including effects arising from Brexit, and analysed how those risks might affect the Charitable Company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Charitable Company will continue in operation.

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, 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.

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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS TRUST
(CONTINUED)**

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

In the light of our knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' 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

As explained more fully in the Trustees' responsibilities statement, set out on pages 20 to 21, 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 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 charitable company or to cease operations, or have no realistic alternative but to do so.

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. This description forms part of our Auditor's report.

UNITED CHURCH SCHOOLS TRUST

(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UNITED CHURCH SCHOOLS TRUST
(CONTINUED)**

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

Gareth Norris ACA (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 TRUST

(A company limited by guarantee)

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

	Note	Restricted funds 2020 £000	Unrestricted funds 2020 £000	Continuing operations 2020 £000	Total funds 2020 £000	Continuing operations 2019 £000	Discontinued operations 2019 £000	Total funds 2019 £000
Income from:								
Donations and legacies	4	189	(1,962)	(1,773)	(1,773)	3,751	164	3,915
Charitable activities	2, 3	-	116,243	116,243	116,243	110,479	1,977	112,456
Total income		189	114,281	114,470	114,470	114,230	2,141	116,371
Expenditure on:								
Charitable activities	5	-	117,403	117,403	117,403	111,709	2,398	114,107
Total expenditure		-	117,403	117,403	117,403	111,709	2,398	114,107
Net income before other recognised gains and losses		189	(3,122)	(2,933)	(2,933)	2,521	(257)	2,264
Actuarial (loss)/gain on defined benefit pension schemes and other pension commitments	24	-	(278)	(278)	(278)	(947)	-	(947)
Net movement in funds		189	(3,400)	(3,211)	(3,211)	1,574	(257)	1,317

UNITED CHURCH SCHOOLS TRUST

(A company limited by guarantee)

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

	Restricted funds 2020	Unrestricted funds 2020	Continuing operations 2020	Total funds 2020	<i>Continuing operations 2019</i>	<i>Discontinued operations 2019</i>	<i>Total funds 2019</i>
Note	£000	£000	£000	£000	<i>£000</i>	<i>£000</i>	<i>£000</i>
Reconciliation of funds:							
Total funds brought forward	2,260	19,592	21,852	21,852	20,535	-	20,535
Total funds carried forward	2,449	16,192	18,641	18,641	<i>22,109</i>	<i>(257)</i>	<i>21,852</i>

The notes on pages 32 to 60 form part of these financial statements.

UNITED CHURCH SCHOOLS TRUST

(A company limited by guarantee)
REGISTERED NUMBER: 02780748

**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £000	2019 £000
Fixed assets			
Intangible assets	10	2,230	1,919
Tangible assets	11	5,558	5,858
Investments	12	217	36
		<u>8,005</u>	<u>7,813</u>
Current assets			
Stocks	13	13	14
Debtors	14	58,415	56,720
Cash and cash equivalents	20	8,254	16,182
		<u>66,682</u>	<u>72,916</u>
Creditors: amounts falling due within one year	15	(53,406)	(56,526)
		<u>13,276</u>	<u>16,390</u>
Net current assets		<u>13,276</u>	<u>16,390</u>
Total assets less current liabilities		<u>21,281</u>	<u>24,203</u>
Defined benefit pension scheme liability	24	(2,640)	(2,351)
Net assets including pension scheme liabilities		<u>18,641</u>	<u>21,852</u>
Charity funds			
Restricted funds	17	2,449	2,260
Unrestricted funds			
Unrestricted funds excluding pension asset	17	18,832	21,943
Pension reserve	17	(2,640)	(2,351)
		<u>16,192</u>	<u>19,592</u>
Total unrestricted funds	17	<u>16,192</u>	<u>19,592</u>
Total funds		<u>18,641</u>	<u>21,852</u>

UNITED CHURCH SCHOOLS TRUST

**(A company limited by guarantee)
REGISTERED NUMBER: 02780748**

**BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020**

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Rosalind Given-Wilson

Dr Rosalind Given-Wilson

The notes on pages 32 to 60 form part of these financial statements.

