

Registered number: 02780748  
Charity number: 1016538

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

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**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**UNITED CHURCH SCHOOLS TRUST**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2021**

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**Trustees** Ms Mary Curnock Cook (resigned 30 April 2021)  
The Very Rev. Dr John Hall  
Mr Ben Gordon  
Mr Richard Greenhalgh  
Dr Rosalind Given-Wilson, Chair  
Mr Mike Litchfield  
Mrs Sarah Squire (resigned 31 August 2021)

Biographies for Trustees can be found at [www.unitedlearning.org.uk](http://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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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

**Solicitors**                    HCR Hewitsons LLP  
Elgin House  
Billing Road  
Northampton  
NN1 5BA

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

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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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 2021. 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 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") a multi-academy trust, 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 ULT.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **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 nearly 140 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 2021, United Learning – the trading name of the Charitable Group – comprises 13 independent schools operated within United Church Schools Trust ("UCST"), 76 state sector academies operated within ULT and a central office function that serves all our schools.

### **Operating review**

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

As in 2020, this academic year was overshadowed by the COVID-19 pandemic which presented significant disruption to pupils of all ages across the country throughout the year.

Following guidance from the Department for Education (DfE), schools were organised into 'bubbles' – usually whole year groups – and robust hygiene, cleaning and social distancing arrangements were put in place across all United Learning schools. Whilst adhering to the latest advice and guidance from both the DfE and Public Health England (PHE) at all times, our schools sought to provide pupils with a well-rounded school experience – with a specific focus, where possible, on catching up the time missed during the closure of schools the previous academic year and minimising the disruption caused by further outbreaks. A key priority was to protect the health and wellbeing of pupils and staff and support the government's efforts to stop the spread of the virus.

As cases of COVID-19 rose through the autumn and into the winter, a number of schools were required to send home the close contacts of anyone within the school community who had tested positive for the virus. In doing so, our schools always acted on the advice and guidance of PHE. Remote learning was provided for all pupils who were learning at home and the schools sought to involve these pupils in all areas of school life as much as possible. In some cases, schools operated a hybrid model with some pupils learning in the classroom and others joining lessons remotely.

At the beginning of January 2021, the Government announced the closure of all schools for face-to-face learning. During this period, which lasted until 8 March 2021, 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 570 children attending our schools each day.

Throughout this period, the Charitable Company continued to utilise the £4 million Hardship Fund set up during the first lockdown in 2020 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 15% for Reception, 12.5% for Years 1 and 2 and 5% for all other year groups.

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To determine staff views around the Group's response to the pandemic, we conducted a full staff survey at the end of June. This polling showed that school staff felt that the Group's response to COVID-19 either greatly exceeded (46%), exceeded (40%) or matched (14%) what was being done by other local schools. Moreover, 91% of school staff either agreed or strongly agreed that the steps taken by the Group had been effective in ensuring that children were able to carry on learning despite the very significant challenges.

Important steps were taken to safeguard the wellbeing of pupils and staff during this period. This was managed at a local level with schools responding to the pupils directly and within their own local contexts. Key actions included:

- Working with multi-agencies to agree programmes of contact for specific pupils.
- Offering face-to-face school places during Lockdown to vulnerable children.
- Arranging for individual pupils to receive one-to-one or small group support remotely.
- Maintaining online registers for remote learning and making telephone calls and/or home visits where necessary.
- Running online sessions to promote wellbeing.

For staff, we continued to update the dedicated Coronavirus and Your Wellbeing page on the United Hub with useful guidance on homeworking as well as advice on keeping active. In addition, we set up a dedicated Heads Wellbeing page on the Hub and we created a Peer Mentoring Circle to support Heads over the academic year.

A number of wellbeing focused webinars were delivered over the course of the year by our Employee Assistance Programme provider, CiC. Sessions covered Winter Wellbeing and Mental Health Awareness. We also ran Wellbeing and Resilience Sessions for our HR and Finance Teams.

Further detail about the impact of COVID-19 is provided in the relevant sections of the Directors' report.

### **Framework for Excellence**

Our 'Framework for Excellence' sets out the principles of an excellent education that we follow as a Group.

#### **'The best from everyone'**

Our aim is to bring out the best in everyone. So we must expect the best from everyone, all the time. Every child is a special individual, capable of extraordinary things. We expect unreasonably – we constantly challenge children to do what they think they can't, to persist, to work hard and to be at their best.

From every adult we expect the same: that they are at their best, expect unreasonably of themselves, are determined and resilient and pass those expectations on to the children in all they do. We act with the utmost love, care and good faith – the highest standards come with the greatest attention to the wellbeing of all.

### **Powerful Knowledge**

Over the last five years we have developed a common curriculum which seeks to empower pupils to understand and shape the world around them. It covers English, Maths, Science, History, Geography, RE, French, Spanish, Music and Sport. There is a greater emphasis on English and Maths in our primary schools, but we also seek to develop our younger pupils as geographers, historians, artists, musicians, and athletes.

In each subject, the curriculum provides a coherent programme of study which develops knowledge and skills term by term and year by year. The curriculum puts teachers in the driving seat; by planning lessons centrally, we enable teachers to plan lessons locally, playing to their own strengths and adapting materials for their local context and the needs of their pupils.

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Across the Group, the Rosenshine Principles are used to underpin all our 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.

### ***Learning during Lockdown***

Whilst the majority of pupils could not physically attend schools during the Lockdown period, their learning continued remotely, and our schools sought to deliver a full curriculum through live online lessons, recorded lessons and work packs and learning resources available on our group website and intranet United Hub.

Our independent schools were fully prepared to deliver full remote learning provision in January 2021, having made further improvements from lessons learnt during the first Lockdown in Spring 2020 and hybrid learning from the Autumn Term. Pupils followed their normal timetables which included morning and afternoon form times and whole school assemblies. For boarding pupils who were abroad and living in different time zones, schools recorded lessons so that they could access lessons at a convenient time. Lessons were delivered as close to 'normal' as possible with opportunities for teachers to check pupils' understanding. Wherever possible, extracurricular clubs (e.g. choir and debating) continued remotely and some schools even held concerts. Pupil engagement was high with on average 90-95% of pupils logging into lessons each day.

### ***Academic Performance***

As a result of the COVID-19 pandemic, GCSE and A Level examinations were cancelled for the second year running. 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 Teacher Assessed Grades (TAGs). Staff calculated TAGs based on a comprehensive range of evidence including mock grades, past coursework and classroom learning.

The TAGs received robust scrutiny from middle and senior leaders within our schools and across our cluster system to create the most accurate grades possible for what each pupil was likely to have received had they sat external exams. The TAGs enabled pupils 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 pupils staying on for their school's Sixth Form. Pupils were also able to secure places at other Sixth Form Colleges and go into further training and apprenticeship courses.

