

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

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

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**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**



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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### INDEX

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	PAGE
Reference and administrative details	1 – 2
Trustees' report (incorporating the strategic report)	3 – 32
Report of the independent auditor	33 – 38
Consolidated statement of financial activities (incorporating income and expenditure account)	39 – 42
Consolidated balance sheet	43 – 44
Charitable company balance sheet	45
Consolidated cash flow statement	46
Consolidated statement of net debt	47
Notes to the financial statements	48 – 89

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE GROUP,  
ITS TRUSTEES AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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

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

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITABLE GROUP,  
ITS TRUSTEES AND ADVISERS (Continued)  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Senior Management team and key  
management personnel  
(as at 1 September 2022)**

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

**Trustees**

Mr Neil Davidson (Chair, resigned 6 July 2022)  
Dr Stephen Critchley (Chair)  
Mr Michael George (resigned 21 November 2022)  
Mr Benjamin Gordon  
Mr Richard Greenhalgh  
Mr Michael Litchfield (resigned 21 November 2022)  
Mr Neil MacDonald (appointed 30 November 2022)  
Mr Christie Spurling (appointed 30 November 2022)

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

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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The Board presents its report together with financial statements for the year ended 31 August 2022.

#### **Constitution and objects**

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

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

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

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

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

All members of the Board of United Church Schools Trust ('UCST') hold one ordinary £5 share in the Charitable Company each for as long as they are members of the Board. There are five Trustees of UCST who each hold one £5 ordinary share. The Trustees of the Charitable Company also hold 12,984 non-voting shares. The shares have no value.

#### **Appointment of Trustees**

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

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

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

#### **Trustees' indemnities**

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

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


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**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**Governance of the Charitable Group**

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

Trustee	Meetings attended	Out of a possible
Mr Neil Davidson (Chair, resigned 6 July 2022)	7	7
Dr Stephen Critchley (Chair)	8	8
Mr Michael George (resigned 21 November 2022)	6	8
Mr Benjamin Gordon	5	8
Mr Richard Greenhalgh	7	8
Mr Michael Litchfield (resigned 21 November 2022)	8	8

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

	Group Board Meetings attended	Out of a possible
Dame Yasmin Bevan	7	8
Sir Jon Coles	8	8
Dr Stephen Critchley	8	8
Mr Neil Davidson (resigned 6 July 2022)	5	6
Ms Karima Fahmy	5	8
Mr Michael George (resigned 21 November 2022)	1	2
Dr Rosalind Given-Wilson	7	8
Mr Benjamin Gordon	6	8
Mr Richard Greenhalgh (Chair)	8	8
The Very Reverend John Hall	5	8
Mrs Kirsten Hewson (appointed 1 January and resigned 1 February 2022)	-	-
Dame Reena Keeble	7	8
Mr Michael Litchfield	7	8
Mr Neil MacDonald	6	8
Dr Rania Marandos (appointed 1 January 2022)	6	6
Mr Christie Spurling (appointed 20 January 2022)	6	6

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

The Board of Trustees delegates clear responsibilities to the Schools' Local Governing Bodies ("LGBs"), whose purpose is to provide support and challenge to the school on behalf of the Board. The functions and duties of the LGBs are set out in the LGB Members' Handbook. The Group Board maintains links with the LGBs through the Company Secretary, and designated Trustees for the schools. The Chairs and Vice Chairs of the LGBs are invited to attend meetings of the Local Governance Forums, 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. These meetings further enhance communications between LGBs and the Trustees.

In year the Board carried out a Board skills gap analysis, a review of the link trustee roles and also reviewed Committee terms of reference and cycle of business. The Group Board is also currently considering the implementation of recommendations made by an external consultant, in order to further strengthen governance arrangements.

As a result of the evaluation, the board has refined and documented its processes and procedures including a code of conduct for Trustees which is aligned to the charity governance code. This has provided further clarity of the role of Trustee within the United learning Group. The next self-evaluation is scheduled for February 2023.

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

#### **Board Committees**

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

The Finance Committee's purpose is to:

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

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


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**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**


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

Attendance at meetings in the year was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr Neil Davidson (Chair, resigned 6 July 2022)	7	7
Dr Stephen Critchley (Chair)	8	8
Mr Michael George (resigned 21 November 2022)	6	8
Mr Benjamin Gordon	5	8
Mr Richard Greenhalgh	7	8
Mr Michael Litchfield (resigned 21 November 2022)	8	8

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

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

The Chair of the Risk and Audit Committee is Mr Neil MacDonald.

Attendance at meetings in the year was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Dr Stephen Critchley	4	4
Mrs Melissa Geiger	4	4
Mr Neil MacDonald (Chair)	4	4
Mrs Janet Swadling	4	4
Ms Karima Fahmy	1	1
Mrs Kirsten Hewson	1	1

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

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



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


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**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**


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

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

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

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 Benjamin Gordon	2	3
The Very Reverend Dr John Hall	1	3
Dr Rania Marandos (appointed 1 January 2022)	2	2

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

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

Attendance at meetings in the year was as follows:

<b>Committee member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Dame Yasmin Bevan (Chair)	3	3
Sir Jon Coles	3	3
Dr Rosalind Given-Wilson	2	3
Mr Richard Greenhalgh	3	3
The Very Reverend Dr John Hall	-	3
Dame Reena Keeble	3	3
Mr Christie Spurling (appointed 20 January 2022)	1	2

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

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**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Governance of the Charitable Group (continued)****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 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements.