UNITED CHURCH SCHOOLS TRUST

(A company limited by guarantee)

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash used in operating activities	19	(3,439)	917
Cash flows from investing activities			
Purchase of intangible fixed assets		(436)	(764)
Purchase of tangible fixed assets		(886)	(2,004)
Net cash acquired in business combinations		2	622
Net cash used in investing activities		(1,320)	(2,146)
Cash flows from financing activities			
Repayment of borrowing		(2,626)	-
Interest paid		(543)	(581)
Net cash used in financing activities		(3,169)	(581)
Change in cash and cash equivalents in the year		(7,928)	(1,810)
Cash and cash equivalents at the beginning of the year		16,182	17,992
Cash and cash equivalents at the end of the year	20	8,254	16,182

The notes on pages 32 to 60 form part of these financial statements

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)****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 the Charities SORP (FRS 102) - 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), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

United Church Schools Trust 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

Consolidated financial statements have not been prepared as consolidated financial statements for the Charitable Company's ultimate parent undertaking, United Church Schools Foundation Limited, are publicly available from the Charitable Company's registered office and incorporate the results of the Charitable Company and its subsidiary undertakings. These financial statements therefore represent the results of United Church Schools Trust only.

1.3 Income

All income is recognised once the Charitable Company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Donated services or facilities are recognised when the Charitable Company 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 Company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

On receipt, donated professional services and donated facilities are recognised on the basis of the value of the gift to the Charitable Company which is the amount the Charitable Company would have been willing to pay to obtain services or facilities of equivalent economic benefit on the open market; a corresponding amount is then recognised in expenditure in the period of receipt.

Bursaries and discounts awarded are charged in the year to which they relate, and are offset against the associated income.

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.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

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

1. Accounting policies (continued)**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. 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 Company's educational operations. Governance costs are those incurred in connection with administration of the Charitable Company and compliance with constitutional and statutory requirements.

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

All expenditure is 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 Company and which have not been designated for other purposes.

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 Company 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.

1.6 Company status

The Charitable Company is a company limited by guarantee. United Church Schools Foundation Limited (Company number 00018582) is the ultimate parent undertaking and sole member of the Charitable Company. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company.

UNITED CHURCH SCHOOLS TRUST

(A company limited by guarantee)

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

1. Accounting policies (continued)

1.7 Going concern

The Directors 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 Company to continue as a going concern. The Directors make this assessment in respect of a period at least one year from the signing date of these financial statements. The Directors 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 Company maintains reserves to meet unexpected obligations and forecast models indicate that, even allowing for the economic impacts of the pandemic, the Charitable Company 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 Directors' Report on pages 9 and 10.

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 fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

Depreciation is provided on the following bases:

Leasehold improvements	- Term of the lease
Motor vehicles	- 4 years
Fixtures and fittings	- 10 years
Computer equipment	- 3 years

Tangible assets donated to the Charitable Company are capitalised based on their fair values which then represents the deemed historic cost of the asset.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate 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.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****1. Accounting policies (continued)****1.10 Investments**

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 the 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 presented as 'Gains/(Losses) on investments' in the Statement of Financial Activities.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.12 Interest receivable

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

1.13 Operating leases

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

1.14 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.

1.15 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.

1.16 Cash and cash equivalents

Cash and cash equivalents includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

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

1. Accounting policies (continued)**1.17 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 Company 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.

1.18 Financial instruments

The Charitable Company 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.

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 Company 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.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

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

1. Accounting policies (continued)**1.19 Pensions**

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

Retirement benefits to teaching staff are provided by the Teachers' Pension Scheme ("TPS"). Retirement benefits to certain support staff are provided 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 Company 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 24, 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 Company 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.

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

1.20 Government Grants

Government grant income from the coronavirus job retention scheme is recognised when there is evidence of entitlement to the grant income, receipt is probable, and its amount can be measured reliably.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)**

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

1. Accounting policies (continued)**1.21 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 Company 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 Scheme

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 24, 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 Company 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 24. Any changes in these assumptions would impact the carrying amount of the liability.

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.

Provision for bad debts

An allowance for doubtful debts is maintained for estimated losses resulting from the inability of the Charitable Company's fee debtors to make required payments. The Charitable Company applies a policy for providing for bad debts which is periodically reviewed based on an assessment of actual outcomes against those expected.