As in the year before, due to the pandemic, national Key Stage 1 and 2 assessments for primary pupils were also cancelled.

ISI did not undertake any graded inspections during the academic year.

### ***Education with Character***

We value an education in which development of character is as important as exam success. Our schools, therefore, all have a clear pathway to promote leadership, service to others, working independently and in teams, compassion, and courage. We want pupils to look back on their schooling as a time of enjoyment and happiness which has inspired and challenged them in equal measure and prepared them for the ups and downs of life.



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All our schools are expected to have excellent co-curricular programmes which are systematically monitored to ensure equality of education for every child. The nationally recognised Aspirations Programme plays a key part in many of our schools and the development of careers education is a Group priority. We emphasise links with the community and opportunities for voluntary and other service activities.

Destinations are as much a part of the 'outcomes' we seek for our pupils as exam grades. We expect schools to have clear programmes of careers advice and guidance, with the greatest support going to the pupils with the greatest need. Pupils' careers are their future, and we expect schools to systematically track and monitor this to ensure equality of opportunity for all.

Music, sport and the arts are key components of a United Learning curriculum and co-curricular programme. We have Trust-wide networks in these areas and our subject advisers lead and share best practice throughout the Trust. We believe in the transformative power of creativity and want all our pupils to be exposed to cultural events beyond their immediate experience.

Whilst the pandemic made it more challenging to deliver an extensive enrichment programme, our schools continued to provide as many opportunities as possible to broaden our pupils' horizons and introduce them to new experiences. This included virtual speakers and trips as well as the annual International Art Competition, the StorySLAM creative writing competition and the launch of Green Love – an original music project open to all of the Group's primary schools.

### **Continuous Improvement**

Collaboration is at the heart of our work with all our schools. However good we are, we can always be better. We believe United Learning is unique in enabling us to share widely across the whole country, across primary and secondary phases, and across state and independent institutions. This means we are always learning from each other as well as visiting leading-edge schools and trusts from outside the Group. We constantly strive to be better; we steal with pride and endeavour always to give the children in our schools the best possible opportunities. High levels of attainment and progress are expected in every United Learning school.

Centrally, school improvement is delivered through termly meetings with each Head and Chair of Governors.

We provide visits and immersion opportunities for all Heads and senior leaders in Trust schools. Termly network meetings for all Heads of Department are led by subject advisers and provide valuable and timely leadership support. Trust-wide conferences cover a variety of topics such as teaching and learning, strategy, governance and financial management. Heads regularly meet their colleagues and there is a collegial culture with everyone happy and willing to support others.

We have a team dedicated to continuous professional development who plan and deliver central programmes and conferences, and who quality assure Career Professional Development in all our schools. This begins with our annual Best in Everyone conference which introduces new staff to the Group. This was held virtually over a three day period with nearly 400 people in attendance.

Our annual surveys for pupils, parents and staff provide robust feedback on our progress towards our goals. They enable us to identify schools in need of support, and schools able to provide it. Headline findings from across the schools include:

#### **At Prep:**

- 98% of pupils said they were proud of their school.
- 97% of pupils said they get on well with the adults in their school.

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At Secondary:

- 95% of pupils agreed that the adults in their school expect them to be successful.
- 89% of pupils said they can be successful in school and life.

### **Outstanding People and Leadership**

#### **Successful Staff Engagement**

Our staff survey found that 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% - higher than any other year.

Key findings of our staff survey include:

- 90% of staff said they were proud to work in their school/department.
- 87% of staff said they valued their school’s culture.
- 85% of staff said they support their school’s strategy and direction.

#### **Leadership in Every Role**

Every adult in the school is a leader. In every word, tone and gesture, they set the direction and expectation. United Learning expects every adult to take responsibility and the initiative to do what is right for the pupils. All those in formal leadership positions create the climate and culture in which others work. They demand the highest standards, build a performance culture, develop their teams, and create the space for others to lead. All leaders listen, grow relationships, act with integrity and care and expect the best from themselves and others in building a successful, happy, and confident school.

We aim to give all aspiring and current leaders the opportunity to develop all aspects of their leadership. In addition to the school offer, United Learning has a range of group-wide leadership development opportunities. We hope that by giving access to the best role models and training from within the Group, colleagues will have a range of opportunities to reflect and grow as leaders.

In 2020/21, we continued to run National Professional Qualifications within clusters in partnership with the UCL Institute of Education. The programmes from 2019/20 were extended further into 2020/21 due to continued school closures and other pandemic related interruptions throughout the year; this group are therefore expected to complete in Autumn 2021.

In Autumn 2020, the DfE announced NPQs would be undergoing a reform. As a result, we saw a lower uptake in the current NPQ offer; 46 for middle leadership and 37 for senior leadership.

In December, 31 colleagues graduated from our internal Aspiring to Headship programme and 50 colleagues graduated from our internal Senior Leadership programme. In January we commenced cohort 2 of these programmes and launched our internal Middle Leadership programme. In addition, we applied content for primary across all three programmes, making them accessible for all phases and both sectors. These are non-accredited, free, flexible, webinar-based, modular courses for talented, aspiring and recently appointed leaders. Designed to develop and accelerate our most talented leaders, the programmes, which run from January to December, bring together leadership expertise, theory and practice within an educational context. This year, 33 colleagues are participating on the Aspiring to Headship programme, 63 on the Senior Leadership Programme, and 84 on the Middle Leadership programme.

Both sets of programmes show our commitment to staff becoming highly effective leaders; building the skills, confidence and knowledge to drive successful team performance and improve the education experience for children and young people.

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Pupil leadership is equally important, and we want pupils to be given opportunities to take responsibility and initiative. Opportunities to lead in school and across the Trust are extensive, with leadership opportunities for every child, in every year.

### **United Teaching**

Our Initial Teacher Training Scheme, United Teaching continued to move forward strongly. During 2020/21, we recruited 185 people to train to teach with United Teaching. 100% of trainees 'passed' and were recommended for Qualified Teaching Status. Ahead of the 2021/22 academic year, a further 192 trainee teachers were recruited and attended our Summer Institutes in July and August.

In February, the Department for Education announced that several United Learning Trust academies would join its national network of teaching school hubs from September 2021. Building on its long and successful track record as a school-centred initial teacher training provider, Paddington Academy was announced as a teaching school hub for the Northwest London area whilst Glenmoor Academy, working with Swindon Academy, was named as the teaching school hub for Swindon and parts of Wiltshire. Parkside Community College was named as one of the partners in the Cambridge Teaching Schools consortium hub.