**Capacity to Handle Risk**

The Board of Trustees has reviewed the key risks to which the Charitable Group is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Charitable Group's significant risks that has been in place for the year 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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

**The Risk and Control Framework**

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

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

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

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

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

Internal Audit's role includes giving advice on internal controls and performing a range of checks on the Charitable Group's core financial systems. Despite the pandemic the internal audit plan for the year ended 31 August 2022 was fully completed, with remote audits carried out to ensure a sufficient level of coverage to provide an annual opinion. 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 payroll arrangements, school fees, and settlement payment arrangements.

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 and prepares an annual summary report to the Committee outlining the areas reviewed, key findings, recommendations and conclusions to help the Committee consider actions and assess year on year progress. The reports include an update on the progress of implementing audit actions and the action plan for any recommendations still to be implemented.

For the year ended 31 August 2022, based on the work undertaken, an internal audit opinion of reasonable assurance was given on the adequacy and effectiveness of the organisation's risk management, internal control and governance arrangements.

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

#### **Chief Executive**

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

#### **Connected charities**

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

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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## Strategic report

### Objectives, strategies and activities

#### About United Learning

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

In 2001, it created a subsidiary charity, United Learning Trust ("ULT") to extend its work into some of the most challenging inner-city areas through the City Academy programme, and to this day UCST remains the sponsor of the ULT multi-academy trust. As at 31 August 2022, UCST sponsors 75 state sector academies through ULT.

The overall aim of the Charitable Group is to promote excellent education, providing strong schools which enable all young people to make a success of their lives. The roots of our charity can be traced back 139 years, and over this period, we have founded and developed a large number of schools, focused on the most important social and educational challenges of the day. Our strength as a group of schools lies in the unique collaboration between the state and independent sectors, in our national reach and growing regional clusters and in our dedication to continuous improvement and our pursuit of excellence. Our track record in some of the country's most challenging schools is based on structures and systems which ensure high expectations, rigour, enthusiasm and breadth.

As of 31 August 2022, United Learning – the trading name of the Charitable Group – comprises 13 independent schools operated within UCST, 75 state sector academies operated within ULT and a central office function that serves all our schools.

#### Operating review

#### COVID-19 Pandemic

After two years of significant disruption caused by the Covid-19 pandemic, schools returned to a period of relative normality in the 2021-22 academic year. Following guidance from the Department for Education (DfE), schools were no longer organised into 'bubbles' but pupils and staff who tested positive for Covid were required to self-isolate. The self-isolation period reduced over the course of the year but in the Autumn Term it was up to ten days. This meant that, once they were well enough to do so, pupils accessed remote learning provision during their self-isolation period.

As there were no longer any limits on gatherings, schools were able to operate as normal and we saw the return of whole-school events including assemblies, in-person parents' meetings, school productions and sports fixtures. Schools did, however, continue to operate safely and sensibly and robust cleaning and hygiene measures remained in place.

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

---

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

The focus of the academic year was on recovery and catch-up; both in terms of covering the academic curriculum and addressing gaps in pupils' learning as well as re-opening our schools' extensive extracurricular and enrichment programmes. At the same time, as a Group, we have been mindful of the wellbeing of staff and have taken steps to manage their workload and ensure they are suitably remunerated particularly against the backdrop of the rising cost of living.

#### **Framework for Excellence**

Our 'Framework for Excellence' sets out the principles of an excellent education that we follow as a Group. This year, we launched the United Learning Way, which describes what we expect to see in our primary academies, secondary academies and independent schools as they exemplify these principles.

#### **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. Who can know the limits of any child's potential? So, 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**

Our most important purpose is to teach young people things they would not learn outside school, which free them to think and act more powerfully in their lives. Words and numbers are our most powerful ways of representing the world. Mastery of language and fluent mathematical skills are therefore our top priority. We aim to prepare young people to make a success of their lives: a core entitlement to subject-based learning; the development of talents; an understanding of work and society.

Worthwhile learning is often hard. Inspiring teaching is what gives access to difficult concepts and the thrill of intellectual discovery. Powerful knowledge is not static or backward-looking. It includes the ability to critique, challenge the status quo, think and learn.

#### **Education with Character**

Academic success is very important. Exam passes are an important aspect of that. But there is more to a good education. Our schools also aim to develop character, compassion and service. Young people are expected to contribute to their school and to society; to try things which they think they cannot do; to persist in the face of difficulty; to become resilient in overcoming obstacles; to manage themselves; to work independently on things which challenge them; to work with others and in teams; to be courageous and caring; to lead.

We want young people to look back on a joyful schooling which has inspired and challenged them, given them wide opportunity and prepared them for the ups and downs of life.

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

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

Our children are leaders of the future. We expect them to start today – taking advantage of structured opportunities to lead and taking responsibility for themselves and others. Every adult in the school is a leader. In every word, tone and gesture, they set direction and expectation. We expect every adult to take responsibility and the initiative to do what is right for the children.