UNITED CHURCH SCHOOLS TRUST

(A company limited by guarantee)

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

1. Accounting policies (continued)

1.22 Exceptional items

Costs classified as exceptional relate to costs which are non-recurring and outside of the normal charitable activities of the company as disclosed in note 9.

2. School fees receivable and catering income

	2020	<i>2019</i>
	£000	<i>£000</i>
Gross fee income receivable	110,708	<i>104,404</i>
Scholarships, bursaries and reduced fees	(15,142)	<i>(10,166)</i>
Catering income	1,420	<i>2,024</i>
Net fee income receivable	96,986	<i>96,262</i>

In 2020, of the total school fees receivable and catering income, £96,986k (2019: £96,347k) was to unrestricted funds and £NIL (2019: £NIL) was to restricted funds.

3. Other educational related income

	2020	<i>2019</i>
	£000	<i>£000</i>
Support services to other schools and academies	11,900	<i>10,286</i>
Income from Government's Coronavirus Job Retention Scheme	3,529	<i>-</i>
Early years funding	74	<i>85</i>
Pupil registration fees	260	<i>276</i>
Charges for additional classes	1,002	<i>1,039</i>
Charges for school trips	1,555	<i>3,009</i>
Other school income	684	<i>1,211</i>
Rents and lettings	253	<i>288</i>
	19,257	<i>16,194</i>

In 2020, of the other educational related income, £19,257k (2019: £16,109k) was to unrestricted funds and £NIL (2019: £NIL) was to restricted funds.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****4. Voluntary income**

	2020	<i>2019</i>
	£000	<i>£000</i>
Other sponsorship and donations received	2,607	<i>3,394</i>
Gift aid from subsidiary undertakings	-	<i>1,187</i>
Gift aid - COVID-19 donations	10	-
Net liabilities transferred from other charities	(4,390)	<i>(666)</i>
	(1,773)	<i>3,915</i>

In 2020, of the total voluntary income, £(1,962k) (2019: £3,882) was to unrestricted funds and £189k (2019: £33k) was to restricted funds.

UNITED CHURCH SCHOOLS TRUST

(A company limited by guarantee)

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

5. Analysis of total resources expended

	Staff costs 2020 £000	Other costs 2020 £000	Depreciation 2020 £000	Total 2020 £000	Total 2019 £000
Schools operating costs					
Educational supplies	63,252	6,573	-	69,825	65,706
Recruitment and support	-	377	-	377	383
Staff development	-	32	-	32	55
Examination fees	-	77	-	77	85
Technology costs	3,352	1,938	-	5,290	4,982
Premises costs	4,380	10,049	-	14,429	14,896
Insurance	-	467	-	467	490
Catering	26	3,867	-	3,893	5,391
Marketing	895	1,476	-	2,371	2,372
Legal and professional	-	895	-	895	1,140
Other support costs	13,048	4,147	-	17,195	15,187
Depreciation and amortisation	-	-	1,583	1,583	1,869
Loss on disposal of operations	-	-	-	-	526
Bank interest and charges	-	643	-	643	692
	<u>84,953</u>	<u>30,541</u>	<u>1,583</u>	<u>117,077</u>	<u>113,774</u>
Governance costs					
Auditor costs - audit fees	-	48	-	48	47
Company Secretariat costs	242	35	-	277	283
Trustees' meeting and travel	-	1	-	1	3
	<u>85,195</u>	<u>30,625</u>	<u>1,583</u>	<u>117,403</u>	<u>114,107</u>
Total 2020	<u>85,195</u>	<u>30,625</u>	<u>1,583</u>	<u>117,403</u>	<u>114,107</u>
<i>Total 2019</i>	<u>75,910</u>	<u>36,328</u>	<u>1,869</u>	<u>114,107</u>	

In 2020, of the total resources expended, £117,403k (2019: £114,107k) was to unrestricted funds and £NIL (2019: £NIL) was to restricted funds.