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

The Group continued to focus on creating a much more diverse and inclusive workforce. Key initiatives over the year included:

- Changes to recruitment processes including applying the Rooney rule to a number of vacancies across central office and schools; this has led to applications from candidates from a wider range of backgrounds;
- Signing up to the Race at Work Charter and following the five calls to action to ensure ethnic minority employees are represented at all levels within the Group;
- Holding an Ethnic Minority Leadership Conference in June 2021 for middle and senior leaders.

During 2020, mentoring was specifically identified by United Learning's minority ethnic colleagues as something that would help to support the progression of talented aspiring and current leaders from a diverse background. In the Spring term, we launched a reverse mentoring programme with the aims of amplifying the voices of our minority ethnic colleagues to senior leaders, facilitating dialogue between people from different backgrounds and energising mentors and mentees to seek out other perspectives. Reverse mentoring differs from traditional mentoring in that the mentee is a more senior colleague than the mentor. The mentoring scheme is supported by workshops throughout the year on how to get the most out of the reverse mentoring relationship. 17 mentoring pairs were recruited to the first cohort to pilot the scheme, which continues into 2021/22. A further 23 colleagues applied to be mentors and have been deferred to the next cohort.

At the beginning of the academic year, we undertook a group-wide curriculum review on diversity and inclusion focusing on race equality following the killing of George Floyd and the subsequent Black Lives Matter movement. As such, the Common Curriculum was updated to better promote diversity and inclusion across all subject areas and give a voice to ethnic minorities as well as groups whose voices have not always been heard.

Alongside this, we ran workshops for staff across our schools to give them the tools and knowledge they need to promote and celebrate diversity within their school communities.

### **Our Group of Schools**

As a result of falling pupil numbers, exacerbated by the pandemic and the financial pressures felt by many families, we took the difficult decision to close PHC Hitchin on 31 August 2021. When the school joined the Charitable Company in 2018, it was on the verge of closure and would have closed then if we had not become involved.

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Despite some initially promising discussions with potential new owners, none of the options proved successful and we announced in February that the school would close at the end of the academic year. We supported all families to find alternative places and helped staff members secure new positions.

### **Going Concern**

After making appropriate enquiries, including full consideration of the impact of the continuing 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 again this year. The lockdown restrictions during the 2021 Spring term resulted in all schools moving to remote learning for several weeks, and throughout the year schools had to manage both staff and pupil absence, and both working and studying remotely due to self-isolation requirements. In recognition that pupils did not receive the full experience expected at an Independent school during the lockdown period, a discount was awarded to all pupils for the impacted weeks of the Spring term, resulting in a reduction in income for the year. Further income reductions resulted from lettings and hospitality being cancelled during lockdown. Additional costs were incurred in areas such as property maintenance and cleaning to ensure schools were compliant with DfE COVID-secure guidance. The Charitable Company continued to utilise the £4m COVID-19 Hardship Fund established in 2020 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 largely 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 financial results for the Charitable Company in the current year to date are ahead of budget in terms of operating surplus and cash reserves. The forecast for the remainder of the year shows the operating results are in line with budget, comfortably within our banking facility limits and on track to meet the agreed banking covenants. Various cashflow scenarios have been modelled for the period to 31st August 2023. These models assume that there will be no further lockdowns leading to prolonged school closures and hence no further fee discounts required. The worst-case scenario uses pessimistic assumptions including potential pupil number reductions resulting from high costs of living and reduced international travel, and the model builds in higher levels of inflation and increased costs such as national insurance contributions. However, even in this 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, such as the timing of capital expenditure, which can improve working capital at the lower 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.

Bank loans of the parent undertaking, to which the Charitable Company is party to cross-guarantees, were due to mature in March 2022 and October 2022. The March 2022 maturing loans have been re-negotiated since the balance sheet date and will now mature in February 2025 at the earliest. Potential non-renewal of the facility due to expire in October 2022 has been considered in the worst-case scenario model and sufficient overall headroom still remains throughout the going concern period even without the loan. 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 headroom in the different cashflow models and the levers available to the Charitable Company have enabled management to conclude that there is no material uncertainty in management's going concern assessment.

Therefore, based on the current financial position and latest forecasts, the robustness of cash flow management and the level of financial reserves available in the cash flow scenarios, the Board of 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

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going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

### **Financial Review**

The total surplus for the year amounted to £2,427k (2020: deficit of £3,211k). Included within these results was an actuarial gain on defined benefit pension schemes and other pension commitments of £419k (2020: loss of £278k).

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  
Lincoln Minster School  
PHC Hitchin (closed 31 August 2021)  
Rowan Preparatory School  
St. Ives (Haslemere)  
Surbiton High School  
The Royal School  
Tranby (formerly named Hull Collegiate 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 (2020: £720k) for prize and scholarship funds and other donated funds and £1,729k (2020: £1,729k) for the sponsorship fund. Unrestricted funds amount to £18,619k (2020: £16,192k) including designated funds of £2,894k (2020: £3,747k). 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 prep 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.

### **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

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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 nonemployees 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 has led to 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 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

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required to account for the retirement 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 re-forecasts, 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 instruments with our principal bankers.

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### **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 £13,461k. As at 31 August 2021, there were cash reserves of £12,502k (2020: £8,254k). Reserves defined as net current assets amount to £14,825k (2020: £13,276k).

### **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.

We continue to work towards a carbon neutral organisation which we hope to achieve by the end of the 2029-30 academic year. Key initiatives include:

- Gradually replacing old and inefficient gas boilers across our schools which will result in a reduction in carbon emissions of 210,000 kg/year.
- Reviewing all photo-voltaic installations across the Group, with the aim of establishing a much more consistent approach, as well as – where possible – identifying further opportunities for renewable energy generation.
- Finalising plans for Chilmington Green Free School, which will be a completely carbon neutral new academy, due to open near Ashford in September 2023.
- Working with our catering contractors, Chartwells, to put in place mechanisms to measure, track and reduce food waste across our academies and independent schools.
- Developing our approach to procurement, including the introduction of a zero-carbon approach to suppliers over a certain value.



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We have established a network of Carbon Neutral Champions in each our schools who work together to identify ways of further reducing carbon emissions.

**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 20.

**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](http://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 regularly fundraise for themselves or charities via events such as performances, non-school uniforms day and fêtes.

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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 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
- Nurturing collaboration between schools and giving students and staff exceptional academic, sporting and cultural experiences

Beyond our schools, in March 2021 United Learning was appointed to support with the EdTech Demonstrator Schools and Colleges Programme. Funded by the Department for Education, the programme provides peer-led advice and training to help schools and colleges in England use technology to support remote teaching and improve their digital capability. As a Demonstrator school we offer packages of support, ranging from guidance, online tutorials, webinars and recorded content.

Over the course of the pandemic, subject leaders in our schools played an integral role in supplying online materials and expertise to support the Oak National Academy which was established by the DfE to develop over 40,000 free, high-quality and adaptable curriculum-aligned resources for schools across the country.