All those in formal leadership positions create the climate 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 happy, confident school.

##### **Continuous Improvement**

However good we are, we can be better. We constantly look for improvements and implement them with pace. We look for ideas for improvement inside the organisation and out; we observe one another; we steal good ideas with pride and look to make them better; we work together to improve.

We always look at the evidence and are rigorous in evaluating impact. We stop or change things which aren't working; we improve things which are. We aim for high leverage: high impact for low effort and low cost. We constantly look to have more impact for less cost and effort and to spend every pound wisely.

##### **Academic Performance**

Due to the pandemic, this was the first year since 2019 in which our pupils sat statutory assessments at primary and took public examinations at secondary.

At primary, the assessments taken by pupils were those that would have been taken in 2020. No allowance was made for the impact of the pandemic. The results, although no data will be published nationally at school level, therefore provide a good guide to the impact the pandemic had on children's learning. Nationally, the proportion of children achieving the expected standard dropped considerably; the drop across our academies was less than the national average in all subjects and at all key stages.

At secondary, allowances were made to the awarding of grades to reflect the challenges pupils had faced, acknowledging the high-stakes nature of the examinations for young people. Across our academies, at both GCSE and A-level, the change in results from 2019 to 2022 was greater than the national average, demonstrating the strong progress our pupils have made despite the disruption to learning caused by the pandemic.

Across our independents there were improvements across the results compared to 2019 demonstrating the success of the schools' remote learning programmes. The level of improvement across the Charitable Group was higher than national levels.

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

##### **KS1 and KS2**

Nationally, outcomes at all key stages in 2022 were lower than in 2019, reflecting the impact of the pandemic on children's learning. The performance of the Charitable Company's academies dropped by less than schools nationally over this period. Our results for EYFS, phonics screening test and KS1 reading, writing and maths were all at or above the national average.

##### **GCSE**

At GCSE, 54% of pupils across our academies achieved a grade 5 or above in both English and maths. This compares to a provisional national average of 49.6%. 19% of pupils achieved a grade 7 or above in these core subjects.

Seven of our academies achieved a progress 8 score of more than 1.0, putting them in the top 50 academies in the country:

- **The Hurlingham Academy:** achieved a Progress 8 score of 1.32, with 87% of pupils achieving a grade 5 or above in both English and maths.
- **Glenmoor Academy:** achieved a Progress 8 score of 1.27, with 79% of pupils achieving a grade 5 or above in both English and maths.
- **Avonbourne Girls Academy:** achieved a Progress 8 score of 1.17, with 71% of pupils achieving a grade 5 or above in both English and maths.
- **Parkside Community College:** achieved a Progress 8 score of 1.12, with 78% of pupils achieving a grade 5 or above in both English and maths.
- **Newstead Wood School:** achieved a Progress 8 score of 1.05, with 100% of pupils achieving a grade 5 or above in both English and maths.
- **Northampton Academy:** achieved a Progress 8 score of 1.04, with 60% of pupils achieving a grade 5 or above in both English and maths.
- **The Totteridge Academy:** achieved a Progress 8 score of 1.03, with 68% of pupils achieving a grade 5 or above in both English and maths.

**Goresbrook School**, which first welcomed Year 7 pupils in 2016, achieved very impressive results in its first set of public examinations, with a progress 8 score of 0.97 and 64% of pupils achieving a grade 5 or above in both English and maths.

Across our independent schools:

- 69% of entries were awarded at least a grade 7
- 92% of entries were awarded at least a grade 5
- 98% of entries were awarded at least a grade 4.

Notable performances included:

- **Guildford High School** where 97% of pupils achieved at least a grade 7 in English and maths
- **Surbiton High School** where 88% of pupils achieved at least a grade 7 in English and maths
- **AKS** where 100% of pupils achieved at least a grade 5 in English and maths.

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

##### A Levels

Across our academy Sixth Forms, there were 1,326 pupils entered for 3,471 A Level entries. Notable performances included:

- **The Elms** (previously known as **Lambeth Academy**) where more than half (57%) of all A Level entries achieved A\* or A grades. 86% of entries achieved A\*-B grades and 100% achieved A\*-C grades.
- **Paddington Academy** where 55% of entries achieved A\*-A grades.
- **Midhurst Rother College** where 44% of all A Level entries achieved A\* or A grades and 91% achieved A\*-C grades.
- **Bacon's College** where 38% of A Level entries achieved A\*-A grades and 89% achieved A\*-C grades.

Across the nine secondary independent schools, there were 446 pupils entered for 1,344 A Level entries. This is in line with 2019 when 443 pupils were entered for 1,352 entries. Headline results are:

- 33% of entries achieved A\* grades
- 60% of entries achieved A\*-A grades
- 80% of entries achieved A\*-B grades
- 92% of entries achieved A\*-C grades.

Notable performances included:

- **Guildford High School** where 94% of A Level entries were graded A\*-A
- **Surbiton High School** where 79% of entries achieved A\*-A grades
- **Tranby** where 46% of entries achieved A\*-A grades.

These results meant pupils were able to secure places at their university of choice include Oxbridge and Russell Group institutions.