UNITED CHURCH SCHOOLS TRUST

(A company limited by guarantee)

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

Total resources expended include:

	2020	<i>2019</i>
	£000	<i>£000</i>
Auditor's remuneration:		
Audit of the charitable company's annual financial statements	48	47
Non-audit services	8	8
Depreciation:		
Tangible fixed assets, owned	1,458	1,744
Amortisation:		
Intangible fixed assets	125	125
Loss on disposal of operations	-	526
Operating lease rentals	1,155	1,311
	<u>1,155</u>	<u>1,311</u>

6. Net interest

	2020	<i>2019</i>
	£000	<i>£000</i>
Interest payable to Group undertakings	543	581
	<u>543</u>	<u>581</u>

7. Staff costs

	2020	<i>2019</i>
	£000	<i>£000</i>
Wages and salaries	67,992	62,580
Social security costs	6,202	5,657
Other pension costs (note 24)	10,650	7,167
Agency fees	351	506
	<u>85,195</u>	<u>75,910</u>

During the year, there were redundancy or termination payments made which amounted to £506k (2019: £280k).

The average number of persons employed by the Charitable Company during the year was as follows:

	2020	<i>2019</i>
	No.	<i>No.</i>
	2,550	2,403

UNITED CHURCH SCHOOLS TRUST

(A company limited by guarantee)

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

7. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020	<i>2019</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	54	<i>43</i>
In the band £70,001 - £80,000	15	<i>16</i>
In the band £80,001 - £90,000	10	<i>13</i>
In the band £90,001 - £100,000	15	<i>7</i>
In the band £100,001 - £110,000	7	<i>2</i>
In the band £110,001 - £120,000	4	<i>5</i>
In the band £120,001 - £130,000	3	<i>2</i>
In the band £130,001 - £140,000	-	<i>2</i>
In the band £140,001 - £150,000	2	<i>2</i>
In the band £150,001 - £160,000	-	<i>2</i>
In the band £160,001 - £170,000	4	<i>1</i>
In the band £170,001 - £180,000	1	<i>2</i>
In the band £180,001 - £190,000	1	<i>-</i>
In the band £220,001 - £230,000	-	<i>1</i>
In the band £230,001 - £240,000	1	<i>-</i>
In the band £240,001 - £250,000	-	<i>1</i>
In the band £250,001 - £260,000	1	<i>-</i>
	=====	<i>=====</i>

Key management personnel, as listed on page 1, are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The remuneration for these individuals totalled £1,315k (2019: £1,430k).

During the year, the following amounts were paid in respect of higher paid employees as shown above:

	2020	<i>2019</i>
	£000	<i>£000</i>
Pension contributions to defined contribution, teachers' pension scheme and local government pension schemes	1,771	<i>1,166</i>
	=====	<i>=====</i>

During the year, 27 higher paid employees (2019: 25) participated in defined contribution schemes, 87 (2019: 71) participated in the Teachers' Pension Scheme (operated by the Teachers' Pension Agency), 2 (2019: 1) participated in the Local Government Pension Scheme and 2 (2019: 2) did not participate in Charitable Company pension schemes.

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****Payment to Trustees**

No Trustee, or person with a family or business connection with a Trustee, received remuneration in the year, directly or indirectly, from either the Charitable Company or a company controlled by the Charitable Company.

Expense reimbursements paid to 2 (2019: 3) Trustees during the year amounted to £1k (2019: £3k) and all related to travel and subsistence costs.

8. Interest on Local Government Pension Scheme

	2020	<i>2019</i>
	£000	<i>£000</i>
Interest on pension scheme liabilities	(165)	<i>(211)</i>
Interest income on pension scheme assets	139	<i>194</i>
	<u>(26)</u>	<i><u>(17)</u></i>

9. Exceptional items

On 1 November 2019, the Charitable Company welcomed The Royal School Haslemere.

Exceptional costs incurred in school mergers, acquisitions and disposals during the year ended 31 August 2020 amounted to £211k (2019: £354k).

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

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

10. Intangible assets

	Software development £000
Cost	
At 1 September 2019	2,140
Additions	436
At 31 August 2020	2,576
Amortisation	
At 1 September 2019	221
Charge for the year	125
At 31 August 2020	346
Net book value	
At 31 August 2020	2,230
<i>At 31 August 2019</i>	1,919

All intangible fixed assets were used for charitable purposes.