Staff across our Group, Head Teachers and members of our Executive Team have likewise provided support and expertise to working groups, research teams and national fora across the sector including in EdTech, curriculum reviews, qualification and exams policies and the impact of the pandemic on teaching and learning.

### **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.

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### **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 £1.28m (2020: £1.56m) to pupils attending its schools under means tested assistance. This equated to 1.17% of gross fees received (2020: 1.41%). Further details of our Bursary Policy and how to apply are on our website.

In addition during the year, the Charitable Company granted £0.9m of further discounts and £0.1m of payment deferrals from the £4m Hardship Fund set up during lockdown to support those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic.

### **Section 172 Statement**

The Directors 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 United Church Schools Trust's key stakeholders when making decisions as follows.

United Church Schools Trust has a clear purpose which is to promote excellent education, providing strong schools which 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 Directors' 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 Directors' Report our Directors 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 Directors 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 named Directors to act as the key link between the Board and LGBs, and with the education teams. There are two such designated Directors, one each for secondary and primary academies. The Board has also identified link Directors for safeguarding, people, health & safety, estates, finance and information governance. Link Directors 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.

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

United Church Schools Trust 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 Directors consider relationships with suppliers through the oversight of the Group procurement policy and Modern Slavery statement. During the Covid-19 pandemic, we have worked with our suppliers to ensure continuity of service and kept them regularly updated with operational changes resulting from the pandemic restrictions. A Head of Procurement was appointed in year who will develop a group wide approach to managing supplier relationships. This approach will describe how the Group will manage its suppliers based on criticality, how it deals with performance issues and how it works with suppliers to continually improve performance and identify new and better ways of delivering services. 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.

### **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 7 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:

	<b>UCST meetings attended</b>	<b>Out of a possible</b>
Ms Mary Curnock Cook	2	2
Dr Rosalind Given-Wilson	3	3
Mr Ben Gordon	3	3
Mr Richard Greenhalgh	3	3
The Very Rev. Dr John Hall	3	3
Mr Mike Litchfield	3	3
Mrs Sarah Squire	3	3

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Board member	Group Board meetings attended	Out of a possible
Dame Yasmin Bevan, Chair	6	7
Sir Jon Coles	7	7
Dr Stephen Critchley	7	7
Ms Mary Curnock Cook	5	5
Mr Neil Davidson	5	7
Mr Michael George	7	7
Dr Rosalind Given-Wilson	7	7
Mr Ben Gordon	7	7
Mr Richard Greenhalgh	7	7
The Very Rev. Dr John Hall	6	7
Dame Reena Keeble	6	7
Mr Mike Litchfield	7	7
Mr Neil MacDonald	6	7
Mrs Sarah Squire	7	7

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 Head of Local Governance, and designated Trustees for the schools. The Chairs and Vice Chairs of the LGBs are invited to attend meetings of the Education Forum, 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 Forum meetings further enhance communications between LGBs and the Trustees.

An external review of Board effectiveness was completed in autumn 2020 by the Confederation of School Trusts. The review was underpinned by the Competency Framework for Governance published by the Department for Education and specifically considered strategic governance, leadership and direction as well as the impact and effectiveness of governance. The review identified a range of strengths in governance at United Learning and suggested some areas for further development which have now been incorporated into an action plan which is being implemented.

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 further 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.

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Attendance at meetings during the year was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Neil Davidson (Chair)	4	4
Dr Stephen Critchley	4	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.
- 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 and Audit Committee is Mr Neil MacDonald. Mrs Karen Bowles and Mr David D'Arcy Hughes stood down in January 2021 following 7 years of service. Ms Mary Curnock Cook stood down at the end of April 2021, and Mrs Melissa Geiger and Mrs Janet Swadling were appointed to the Committee on 1 February 2021.

Attendance at meetings in the year was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs Karen Bowles	3	3
Dr Stephen Critchley	3	4
Ms Mary Curnock Cook	3	3
Mr David D'Arcy Hughes	4	4
Mrs Melissa Geiger	1	1
Mr Neil MacDonald	4	4
Mrs Janet Swadling	1	1

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.

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The Committee is also mindful of the need for charities and organisations in receipt of public funding to set pay rates which are publicly defensible and seen to be appropriate.

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

Attendance at meetings in the year was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Richard Greenhalgh (Chair)	3	3
Mr Ben Gordon	3	3
The Very Rev. Dr John Hall	3	3
Mrs Sarah Squire	2	3

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:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Dame Yasmin Bevan (Chair)	2	3
Sir Jon Coles	3	3
Ms Mary Curnock Cook	2	2
Dr Rosalind Given-Wilson	2	3
Mr Richard Greenhalgh	3	3
The Very Rev. Dr John Hall	2	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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

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### **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 been in place for the year from 1 September 2020 to 31 August 2021 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 central office functions was conducted, including reviews of the organisation's local governance arrangements, senior educational appointments, treasury management, cyber security (network security and malware protection), business continuity planning and the organisation's response to COVID-19.

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.

For the year ended 31 August 2021, 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.



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

**Chief Executive**

The Trustees delegate the day to day responsibility of the running of the Charitable 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 25.

**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.

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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.

Approved by order of the members of the board of Trustees and signed on their behalf by:

*Rosalind Given-Wilson*

**Dr Rosalind Given-Wilson**  
Chair Trustee  
Date: 7/2/2022

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

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

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## **Opinion**

We have audited the financial statements of United Church Schools Trust (the 'Charitable Company') for the year ended 31 August 2021, which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance sheet, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2021 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 have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements section' of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charitable Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the Trustees' conclusions, we considered the inherent risks associated with the Charitable Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the Trustees and the related disclosures and analysed how those risks might affect the Charitable Company's financial resources or ability to continue operations over the going concern period.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

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In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The responsibilities of the Trustees with respect to going concern are described in the 'Responsibilities of Trustees for the financial statements' section of this report.

**Other information**

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

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

In the light of 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 Strategic Report or the Directors' Report included in the Trustees' 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 the 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.

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

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

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**Responsibilities of Trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on pages 23 and 24, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the charitable company and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities SORP (FRS 102), Charities Act 2011, the Companies Act 2006, Data protection Act 2018 and The Education Act 2002;
- We understood how the charitable company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, through our legal and professional expenses review and through inquiries of solicitors who served during the period;

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

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

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- We assessed the susceptibility of the charitable company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud
  - Challenging assumptions and judgements made by management in its significant accounting policies
  - Identifying and testing journal entries, with a focus on manual postings, journals that directly impacted on the surplus reported in the statement of financial activities and journal entries posted in the closing and accounts preparation period
  - Identifying and testing related party transactions
  - Inspecting the board and other committee minutes
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. However, detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as those irregularities that result from fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
  - knowledge of the charity and education sector
  - understanding of the legal and regulatory requirements specific to the charitable company including:
    - the provisions of the applicable legislation
    - guidance issued by the Charities Commission.
- The team communications in respect of potential non-compliance with relevant laws and regulations included the potential for fraud in revenue through manipulation of income and management override of controls; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the charitable company's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
  - the charitable company's control environment, including: the policies and procedures implemented by the charitable company to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations.
    - the policies and procedures implemented by the charitable company to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations
    - the adequacy of procedures for authorisation of transactions and review of management accounts
    - procedures to ensure that possible breaches of laws and regulations are appropriately resolved.