After being paused during the Covid-19 pandemic, inspections resumed this year. Accrington Academy, Bacon's College, Castle View Academy, Hill View Primary Academy, Hunningley Primary Academy, Irlam and Cadishead Academy, Kettering Buccleuch Academy, Newstead Wood School, NOA's Ark, Orchard Meadow, Richard Rose Central, Salford City Academy, Seahaven Academy, Silverdale Academy, Southway Primary, Swindon Academy, The Hyndburn Academy and Worsbrough Bank End were all inspected by Ofsted.

Banstead Preparatory School, Rowan Prep School, Ashford School, Guildford High School and Lincoln Minster School all received ISI inspections.



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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

##### **Education with Character in Action**

As there were no longer any limits on gatherings, our schools were able to deliver extensive enrichment and extracurricular programmes in order to broaden our pupils' horizons and introduce them to new experiences. These included a number of Group-wide events and initiatives such as the annual International Art Competition, the StorySLAM creative writing competition, Student Leadership Programme and Access to Theatre.

In October, we saw the culmination of Green Love – an original music project open to all of the Group's schools. Pupils joined together virtually with thousands of their peers to see themselves in the online premiere which had been recorded in schools the previous academic year.

##### **Annual Surveys**

Each year we carry out pupil, parent and staff surveys.

Headline findings from our pupil surveys across the Group's schools conducted in November 2021 include:

##### **At Primary:**

- 95% of pupils said they were proud of their school.
- 90% of pupils said they feel they belong in their school
- 96% of pupils said it was important that they came to school every day.
- 89% of pupils said they always know the right person to talk to if they have a concern or worry

##### **At Secondary:**

- 78% of pupils said they were proud of their school.
- 81% of pupils said they felt that they belonged to their school.
- 90% of pupils said it was important they come to school every day.
- 90% pupils agreed that working hard at school is important for what they want to do in the future.
- 94% of pupils agreed that the adults in their school expect them to be successful.

Headline findings from our parent surveys across the Group's schools conducted in November 2021 include:

##### **At Primary**

- 98% of parents agree that it is important their child attends school every day.
- 97% of parents agree that working hard at school is important to their child's future.
- 86% of parents agreed that they felt welcome in their child's school.
- 84% of parents agreed that their child's school is an inspiring place to learn.

##### **At Secondary:**

- 98% of parents agree that it is important their child attends school every day.
- 98% of parents agree that working hard at school is important to their child's future.
- 75% of parents agreed that they felt welcome in their child's school.
- 73% of parents agreed that their child's school is an inspiring place to learn.

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

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

Our survey of all school and central office staff, which was carried out in December 2021 by Edurio, found that our Overall Employee Engagement score (defined as "an employee's willingness to put discretionary effort into their work in the form of time, thought and energy") was 77%. The overall response rate to the survey was 77%.

Key findings of our staff survey include:

- 87% of staff said they valued their school's culture.
- 84% of staff said they support their school's strategy and direction.
- 81% said their job gives them 'a sense of personal fulfilment.

##### **Leadership**

We continue to run our internal leadership development programmes. These are non-accredited, free, flexible, webinar-based, modular courses for our talented, aspiring and recently appointed leaders. They are designed to develop, build confidence and accelerate colleagues. The programmes bring together leadership expertise, theory and practice within an educational context. Our 2021 programmes concluded in December with 140 out of 167 completing their programmes 32 for Aspiring to Headship, 44 for Senior Leadership and 64 for Middle Leadership. For 2022, we adapted the design following a feedback and attendance review to run these programmes across two terms between January - July. From this cohort, 137 out of 161 applicants successfully completed their programme: 19 for Aspiring to Headship, 45 for Senior Leadership and 73 for Middle Leadership.

We also launched a new programme for support staff leaders this year; the Executive Business Manager programme launched in 15 schools with 18 colleagues.

Through our work this year, 86% of our schools have engaged with our leadership development offer. This comprehensive offer shows our commitment to staff becoming highly effective leaders; building the skills and knowledge to drive successful team performance and improve the education experience for children and young people.

##### **United Teaching**

Our Initial Teacher Training Scheme, United Teaching, continues to move forward strongly. In the year we recruited 173 people to train to teach with United Teaching. 100% of trainees 'passed' and were recommended for Qualified Teaching Status. Ahead of the 2022/23 academic year, another 173 trainee teachers were recruited and attended our Summer Institutes in July and August.

##### **Teaching School Hubs**

Following the Department for Education's NPQ reform, we launched the five new look programmes in October 2021 in partnership with Ambition Institute, led by our two Teaching School Hubs ("TSH"). 232 colleagues applied for the Autumn 2021 cohorts, and an extra 32 for the Spring 2022 programmes. In addition to training our own, our TSHs have seen successful recruitment of external candidates; Central London TSH took on 150 applicants for Autumn 2021, and 66 for Spring 2022. The Swindon & Wiltshire TSH took on 75 applicants for Autumn 2022 and 52 for Spring 2022. All 607 NPQ trainees continue their programmes into

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

the 2022/23 academic year.