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FOR THE YEAR ENDED 31 AUGUST 2020**

11. Tangible fixed assets

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost					
At 1 September 2019	1,785	9,920	4,888	626	17,219
Additions	83	590	203	10	886
Transfers from other charities	-	218	7	47	272
Disposals	-	(18)	-	(58)	(76)
Transfers between classes	-	191	(191)	-	-
At 31 August 2020	<u>1,868</u>	<u>10,901</u>	<u>4,907</u>	<u>625</u>	<u>18,301</u>
Depreciation					
At 1 September 2019	629	6,097	4,077	558	11,361
Charge for the year	183	763	464	48	1,458
On disposals	-	(18)	-	(58)	(76)
At 31 August 2020	<u>812</u>	<u>6,842</u>	<u>4,541</u>	<u>548</u>	<u>12,743</u>
Net book value					
At 31 August 2020	<u><u>1,056</u></u>	<u><u>4,059</u></u>	<u><u>366</u></u>	<u><u>77</u></u>	<u><u>5,558</u></u>
At 31 August 2019	<u><u>1,156</u></u>	<u><u>3,823</u></u>	<u><u>811</u></u>	<u><u>68</u></u>	<u><u>5,858</u></u>

All tangible fixed assets were used for charitable purposes.

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

12. Fixed asset investments

		Listed investments £000
Valuation		
At 1 September 2019		36
Transfers from other charities		181
At 31 August 2020		217
	2020 £000	2019 £000
Investments at value comprise:		
Listed investments	217	36

All the fixed asset investments are held in the UK.

Subsidiary undertakings

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

	Holding	Nature of the business	Class of share capital held
	%		
St. Ives (Haslemere) Limited*	100	Dormant	-
United Learning Trust*	100	Education	-
Bradtime Limited**	100	Dormant	Ordinary £1
Priory School (Banstead) Trust Limited*	100	Dormant	-

*Limited by guarantee

**Dissolved on 22 September 2020

The registered office address of St. Ives (Haslemere) Limited, United Learning Trust, Bradtime Limited and Priory School (Banstead) Trust Limited is Worldwide House, Thorpe Wood, Peterborough, England, PE3 6SB.

13. Stocks

	2020 £000	2019 £000
Finished goods and goods for resale	13	14

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

14. Debtors

	2020	<i>2019</i>
	£000	<i>£000</i>
Due within one year		
Trade debtors	30,943	<i>30,620</i>
Amounts owed by Group undertakings	23,051	<i>21,253</i>
Other debtors	2,677	<i>3,054</i>
Prepayments and accrued income	1,744	<i>1,793</i>
	58,415	<i>56,720</i>

15. Creditors: Amounts falling due within one year

	2020	<i>2019</i>
	£000	<i>£000</i>
Trade creditors	2,453	<i>3,997</i>
Amounts owed to Group undertakings	6	<i>9</i>
Other taxation and social security	1,744	<i>1,624</i>
Other creditors	12,516	<i>14,394</i>
Accruals and deferred income	36,687	<i>36,502</i>
	53,406	<i>56,526</i>

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

	2020	<i>2019</i>
	£000	<i>£000</i>
Deferred income at 1 September 2019	33,314	<i>31,837</i>
Resources deferred during the year	33,100	<i>33,314</i>
Amounts released from previous periods	(33,314)	<i>(31,837)</i>
Deferred income as at 31 August 2020	33,100	<i>33,314</i>

Deferred income relates to fees invoiced in advance for the Autumn term.

UNITED CHURCH SCHOOLS TRUST

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

16. Acquisitions and disposals

On 1 November 2019, United Church Schools Trust acquired the trade and certain assets and liabilities of the former The Royal School Haslemere for £nil consideration. The fair values at the acquisition date of each class of assets and liabilities were as follows:

	Book value £000	Fair value £000
Fixed assets		
Tangible	272	272
Investments	181	181
	453	453
Current assets		
Debtors	332	332
Cash and cash equivalents	2	2
	787	787
Total assets		
Creditors		
Due within one year	(3,310)	(3,310)
Bank overdraft	(1,794)	(1,794)
Due after more than one year	(73)	(73)
	(4,390)	(4,390)
Total identifiable net liabilities	(4,390)	(4,390)

Of the net liabilities acquired, £4,579k were from unrestricted funds in deficit, and £189k were from restricted funds.