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

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

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**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 the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Grant Thornton UK LLP*

**Gareth Norris FCA (Senior statutory auditor)**

for and on behalf of

**Grant Thornton UK LLP**

Statutory Auditor  
Chartered Accountants

Milton Keynes

Date: 8/2/2022

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

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Restricted funds 2021 £000	Unrestricted funds 2021 £000	Continuing operations 2021 £000	Discontinued operations 2021 £000	Total funds 2021 £000	Continuing operations 2020 £000	Discontinued operations 2020 £000	Total funds 2020 £000
<b>Income from:</b>									
Donations and legacies	4	-	2,417	2,257	160	2,417	(1,979)	206	(1,773)
Charitable activities	2, 3	-	119,544	118,064	1,480	119,544	113,523	2,720	116,243
<b>Total income</b>		-	121,961	120,321	1,640	121,961	111,544	2,926	114,470
<b>Expenditure on:</b>									
Charitable activities	5	-	119,955	116,663	3,292	119,955	113,670	3,733	117,403
<b>Total expenditure</b>		-	119,955	116,663	3,292	119,955	113,670	3,733	117,403
<b>Net income/(expenditure) before net gains on investments</b>									
		-	2,006	3,658	(1,652)	2,006	(2,126)	(807)	(2,933)
Net gains on investments		-	2	2	-	2	-	-	-
<b>Net movement in funds before other recognised gains/(losses) carried forward</b>	12	-	2,008	3,660	(1,652)	2,008	(2,126)	(807)	(2,933)



**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 2021**

Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Continuing operations 2021 £	Discontinued operations 2021 £	Total funds 2021 £	Continuing operations 2020 £	Discontinued operations 2020 £	Total funds 2020 £
<b>Net movement in funds before other recognised gains/(losses) brought forward</b>	-	2,008	3,660	(1,652)	2,008	(2,126)	(807)	(2,933)
<b>Other recognised gains/(losses):</b>								
Actuarial gains/(losses) on defined benefit pension schemes	23	419	419	-	419	(278)	-	(278)
<b>Net movement in funds</b>	<b>-</b>	<b>2,427</b>	<b>4,079</b>	<b>(1,652)</b>	<b>2,427</b>	<b>(2,404)</b>	<b>(807)</b>	<b>(3,211)</b>
<b>Reconciliation of funds:</b>								
Total funds brought forward	2,449	16,192	18,641	-	18,641	21,852	-	21,852
<b>Total funds carried forward</b>	<b>2,449</b>	<b>18,619</b>	<b>22,720</b>	<b>(1,652)</b>	<b>21,068</b>	<b>19,448</b>	<b>(807)</b>	<b>18,641</b>

The notes on pages 35 to 62 form part of these financial statements.

**UNITED CHURCH SCHOOLS TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 02780748**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2021**

	Note	2021 £000	2020 £000
<b>Fixed assets</b>			
Intangible assets	10	2,356	2,230
Tangible assets	11	5,880	5,558
Investments	12	219	217
		8,455	8,005
<b>Current assets</b>			
Stocks	13	8	13
Debtors	14	57,011	58,415
Cash and cash equivalents		12,502	8,254
		69,521	66,682
Creditors: amounts falling due within one year	15	(54,696)	(53,406)
<b>Net current assets</b>		14,825	13,276
<b>Total assets less current liabilities</b>		23,280	21,281
<b>Net assets excluding pension liability</b>		23,280	21,281
Defined benefit pension scheme liability	23	(2,212)	(2,640)
<b>Total net assets</b>		21,068	18,641
<b>Charity funds</b>			
Restricted funds	16	2,449	2,449
Unrestricted funds			
Unrestricted funds excluding pension liability	16	20,831	18,832
Pension reserve	16	(2,212)	(2,640)
Total unrestricted funds	16	18,619	16,192
<b>Total funds</b>		21,068	18,641

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**UNITED CHURCH SCHOOLS TRUST**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 02780748**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2021**

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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 and signed on their behalf by:

*Rosalind Given-Wilson*

Dr Rosalind Given-Wilson

Date: 7/2/2022

The notes on pages 35 to 62 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 2021**

	<b>Note</b>	<b>2021</b> <b>£000</b>	<i>2020</i> <i>£000</i>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	18	<b>6,960</b>	<i>(3,439)</i>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		<b>(419)</b>	<i>(436)</i>
Purchase of tangible fixed assets		<b>(1,917)</b>	<i>(886)</i>
Net cash acquired in business combinations		-	<i>2</i>
<b>Net cash used in investing activities</b>		<b>(2,336)</b>	<i>(1,320)</i>
<b>Cash flows from financing activities</b>			
Repayment of borrowing		-	<i>(2,626)</i>
Interest paid		<b>(376)</b>	<i>(543)</i>
<b>Net cash used in financing activities</b>		<b>(376)</b>	<i>(3,169)</i>
<b>Change in cash and cash equivalents in the year</b>		<b>4,248</b>	<i>(7,928)</i>
Cash and cash equivalents at the beginning of the year		<b>8,254</b>	<i>16,182</i>
<b>Cash and cash equivalents at the end of the year</b>	19	<b>12,502</b>	<i>8,254</i>

The notes on pages 35 to 62 form part of these financial statements

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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 page 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.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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.



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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**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 23, 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.

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**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 23, 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 2021. 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 23. 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.

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**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**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Gross fee income receivable	<b>109,949</b>	<i>109,816</i>
Scholarships, bursaries and reduced fees	<b>(12,357)</b>	<i>(15,142)</i>
Catering income	<b>1,166</b>	<i>1,420</i>
<b>Net fee income receivable</b>	<b>98,758</b>	<i>96,094</i>

In 2021, of the total school fees receivable and catering income, £98,758k (2020: £96,986k) was to unrestricted funds and £NIL (2020: £NIL) was to restricted funds.