#### **Apprenticeships**

Apprenticeships are a fantastic way for new and existing staff to learn, advance their skills and become qualified in their chosen career. We now deliver apprenticeships for support staff and teachers through our own apprenticeship provider, with courses tailored for colleagues working in the education sector. We have three Level 3 courses, for HR Support and Teaching Assistant that launched in September 2021, and our Early Years Educator course which launched in March 2022. Our Level 6 Teacher apprenticeship (available via United Teaching) also launched in September 2021. As of March 2022, 3.43% of our workforce are apprentices, exceeding the government's national public sector target of 2.3%.

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

This year, the Group continued to build on its work on inclusion to ensure everyone feels trusted, valued, included and has a sense of belonging. Our priorities this year included:

- Continuing our Reverse mentoring programme through which 17 pairs entered mentoring relationships. Mentees held a Headship or Executive level position and were mentored by ethnic minority colleagues in teacher, leader or support staff positions. This programme has addressed unconscious bias and widened perspectives to gain a better understanding on how we can make United Learning a more inclusive workplace.
- Launching our Future Leaders Network for Ethnic Minority Teachers in June 2022.
- Reviewing our Key Stage 3 curriculum to ensure all pupils see themselves in the curriculum and that it takes them beyond their immediate experience.
- Conducting a detailed analysis of the Gender Pay Gap.
- Producing a Diversity and Inclusion Charter and Handbook to be used by all schools.

#### **Our Group of Schools**

After discussions with the Department for Education, it was decided that John Smeaton Academy in Leeds was best suited to a more local multi academy trust. It was therefore agreed to transfer the school to The GORSE Academies Trust. The transfer was completed on 1 September 2021.

No schools joined the trust during this academic year.

#### **Going concern**

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

The focus in the coming year, as during the last year, is ensuring that all pupils catch up following the COVID-19 pandemic, so that every child is on a pathway to success in life and no child loses the opportunity of an education. Various catch-up costs and the available DfE grants to support this work are included in ULT's 2022/23 budget.

The current year started positively for both UCST and ULT. However, the original budget assumptions for

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

##### **Going concern (continued)**

the coming year are now known to be insufficient for the inflation on pay and energy costs. Since the approval of the 2022/23 budget, the Charitable Group has modelled the now expected costs for these two areas which reduced the expected operating surpluses, offset in part for ULT by the extra funding announced in the Autumn Statement. The Charitable Group is nevertheless in a strong position and able to absorb this level of surplus reduction for the year, but a full review is now underway to identify efficiencies and savings to be made with the target of bringing the 2023/24 budget back to targeted surplus levels. Various cash flow scenarios have been modelled for the period to 31 March 2024. The worst-case scenario uses pessimistic assumptions including for UCST potential pupil number reductions resulting from high costs of living, and the model builds in higher levels of inflation and increased costs such as energy. However, even in these scenarios the Charitable Group continues 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 operating cost savings and 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 Group 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 were renewed in February 2022 and October 2022 and will now mature in February and October 2025 at the earliest. 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 cash flow models and the levers available to the Charitable Group 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 Directors are confident that the Charitable Group has adequate resources to continue to operate for the foreseeable future, being at least twelve months from the date of approval of these financial statements. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

#### **Financial Review**

The total surplus for the year amounted to £171.1m (2021 deficit: £32.9m). Included within these results was an actuarial gain on defined benefit pension schemes of £176.2m (2021: loss of £23.3m), and a further £23.3m (2021: £16.4m) of FRS 102 adjustments on the same LGPS schemes. The Charitable Group is not liable to pay corporation tax.

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

AKS  
Ashford School  
Banstead Preparatory School  
Coworth Flexlands School  
Dunottar School  
Embley  
Guildford High School

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


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**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**


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

Lincoln Minster School  
Rowan Preparatory School  
St. Ives (Haslemere)  
Surbiton High School  
The Royal School  
Tranby

UCST is the sponsor of ULT. ULT's aim is to found and manage a group of academies under the government initiative. Academies opened/joined to date are:

Manchester Academy	September 2003
The Elms (formally known as Lambeth Academy)	September 2004
Northampton Academy	September 2004
Salford City Academy	September 2005
Barnsley Academy	September 2006
Paddington Academy	September 2006
Sheffield Park Academy	September 2006
Sheffield Springs Academy	September 2006
Walthamstow Academy	September 2006
North Oxfordshire Academy	September 2007
William Hulme's Academy	September 2007
Swindon Academy	September 2007
Stockport Academy	September 2007
Accrington Academy	September 2008
Midhurst Rother College	January 2009
Kettering Buccleuch Academy	September 2009
Shoreham Academy	September 2009
The Regis School	January 2012
Southway Primary School	January 2012
Beacon View Primary Academy	January 2012
Hanwell Fields Community School	February 2012
Carter Community School	April 2013
Corngreaves Academy	June 2013
Timbertree Academy	June 2013
Nova Hreod Academy	January 2013
Winton College	September 2013
Wye School	September 2013
Glenmoor School	September 2013
The Victory Primary Academy	September 2013
Grange Primary Academy	September 2013
Abbey Hey Primary Academy	December 2013
Silverdale Primary Academy	January 2014
Cravenwood Primary Academy	April 2014
Seahaven Academy	April 2014
Goresbrook School	September 2014
Richard Rose Central Academy	September 2014
Richard Rose Morton Academy	September 2014
The Hurlingham Academy	January 2015
High Hazels Academy	January 2015

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


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**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**