There was no consideration paid, and the net liabilities acquired have therefore been recorded within voluntary income as shown in note 4.

Property held by the former charity was transferred separately to the parent charity, United Church Schools Foundation Limited, for £nil consideration.

The impact of acquired operations on the Statement of Financial Activities since acquisition is as follows:

	£000
Income from donations and legacies	404
Income from charitable activities	4,588
Expenditure on charitable activities	(5,908)
	(916)
	(916)

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

17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2020 £000
Unrestricted funds						
Designated funds						
Designated funds	392	(474)	(171)	4,000	-	3,747
General funds						
General Funds - all funds	21,551	114,755	(117,221)	(4,000)	-	15,085
Pension reserve	(2,351)	-	(11)	-	(278)	(2,640)
	<u>19,200</u>	<u>114,755</u>	<u>(117,232)</u>	<u>(4,000)</u>	<u>(278)</u>	<u>12,445</u>
Total Unrestricted funds	<u>19,592</u>	<u>114,281</u>	<u>(117,403)</u>	<u>-</u>	<u>(278)</u>	<u>16,192</u>
Restricted funds						
Sponsorship fund	1,729	-	-	-	-	1,729
Other donated funds	531	189	-	-	-	720
	<u>2,260</u>	<u>189</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,449</u>
Total of funds	<u><u>21,852</u></u>	<u><u>114,470</u></u>	<u><u>(117,403)</u></u>	<u><u>-</u></u>	<u><u>(278)</u></u>	<u><u>18,641</u></u>

Designated funds are accumulated surpluses from prior years available for use by the School that generated the funds. In response to the impact of the COVID-19 pandemic the Charitable Company has transferred £4 million of general funds to designated funds to be used in support of those families at our independent schools who find themselves unable to pay school fees as a result of the pandemic.

The Sponsorship fund has been formed to gather together the external donations received towards the Charitable Company's support for the academies of United Learning Trust.

Other donated funds include a number of individual donations towards specific building and other projects within the Group.

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

17. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2018 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Gains/ (losses) £000</i>	<i>Balance at 31 August 2019 £000</i>
Unrestricted funds					
Designated funds					
Designated funds	262	130	-	-	392
General funds					
General Funds - all funds	19,448	116,208	(114,105)	-	21,551
Pension reserve	(1,402)	-	(2)	(947)	(2,351)
	<u>18,046</u>	<u>116,208</u>	<u>(114,107)</u>	<u>(947)</u>	<u>19,200</u>
Total Unrestricted funds	<u>18,308</u>	<u>116,338</u>	<u>(114,107)</u>	<u>(947)</u>	<u>19,592</u>
Restricted funds					
Sponsorship fund	1,729	-	-	-	1,729
Other donated funds	498	33	-	-	531
	<u>2,227</u>	<u>33</u>	<u>-</u>	<u>-</u>	<u>2,260</u>
Total of funds	<u><u>20,535</u></u>	<u><u>116,371</u></u>	<u><u>(114,107)</u></u>	<u><u>(947)</u></u>	<u><u>21,852</u></u>

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

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £000	Unrestricted funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	5,558	5,558
Intangible fixed assets	-	2,230	2,230
Fixed asset investments	-	217	217
Current assets	2,449	64,233	66,682
Creditors due within one year	-	(53,406)	(53,406)
Provisions for liabilities and charges	-	(2,640)	(2,640)
Total	2,449	16,192	18,641

Analysis of net assets between funds - prior period

	<i>Restricted funds 2019 £000</i>	<i>Unrestricted funds 2019 £000</i>	<i>Total funds 2019 £000</i>
Tangible fixed assets	-	5,858	5,858
Intangible fixed assets	-	1,919	1,919
Fixed asset investments	-	36	36
Current assets	2,260	70,656	72,916
Creditors due within one year	-	(56,526)	(56,526)
Provisions for liabilities and charges	-	(2,351)	(2,351)
Total	2,260	19,592	21,852