**3. Other educational related income**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Support services to other schools and academies	<b>13,196</b>	<i>11,900</i>
Income from Government's Coronavirus Job Retention Scheme	<b>2,493</b>	<i>3,529</i>
Early years funding	<b>988</b>	<i>966</i>
Pupil registration fees	<b>284</b>	<i>260</i>
Charges for additional classes	<b>1,050</b>	<i>1,002</i>
Charges for school trips	<b>1,625</b>	<i>1,555</i>
Other school income	<b>772</b>	<i>684</i>
Rents and lettings	<b>378</b>	<i>253</i>
	<b>20,786</b>	<i>20,149</i>

In 2021, of the other educational related income, £20,786k (2020: £19,257k) was to unrestricted funds and £NIL (2020: £NIL) was to restricted funds.

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**4. Voluntary income**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Other sponsorship and donations received	<b>1,925</b>	<i>2,607</i>
Gift aid from subsidiary undertakings	<b>492</b>	<i>-</i>
Gift aid - COVID-19 donations	<b>-</b>	<i>10</i>
Net liabilities transferred from other charities	<b>-</b>	<i>(4,390)</i>
	<b>2,417</b>	<i>(1,773)</i>
	<b>2,417</b>	<i>(1,773)</i>

In 2021, of the total voluntary income, £2,417k (2020: (£1,962k)) was to unrestricted funds and £NIL (2020: £189k) was to restricted funds.

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**5. Analysis of total resources expended**

	<b>Staff costs</b>	<b>Other costs</b>	<b>Depreciation</b>	<b>Total</b>	<i>Total</i>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
<b>Schools operating costs</b>					
Educational supplies	64,314	7,337	-	<b>71,651</b>	69,825
Recruitment and support	-	315	-	<b>315</b>	377
Staff development	198	40	-	<b>238</b>	32
Examination fees	-	112	-	<b>112</b>	77
Technology costs	3,419	1,972	-	<b>5,391</b>	5,290
Premises costs	4,257	10,428	-	<b>14,685</b>	14,429
Insurance	-	556	-	<b>556</b>	467
Catering	-	4,977	-	<b>4,977</b>	3,893
Marketing	823	1,321	-	<b>2,144</b>	2,371
Legal and professional	-	1,136	-	<b>1,136</b>	895
Other support costs	13,736	2,281	-	<b>16,017</b>	17,195
Depreciation and amortisation	-	-	1,693	<b>1,693</b>	1,583
Loss on disposal of operations	-	195	-	<b>195</b>	-
Bank interest and charges	-	485	-	<b>485</b>	643
	<u>86,747</u>	<u>31,155</u>	<u>1,693</u>	<b><u>119,595</u></b>	<u>117,077</u>
<b>Governance costs</b>					
Auditor costs - audit fees	-	52	-	<b>52</b>	48
Company Secretariat costs	273	34	-	<b>307</b>	277
Trustees' meeting and travel	-	1	-	<b>1</b>	1
	<u>87,020</u>	<u>31,242</u>	<u>1,693</u>	<b><u>119,955</u></b>	<u>117,403</u>
<b>Total 2021</b>	<b><u>87,020</u></b>	<b><u>31,242</u></b>	<b><u>1,693</u></b>	<b><u>119,955</u></b>	<b><u>117,403</u></b>
<i>Total 2020</i>	<u>85,195</u>	<u>30,625</u>	<u>1,583</u>	<u>117,403</u>	

In 2021, of the total resources expended, £119,955k (2020: £117,403k) was to unrestricted funds and £NIL (2020: £NIL) was to restricted funds.

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Total resources expended include:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Auditor's remuneration:		
Audit of the charitable company's annual financial statements	<b>52</b>	<i>48</i>
Non-audit services	<b>10</b>	<i>8</i>
Depreciation:		
Tangible fixed assets, owned	<b>1,400</b>	<i>1,458</i>
Amortisation: Intangible fixed assets	<b>293</b>	<i>125</i>
Loss on disposal of operations	<b>195</b>	<i>-</i>
Operating lease rentals	<b>1,082</b>	<i>1,155</i>
	<b>=====</b>	<i>=====</i>

**6. Net interest**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Interest payable to Group undertakings	<b>376</b>	<i>543</i>
	<b>=====</b>	<i>=====</i>

**7. Staff costs**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Wages and salaries	<b>69,249</b>	<i>67,992</i>
Social security costs	<b>6,662</b>	<i>6,202</i>
Other pension costs (note 23)	<b>10,761</b>	<i>10,650</i>
Agency fees	<b>348</b>	<i>351</i>
	<b>=====</b>	<i>=====</i>
	<b>87,020</b>	<i>85,195</i>
	<b>=====</b>	<i>=====</i>

During the year, there were redundancy or termination payments made which amounted to £735k (2020: £506k).

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

	<b>2021</b>	<i>2020</i>
	<b>No.</b>	<i>No.</i>
	<b>2,408</b>	<i>2,550</i>

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**7. Staff costs (continued)**

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

	<b>2021</b>	2020
	<b>No.</b>	No.
In the band £60,001 - £70,000	<b>62</b>	54
In the band £70,001 - £80,000	<b>25</b>	15
In the band £80,001 - £90,000	<b>8</b>	10
In the band £90,001 - £100,000	<b>11</b>	15
In the band £100,001 - £110,000	<b>5</b>	7
In the band £110,001 - £120,000	<b>4</b>	4
In the band £120,001 - £130,000	<b>4</b>	3
In the band £130,001 - £140,000	<b>5</b>	-
In the band £140,001 - £150,000	<b>2</b>	2
In the band £150,001 - £160,000	<b>1</b>	-
In the band £160,001 - £170,000	<b>1</b>	4
In the band £170,001 - £180,000	<b>2</b>	1
In the band £180,001 - £190,000	<b>1</b>	1
In the band £190,001 - £200,000	<b>2</b>	-
In the band £230,001 - £240,000	-	1
In the band £240,001 - £250,000	<b>1</b>	-
In the band £250,001 - £260,000	<b>1</b>	1

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 £1,383k (2020: £1,315k).

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

	<b>2021</b>	2020
	<b>£000</b>	£000
Pension contributions to defined contribution, teachers' pension scheme and local government pension schemes	<b>1,926</b>	1,771

During the year, 32 higher paid employees (2020: 27) participated in defined contribution schemes, 93 (2020: 87) participated in the Teachers' Pension Scheme (operated by the Teachers' Pension Agency), 2 (2020: 2) participated in the Local Government Pension Scheme and 8 (2020: 2) did not participate in Charitable Company pension schemes.



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**Payment to Trustees**

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

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 1 (2020: 2) Trustees during the year amounted to £1k (2020: £1k) and all related to travel and subsistence costs.

**8. Interest on Local Government Pension Scheme**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Interest on pension scheme liabilities	<b>(158)</b>	<i>(165)</i>
Interest income on pension scheme assets	<b>127</b>	<i>139</i>
	<b>(31)</b>	<i>(26)</i>

**9. Exceptional items**

Exceptional costs incurred in school closures, mergers, acquisitions and disposals and in relation to the COVID-19 outbreak during the year ended 31 August 2021 amounted to £522k (2020: £2,285k).