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

Walthamstow Primary Academy	September 2015
Langford Primary	January 2016
The Totteridge Academy	November 2016
Hunningley Primary Academy	June 2017
Worsbrough Bank End Academy	June 2017
Hill View Primary School	October 2017
Newstead Wood School	October 2017
The Hyndburn Academy	November 2017
Bacon's College	March 2018
Castle View Academy	March 2018
Orchard Meadow Primary School	September 2018
Pegasus Primary School	September 2018
Windale Primary School	September 2018
Dukesgate Academy	February 2019
Irlam and Cadishead Academy	February 2019
Marlborough Road Academy	February 2019
The Albion Academy	February 2019
Longshaw Primary Academy	April 2019
Salisbury Manor Primary Academy	April 2019
Whittingham Primary Academy	April 2019
Winston Way Academy	April 2019
Avonbourne Boys' Academy	August 2019
Avonbourne Girls' Academy	August 2019
Cambridge Academy for Science and Technology	September 2019
Coleridge Community College	September 2019
Parkside Community College	September 2019
Trumpington Community College	September 2019
The Galfrid School	September 2019
The John Roan School	September 2019
Ham Dingle Primary School	September 2019
Sedgehill Academy	September 2019
Marsden Heights Community College	November 2020
The Lowry Academy	March 2021
Avonwood Primary	March 2021

**Funds**

The value of the scholarship and prize funds to be utilised in future years is £363,000 (2021: £363,000) for appeal and sponsorship funds and other donated funds (see note 22).

The value of other restricted funds to be utilised in future years is £526,000 (2021: £526,000) for appeal and sponsorship funds and other donated funds (see note 22).

Unrestricted funds (before the pensions reserve) amount to £159,769,000 (2021: £144,144,000) and designated funds amount to £2,680,000 (2021: £2,915,000).

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

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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#### **Key performance indicators**

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

1. All schools to improve their academic performance within the year.
2. All schools to improve pupil attendance within the year and to reduce incidences of suspension and exclusion.
3. All schools to recruit and retain high quality staff, including high quality trainee teachers.
4. All staff to receive high quality professional development.
5. The Academy Trust to achieve a balanced in year budget.

We aim for the overall performance of our schools to be reflected in positive inspection judgements, with all our schools removed from categories within appropriate Ofsted timeframes and on track to be judged at least 'good'.

The Charitable Group's schools' educational results are set on pages 12 to 14, Ofsted results on page 14 and trainee recruitment progress on page 16.

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

In the next twelve months, the Charitable Company will continue to grow primarily in its existing cluster locations.

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

#### **Funding**

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

#### **Fixed assets**

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

#### **Principal risks and uncertainties**

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

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

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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#### **Principal risks and uncertainties (continued)**

##### **Safeguarding**

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

##### **Information security**

The Charitable Company has Information Security policies in place, supported by regular training (including at induction and annual refreshers) and guidance for staff. Specific software, practices and processes are mandated across all the Charitable Company's schools to reduce opportunities for security breaches and mitigate the impact of any loss. The implementation and effectiveness of the approach are regularly monitored and reviewed, including through periodic stress testing.

##### **People**

The Charitable Company depends on the recruitment and retention of high-quality teachers and support staff to achieve its objectives, but currently operates in a challenging recruitment market. To mitigate this risk the Charitable Company's pay agreements for all staff are competitive within the sector (recognising current increased cost pressures), United Teaching is increasingly delivering a supply of quality teachers, and the Group-wide recruitment and retention handbook includes policies and advice for schools, including in relation to promoting diversity and inclusion. The Charitable Company invests in the development of its staff, including through provision of bespoke leadership development programmes and apprenticeship programmes for support staff, delivered through our own training provider.

##### **Financial Pressures**

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

The Charitable Group is reliant upon the parents paying its school fees promptly and an economic downturn could have a direct impact on parents' ability to pay their fees. The impact of the COVID-19 lockdowns led to international travel restrictions and therefore boarding numbers were impacted. 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 Group's schools operate are highly competitive. Consequently, the schools constantly review their processes to ensure that their pupils receive a first-class education that helps them to perform to their full ability in all aspects of school life.

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



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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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#### **Principal risks and uncertainties (continued)**

To mitigate these financial risks senior management closely monitor all costs, including increased pension contributions, against budgets on a monthly basis. Variance analysis is undertaken to consider the impact of varying income and costs when budgets are being prepared and through monthly management accounts and reforecasts, and action plans are prepared and implemented to address any adverse impacts.

The Charitable Group's strategic risk register also covers risks relating to data protection, occupational health and safety, fraud, increasing cost of living, major incidents, growth, school performance and business continuity. Over the course of the year, the Charitable Group has amended its assessment of risk to reflect: the impact of the rising cost of living on its staff, families and communities; the potential for poor mental health and wellbeing to impact pupil and staff engagement; effective management of our future growth strategy; and a broader interpretation of the risks relating to governance.

#### **Pensions**

The Charitable Group also belongs to the Local Government Pension Scheme ("LGPS") run by the relevant Local Authority for non-teaching staff. Under the application of FRS 102, the contributions made by the Charitable Group to these funded defined benefit schemes currently results in pension deficits recorded in the Statement of Financial Activities. Under FRS 102, the Charitable Group is required to account for the 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 Group to recognise the total value of all pension obligations that have accumulated (including deferred pensions) as at 31 August each year.