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

19. Reconciliation of net movement in funds to net cash flow from operating activities

	2020	<i>2019</i>
	£000	<i>£000</i>
Net income/expenditure for the period (as per Statement of Financial Activities)	(2,933)	<i>2,264</i>
Adjustments for:		
Depreciation and amortisation charges	1,583	<i>1,869</i>
Interest paid	569	<i>598</i>
Decrease in stocks	1	<i>11</i>
Increase in debtors	(1,366)	<i>(4,135)</i>
Decrease in creditors	(5,668)	<i>(867)</i>
Loss on disposal of fixed assets	-	<i>526</i>
Defined benefit pension scheme cost less contributions payable	(15)	<i>(15)</i>
Net liabilities acquired from other charities	4,390	<i>666</i>
Net cash provided by/(used in) operating activities	(3,439)	<i>917</i>

20. Analysis of cash and cash equivalents

	2020	<i>2019</i>
	£000	<i>£000</i>
Cash in hand	8,254	<i>16,182</i>

21. Analysis of changes in net debt

	At 1 September 2019	Cash flows £000	At 31 August 2020
	£000		£000
Cash and cash equivalents	16,182	(7,928)	8,254

22. Contingent liabilities

At 31 August 2020, the Charitable Company was party to cross-guarantees on bank loans and overdrafts of the parent undertaking totalling £26,817k (2019: £24,923k).

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****23. Capital commitments**

There were no capital commitments at 31 August 2020 or 31 August 2019.

24. Pension commitments

The Charitable Company 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 Company. Employer contributions payable to the schemes during the year amounted to £1.266m (2019: £1.144m). Employee and employer contributions payable to the schemes at the Balance Sheet date amounted to £168k (2019: £142k) and are included within creditors.

The Charitable Company operates two defined benefit pension scheme: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pensions Scheme (LGPS) for non-teaching staff of one school, which is managed by the Local Authority.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £997k were payable to the schemes at 31 August 2020 (2019 - £774k) and are included within creditors.

The Charitable Company also has an unfunded defined benefit pension scheme which is provided for in the financial statements.

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 1.70%, with future pension increase and inflation being 0.5%.

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. 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

UNITED CHURCH SCHOOLS TRUST**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020****24. Pension commitments (continued)**

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 £8.937m (2019 - £5.813m).

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 Company has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charitable Company has set out above the information available on the scheme.

Local Government Pension Scheme

The Charitable Company 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 scheme are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The total employer's contribution made for the year ended 31 August 2020 was £76k (2019: £72k). The agreed contribution rates for future years are 13.6 - 19.4 per cent for employers and 6.3 - 7.3 per cent for employees.

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	At 31 August 2020	<i>At 31 August 2019</i>
	%	%
Discount rate	1.70	1.80
Future salary increases	3.90	3.60
Future pension increases	2.50	2.20
Inflation assumption	2.40	2.10

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

	2020	2019
Mortality rates (in years)		
- for a male aged 65 now	22.3	22.8
- at 65 for a male aged 45 now	23.8	25.1
- for a female aged 65 now	25.0	25.5
- at 65 for a female aged 45 now	26.8	28.2

The assets in the LGPS were:

	2020	2019
	£000	£000
Equities	3,479	3,714
Bonds	526	125
Property	1,038	684
Cash	137	140
Other	2,449	3,109
Total market value of LGPS assets	7,629	7,772

The actual return on scheme assets was £(45k) (2019: £896k).