On 31 August 2021, PHC Hitchin has been treated as a discontinued operation, as disclosed on the face of the statement of financial activities.

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**10. Intangible assets**

	<b>Software development £000</b>
<b>Cost</b>	
At 1 September 2020	2,576
Additions	419
At 31 August 2021	2,995
<b>Amortisation</b>	
At 1 September 2020	346
Charge for the year	293
At 31 August 2021	639
<b>Net book value</b>	
At 31 August 2021	2,356
<i>At 31 August 2020</i>	2,230

All intangible fixed assets were used for charitable purposes.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**11. Tangible fixed assets**

	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
<b>Cost</b>					
At 1 September 2020	1,868	10,901	4,907	625	18,301
Additions	281	1,071	433	132	1,917
Disposals	-	(446)	(727)	(45)	(1,218)
Transfers between classes	(41)	41	-	-	-
At 31 August 2021	<u>2,108</u>	<u>11,567</u>	<u>4,613</u>	<u>712</u>	<u>19,000</u>
<b>Depreciation</b>					
At 1 September 2020	812	6,842	4,541	548	12,743
Charge for the year	29	854	443	74	1,400
On disposals	-	(255)	(725)	(43)	(1,023)
At 31 August 2021	<u>841</u>	<u>7,441</u>	<u>4,259</u>	<u>579</u>	<u>13,120</u>
<b>Net book value</b>					
At 31 August 2021	<u><u>1,267</u></u>	<u><u>4,126</u></u>	<u><u>354</u></u>	<u><u>133</u></u>	<u><u>5,880</u></u>
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>

All tangible fixed assets were used for charitable purposes.

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**12. Fixed asset investments**

		<b>Listed investments £000</b>
<b>Valuation</b>		
At 1 September 2020		217
Fair value adjustments		2
At 31 August 2021		219
	<b>2021 £000</b>	<b>2020 £000</b>
<b>Investments at value comprise:</b>		
Listed investments	<b>219</b>	217

All the fixed asset investments are held in the UK.

**Subsidiary undertakings**

At 31 August 2021, 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	-
Priory School (Banstead) Trust Limited*	100	Dormant	-

\*Limited by guarantee

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

**13. Stocks**

	<b>2021 £000</b>	<b>2020 £000</b>
Finished goods and goods for resale	<b>8</b>	13

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**14. Debtors**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>Due within one year</b>		
Trade debtors	<b>29,492</b>	<i>30,943</i>
Amounts owed by Group undertakings	<b>24,290</b>	<i>23,051</i>
Other debtors	<b>882</b>	<i>2,677</i>
Prepayments and accrued income	<b>2,347</b>	<i>1,744</i>
	<b>57,011</b>	<i>58,415</i>

**15. Creditors: Amounts falling due within one year**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Trade creditors	<b>3,250</b>	<i>2,453</i>
Amounts owed to Group undertakings	<b>6</b>	<i>6</i>
Other taxation and social security	<b>1,865</b>	<i>1,744</i>
Other creditors	<b>11,867</b>	<i>12,516</i>
Accruals and deferred income	<b>37,708</b>	<i>36,687</i>
	<b>54,696</b>	<i>53,406</i>

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

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Deferred income at 1 September 2020	<b>33,100</b>	<i>33,314</i>
Resources deferred during the year	<b>34,594</b>	<i>33,100</i>
Amounts released from previous periods	<b>(33,100)</b>	<i>(33,314)</i>
<b>Deferred income as at 31 August 2021</b>	<b>34,594</b>	<i>33,100</i>

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

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**16. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2020 £000	Income £000	Expenditure £000	Gains/ (Losses) £000	Balance at 31 August 2021 £000
<b>Unrestricted funds</b>					
<b>Designated funds</b>					
Designated funds	3,747	(961)	108	-	2,894
<b>General funds</b>					
General Funds - all funds	15,085	122,922	(120,072)	2	17,937
Pension reserve	(2,640)	-	9	419	(2,212)
	<u>12,445</u>	<u>122,922</u>	<u>(120,063)</u>	<u>421</u>	<u>15,725</u>
<b>Total Unrestricted funds</b>	<u>16,192</u>	<u>121,961</u>	<u>(119,955)</u>	<u>421</u>	<u>18,619</u>
<b>Restricted funds</b>					
Sponsorship fund	1,729	-	-	-	1,729
Other donated funds	720	-	-	-	720
	<u>2,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,449</u>
<b>Total of funds</b>	<u><u>18,641</u></u>	<u><u>121,961</u></u>	<u><u>(119,955)</u></u>	<u><u>421</u></u>	<u><u>21,068</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 transferred £4 million of general funds to designated funds during 2020 to be used in support of those families at our independent schools who found 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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**16. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 September 2019 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (Losses) £000</i>	<i>Balance at 31 August 2020 £000</i>
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
Designated funds	392	(474)	(171)	4,000	-	3,747
<b>General funds</b>						
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>
<b>Total Unrestricted funds</b>	<u>19,592</u>	<u>114,281</u>	<u>(117,403)</u>	<u>-</u>	<u>(278)</u>	<u>16,192</u>
<b>Restricted funds</b>						
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>
<b>Total of funds</b>	<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>

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**17. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Restricted funds 2021 £000</b>	<b>Unrestricted funds 2021 £000</b>	<b>Total funds 2021 £000</b>
Tangible fixed assets	-	5,880	<b>5,880</b>
Intangible fixed assets	-	2,356	<b>2,356</b>
Fixed asset investments	-	219	<b>219</b>
Current assets	2,449	67,072	<b>69,521</b>
Creditors due within one year	-	(54,696)	<b>(54,696)</b>
Provisions for liabilities and charges	-	(2,212)	<b>(2,212)</b>
<b>Total</b>	<b>2,449</b>	<b>18,619</b>	<b>21,068</b>

**Analysis of net assets between funds - prior year**

	<i>Restricted funds 2020 £000</i>	<i>Unrestricted funds 2020 £000</i>	<i>Total funds 2020 £000</i>
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)
<b>Total</b>	<b>2,449</b>	<b>16,192</b>	<b>18,641</b>