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

With regards to the LGPS risk senior management review the accounting reports prepared annually by the respective schemes' actuaries, and Parliament has agreed that in the event of an academy or multi-academy trust closure, any outstanding LGPS liabilities would be met by the DfE.

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

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

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

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

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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#### **Principal risks and uncertainties (continued)**

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

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

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

The maturity of borrowings is set out in Note 18 to the financial statements. In addition to these borrowings the Charitable Group has access to undrawn committed borrowing facilities of an additional £1.0m (2021: £1.0m).

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

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

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

#### **Reserves**

It is the policy of the Charitable Group to hold reserves in its unrestricted funds which have not yet been committed or designated for any particular purpose. The Trustees have set aside these reserves in order to protect the future operations of the Charitable Group from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice. The Trustees have set the level of these reserves after undertaking a thorough assessment of the Charitable Group's needs and have concluded that a level of six weeks' expenditure is prudent which is approximately £60.7m. At 31 August 2022 there were free cash reserves of £88.7m (2021: £65.0m) plus undrawn committed borrowing facilities of £28.5m (2021: £15.5m) which in total exceed the required needs.

Reserves defined as net current assets/(liabilities) excluding bank loans amount to a surplus of £28.5m (2021: £14.8m).

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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#### **Investment policy**

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

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

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

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

#### **Public benefit**

The Charitable Group aims to make a great contribution beyond the group, having a positive impact on our local communities beyond the school, on the national education system and on the wider world. Over the next five years, we will work together to ensure that we influence education policy and practice beyond our schools and are seen as people who will be active leaders and participants in promoting what is right nationally. We will contribute in every local community in which we have a presence, through the service of pupils, through supporting families and through community hubs; we have appointed a Head of Community Engagement to support schools in this area. We will ensure that our work is sustainable and seek to avoid negative impact on the environment and climate.

Beyond our schools, in March 2021 United Learning was appointed to deliver the EdTech Demonstrator Schools and Colleges Programme on behalf of the DfE. Funded by the DfE, 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 well as co-ordinating this national programme through 40+ demonstrator schools and colleges, the Charitable Company's EdTech team also acted as a Demonstrator school offering packages of support, ranging from guidance, online tutorials, webinars and recorded content. Following the end of the programme, we continue to engage in national networks and to use our expertise in this area to support other schools and trusts.

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. These resources continue to be available on the Charitable Group's Continuity Oak website.

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.

#### **Access policy**

The Charitable Group works very hard to offer education to as many pupils as possible throughout England. Through its bursary policy it widens the number of pupils attending UCST schools. By setting up, sponsoring and working very closely with ULT, pupils in state funded academies enjoy the same educational resources available throughout the Charitable Group's schools. The two Charitable Companies' schools can

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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all access United Hub which enables teachers at any of the schools in the Group to collaborate, share resources and challenges, all positively impacting on workload.

#### **Bursary policy**

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

Means tested assistance is available to those who would not otherwise be able to afford the fees and, equally importantly, in cases of hardship where pupil's education or future prospects might be at risk. Bursaries range in value from 5% to 100% of the school fee. During the year UCST granted £0.8m (2021: £1.28m) to pupils attending its schools under means tested assistance. This equated to 0.7% of gross fees (2021: 1.17%). Included within this were means tested grants to 6 children of clergy from a range of different churches. Further details of our bursary policy and how to apply are on our website.

In addition during the year, UCST granted £0.326m (2021: £0.9m) of discounts and £0.058m (2021: £0.1m) of payment deferrals from the £4m Hardship Fund set up during the prior year lockdown to support those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic.

#### **Environmental policy**

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

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

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

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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#### Environmental policy (continued)

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 school, due to open near Ashford in September 2023.
- Working with our catering contractors, Caterlink and 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.
- We have established a network of Carbon Neutral Champions in each of our schools who work together to identify ways of further reducing carbon emissions.
- An external consultancy is conducting decarbonisation surveys across all academies and independent schools. The surveys highlight how the schools can reduce their carbon footprint and provide a route for the school to achieve net zero.
- The Group is preparing bids to the Public Sector Decarbonisation Scheme which would see selected schools receive a grant to decarbonise their energy systems and promote efficiency.

#### Streamlined Energy and Carbon Reporting

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

The following figures make up the baseline reporting for the Charitable Group.