The amounts recognised in the Statement of Financial Activities are as follows (for both the LGPS and unfunded pension scheme):

	2020	2019
	£000	£000
Current service cost	(144)	(104)
Past service cost	(27)	(66)
Interest income	(165)	(211)
Interest cost	139	194
Administrative expenses	(2)	(2)
Total amount recognised in the Statement of Financial Activities	(199)	(189)

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

Movements in the present value of the LGPS and unfunded defined benefit obligation were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Opening defined benefit obligation	10,123	<i>3,092</i>
Current service cost	144	<i>104</i>
Interest cost	165	<i>211</i>
Contributions by scheme participants	25	<i>24</i>
Actuarial losses	94	<i>1,411</i>
Past service cost	27	<i>66</i>
Share of defined benefit obligation not previously recognised	-	<i>5,525</i>
Benefits paid - LGPS	(202)	<i>(206)</i>
Benefits paid - unfunded obligation	(107)	<i>(104)</i>
Closing defined benefit obligation	10,269	<i>10,123</i>

Changes in the fair value of LGPS scheme assets were as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Opening fair value of scheme assets	7,772	<i>1,690</i>
Interest on assets	139	<i>194</i>
Actual return less interest	(184)	<i>702</i>
Contributions by employer	81	<i>83</i>
Contributions by scheme participants	25	<i>24</i>
Share of scheme assets not previously recognised	-	<i>5,287</i>
Benefits paid	(202)	<i>(206)</i>
Administration expenses	(2)	<i>(2)</i>
Closing fair value of scheme assets	7,629	<i>7,772</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments (continued)

The Charitable Company expects to contribute £81k to the LGPS in 2021.

During the prior year, the Charitable Company 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 on separate lines in the tables above in the comparative period.

Amounts for the current and previous period are as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Defined benefit pension schemes		
Defined benefit obligations (including unfunded pension deficit)	(10,269)	<i>(10,123)</i>
LGPS assets	7,629	<i>7,772</i>
Net deficit	(2,640)	<i>(2,351)</i>
Experience adjustments on LGPS and unfunded liabilities	(94)	<i>(1,411)</i>
Experience adjustments on LGPS assets	(184)	<i>702</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
LGPS net deficit	1,780	<i>1,456</i>
Unfunded pension scheme liability	860	<i>895</i>
Total	2,640	<i>2,351</i>

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**NOTES TO THE FINANCIAL STATEMENTS
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25. Operating lease commitments

At 31 August 2020 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020	<i>2019</i>
	£000	<i>£000</i>
Amounts payable: Land and buildings		
Within 1 year	227	<i>291</i>
Between 1 and 5 years	372	<i>526</i>
After more than 5 years	286	<i>360</i>
	885	<i>1,177</i>
	885	<i>1,177</i>
	2020	<i>2019</i>
	£000	<i>£000</i>
Amounts payable: other		
Within 1 year	1,082	<i>1,155</i>
Between 1 and 5 years	1,077	<i>1,102</i>
	2,159	<i>2,257</i>
	2,159	<i>2,257</i>

26. Related party transactions

United Church Schools Foundation Limited is the sole member of United Church School Trust (UCST).

During the year, United Church Schools Foundation Limited charged interest totalling £543k (2019: £579k) and rent totalling £2,653k (2019: £2,632k) to the Charitable Company.

UCST is the sole member of United Learning Trust (ULT).

The Charitable Company provided central services to ULT. The total amount charged during the year totalled £11,399k (2019: £9,561k) and was computed so as to equal the actual costs incurred on a per pupil basis.

At the year end date, balances amounting to £23,051k (2019: £21,253k) were due to the Charitable Company, and balances amounting to £6k (2019: £9k) were due from the Charitable Company to other entities in the Charitable Group of which United Church Schools Foundation Limited is the ultimate parent. These balances arise as a result of direct recharges of costs where resources are centrally procured, with the underlying transactions not therefore representing related party transactions.

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

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Post balance sheet events

Bank loans of the parent undertaking to which the Charitable Company is party to cross-guarantees, which were due to mature in March 2021, have been extended to 31 March 2022.

28. Ultimate parent undertaking and controlling party

The Board consider that the ultimate and immediate parent undertaking of the Charitable Company is United Church Schools Foundation Limited (Company number: 00018582) by virtue of the fact that it is the sole member and therefore has the ability to appoint or remove trustees. The principal objects of United Church Schools Foundation Limited are the same as those of the Charitable Company.

In the opinion of the Directors, there is no ultimate controlling party.

The largest group of undertakings for which group accounts have been drawn up is that headed by United Church Schools Foundation Limited. Copies of the group accounts can be obtained from Worldwide House, Thorpe Wood, Peterborough, PE3 6SB.