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

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Net income/expenditure for the year (as per Statement of Financial Activities)	<b>2,008</b>	<i>(2,933)</i>
<b>Adjustments for:</b>		
Depreciation and amortisation charges	<b>1,693</b>	<i>1,583</i>
Interest paid	<b>407</b>	<i>569</i>
Decrease in stocks	<b>5</b>	<i>1</i>
Decrease/(increase) in debtors	<b>1,404</b>	<i>(1,366)</i>
Increase/(decrease) in creditors	<b>1,290</b>	<i>(5,668)</i>
Loss on disposal of fixed assets	<b>195</b>	<i>-</i>
Defined benefit pension scheme cost less contributions payable	<b>(40)</b>	<i>(15)</i>
Net liabilities acquired from other charities	<b>-</b>	<i>4,390</i>
Revaluation of fixed asset investments	<b>(2)</b>	<i>-</i>
<b>Net cash provided by/(used in) operating activities</b>	<b>6,960</b>	<i>(3,439)</i>

**19. Analysis of cash and cash equivalents**

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Cash in hand	<b>12,502</b>	<i>8,254</i>

**20. Analysis of changes in net debt**

	<b>At 1 September 2020</b>	<b>Cash flows</b>	<b>At 31 August 2021</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash and cash equivalents	<b>8,254</b>	<b>4,248</b>	<b>12,502</b>

**21. Contingent liabilities**

At 31 August 2021, the Charitable Company was party to cross-guarantees on bank loans and overdrafts of the parent undertaking totalling £18,845k (2020: £26,817k).

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**22. Capital commitments**

There were no capital commitments at 31 August 2021 or 31 August 2020.

**23. 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 £1.317m (2020: £1.266m). Employee and employer contributions payable to the schemes at the Balance Sheet date amounted to £175k (2020: £168k) 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 £1,045k were payable to the schemes at 31 August 2021 (2020 - £997k) 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 £1,005k (2020: £860k). The current service cost amounted to £Nil (2020: £Nil) and actuarial losses recognised through other comprehensive income amounted to £252k (2020: £73k). Benefits paid during the year amounted to £108k (2020: £107k).

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 4.8%.

**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

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**23. Pension commitments (continued)**

31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £9.008m (2020 - £8.937m).

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 2021 was £59k (2020: £76k). The agreed contribution rates for future years are 17.9 - 18.7 per cent for employers and 5.5 - 9.9 per cent for employees.

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

	<b>At 31 August 2021</b>	<i>At 31 August 2020</i>
	%	%
Discount rate	<b>1.70</b>	1.70
Future salary increases	<b>4.20</b>	3.90
Future pension increases	<b>2.80</b>	2.50
Inflation assumption	<b>2.70</b>	2.40

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**23. Pension commitments (continued)**

	<b>2021</b>	2020
Mortality rates (in years)		
- for a male aged 65 now	<b>22.4</b>	22.3
- at 65 for a male aged 45 now	<b>23.9</b>	23.8
- for a female aged 65 now	<b>25.1</b>	25.0
- at 65 for a female aged 45 now	<b>26.9</b>	26.8

The Company's share of the assets in the scheme was:

	<b>2021</b>	2020
	<b>£000</b>	£000
Equities	<b>4,271</b>	3,479
Bonds	<b>448</b>	526
Property	<b>845</b>	1,038
Cash	<b>177</b>	137
Other	<b>2,715</b>	2,449
<b>Total market value of LGPS assets</b>	<b>8,456</b>	7,629

The actual return on scheme assets was £1,050k (2020 - £(45k)).

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

	<b>2021</b>	2020
	<b>£000</b>	£000
Current service cost	<b>(124)</b>	(144)
Past service cost	-	(27)
Interest cost	<b>(158)</b>	(165)
Interest income	<b>127</b>	139
Administrative expenses	<b>(3)</b>	(2)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(158)</b>	(199)

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**23. Pension commitments (continued)**

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

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Opening defined benefit obligation	<b>10,269</b>	<i>10,123</i>
Current service cost	<b>124</b>	<i>144</i>
Interest cost	<b>158</b>	<i>165</i>
Contributions by scheme participants	<b>21</b>	<i>25</i>
Actuarial losses	<b>504</b>	<i>94</i>
Past service cost	<b>-</b>	<i>27</i>
Benefits paid - LGPS	<b>(300)</b>	<i>(202)</i>
Benefits paid - unfunded obligation	<b>(108)</b>	<i>(107)</i>
<b>Closing defined benefit obligation</b>	<b>10,668</b>	<i>10,269</i>

Movements in the fair value of the Company's share of scheme assets were as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
Opening fair value of scheme assets	<b>7,629</b>	<i>7,772</i>
Interest on assets	<b>127</b>	<i>139</i>
Actual return less interest	<b>923</b>	<i>(184)</i>
Contributions by employer	<b>59</b>	<i>81</i>
Contributions by scheme participants	<b>21</b>	<i>25</i>
Benefits paid	<b>(300)</b>	<i>(202)</i>
Administration expenses	<b>(3)</b>	<i>(2)</i>
<b>Closing fair value of scheme assets</b>	<b>8,456</b>	<i>7,629</i>

The Charitable Company expects to contribute £59k to the LGPS in 2022.

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Amounts for the current and previous period are as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>Defined benefit pension schemes</b>		
Defined benefit obligations (including unfunded pension deficit)	<b>(10,668)</b>	<i>(10,269)</i>
LGPS assets	<b>8,456</b>	<i>7,629</i>
<b>Net deficit</b>	<b>(2,212)</b>	<i>(2,640)</i>
Experience adjustments on LGPS and unfunded liabilities	<b>(504)</b>	<i>(94)</i>
Experience adjustments on LGPS assets	<b>923</b>	<i>(184)</i>
	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
LGPS net deficit	<b>1,207</b>	<i>1,780</i>
Unfunded pension scheme liability	<b>1,005</b>	<i>860</i>
<b>Total</b>	<b>2,212</b>	<i>2,640</i>

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**24. Operating lease commitments**

At 31 August 2021 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>Amounts payable: Land and buildings</b>		
Within 1 year	<b>178</b>	<i>227</i>
Between 1 and 5 years	<b>533</b>	<i>372</i>
After more than 5 years	<b>49</b>	<i>286</i>
	<b>760</b>	<i>885</i>
	<b>760</b>	<i>885</i>
	<b>2021</b>	<i>2020</i>
	<b>£000</b>	<i>£000</i>
<b>Amounts payable: Other</b>		
Within 1 year	<b>802</b>	<i>1,082</i>
Between 1 and 5 years	<b>767</b>	<i>1,077</i>
	<b>1,569</b>	<i>2,159</i>
	<b>1,569</b>	<i>2,159</i>

**25. 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 £376k (2020: £543k) and rent totalling £1,987k (2020: £2,653k) 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 £12,454k (2020: £11,399k) and was computed so as to equal the actual costs incurred on a per pupil basis.

At the year end date, balances amounting to £24,290k (2020: £23,051k) were due to the Charitable Company, and balances amounting to £6k (2020: £6k) 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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**26. 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 2022, have been re-negotiated since the balance sheet date and mature in February 2025.

**27. 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.