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

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

##### Totals

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

Utility and Scope	2021/22 UK Consumption (kWh)	2020/21 UK Consumption (kWh)
Grid-Supplied Electricity (Scope 2)	37,485,046	39,113,715
Gaseous and other fuels (Scope 1)	66,493,979	68,493,000
<b>Total</b>	<b>103,979,025</b>	<b>107,606,715</b>

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


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**TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT  
FOR THE YEAR ENDED 31 AUGUST 2022**


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

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

Utility and Scope	2021/22 UK Consumption (tCO <sub>2</sub> e)	2020/21 UK Consumption (tCO <sub>2</sub> e)
Grid-Supplied Electricity (Scope 2)	7,248.86	8,305.02
Gaseous and other fuels (Scope 1)	12,160.76	12,561.43
Total	19,409.62	20,866.45

**Intensity Metric**

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

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

Intensity Metric	2021/22 UK Intensity Metric	2020/21 UK Intensity Metric
tCO <sub>2</sub> e/Number of pupils	316.61	354.72

**Reporting Methodology**

Scope 1 and 2 consumption and CO<sub>2</sub>e emission data has been calculated in line with the 2019 UK Government environmental reporting guidance. The following Emission Factor Databases consistent with the 2019 UK Government environmental reporting guidance have been used, utilising the current published kWh gross calorific value (CV) and kgCO<sub>2</sub>e emissions factors relevant for reporting year 1 September 2021 to 31 August 2022:

Estimations undertaken to cover missing billing periods for properties directly invoiced to United Learning Trust were calculated on a kWh/day pro-rata basis at meter level. These estimations equated to 5% of reported consumption.

Intensity metrics have been calculated utilising the 2021/22 reportable figures for the following metrics, and tCO<sub>2</sub>e for both individual sources and total emissions were then divided by this figure to determine the tCO<sub>2</sub>e per metric.

Total number of pupils per October census      61,305 (2020/21: 58,825)

The intensity metric has improved during the year for several reasons. Firstly, pupil numbers increased by 2,480 from October 2020 to October 2021 largely due to Marsden Heights Community College and The Lowry Academy joining the Charitable Group during the year. Based on their joining dates, these pupil numbers were excluded from the 2020/21 SECR report but energy consumption and emissions for the period from them joining were included. Secondly the emissions conversion factor for grid electricity was reduced by 8.9% per kWh and the emissions factor for gas was reduced by 0.3% per kWh, compared with the previous reporting year. Most importantly though, the Charitable Group has focussed on the carbon reduction initiatives as stated in the Environmental Policy above.

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

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

#### **Equal opportunities**

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

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

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

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

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

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

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

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

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

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

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

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

#### United Learning Trust trade union facility time

The tables below set out ULT's trade union facility time data for the period from 1 April 2021 to 31 March 2022.

#### Relevant Union Officials

Total number of the Academy Trust employees who were relevant union officials during the relevant period (1 April 2021 to 31 March 2022).

Number of employees	Full time equivalent employee number
44	40.5

#### Percentage of time spent on facility time

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

Percentage of time	Number of employees
0%	10
1% - 50%	34
51% - 99%	-
100%	-

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

Percentage of the total pay bill spent on facility time	0.02%
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#### Paid trade union activities

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

Time spent on trade union activities as a percentage of total paid facility time hours	3.4%
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#### Section 172 Statement

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

The Charitable Group has a clear purpose which is to promote excellent education, providing strong schools that enable all young people to make a success of their lives. This requires the Board, senior leadership team and other employees to maintain an approach to strategic, financial and operational decision making that is values based and sustainable in approach, and therefore aligned to the requirements and expectations of Section 172. Our long-term success relies upon our delivering the strategic objectives described in the Trustees' report above through our talented and committed employees; close working relationships with regulators and suppliers, providing benefits to both the pupils in our schools and the wider school community. In the light of our purpose and strategy as set out in the Trustees' Report our Trustees take steps to



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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

understand the needs and priorities of each stakeholder group and do so via a number of mediums, including by direct engagement through school visits and discussions with employees; parent and pupil surveys; and via committees and forums.

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

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

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

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

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

The Directors consider relationships with suppliers through the oversight of the Group procurement policy and Modern Slavery statement. The group procurement strategy 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 Directors' report.

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

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### TRUSTEES' REPORT INCORPORATING THE STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

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

- 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 and Group will continue in business.

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

The Trustees confirm that:

- so far as each Trustee is aware, there is no relevant audit information of which the Charitable Group'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 Group's auditor is aware of that information.

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

The Trustees' Report (incorporating the Strategic Report), was approved by order of the board of Trustees, as the Company Directors, on 3 February 2023 and signed on the Board's behalf by:

*Stephen Critchley*

**Dr Stephen Critchley, Trustee**



# Grant Thornton

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

### Opinion

We have audited the financial statements of United Church Schools Foundation Limited (the 'parent Charitable Company') and its subsidiaries (the 'Group') for the year ended 31 August 2022, which comprise the Consolidated Statement of Financial Activities (incorporating the Income and Expenditure Account), the Consolidated Balance Sheet, the Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and parent Charitable Company's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 Group and parent Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### 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 Group's and the parent 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 Group or parent Charitable Company to cease to continue as a going concern.

In our evaluation of the Trustees' conclusions, we considered the inherent risks associated with the Group's and parent 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



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

the Group's and parent Charitable Company's financial resources or ability to continue operations over the going concern period.

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.

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 Group's and parent 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.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The other information comprises the information included in the Trustees' Report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Trustees' Report. 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.

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 themselves. 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 the knowledge and understanding of the Group and parent Charitable Company and their 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.



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

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

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

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

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

As explained more fully in the Statement of Trustees' responsibilities set out on pages 31 & 32, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Group and the parent Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or parent 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.



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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. 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 group 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), the Companies Act 2006, Charities Act 2011, Academies Act 2010, Academy Trust Handbook 2021, Data protection Act 2018 and The Education Act 2002;
- We understood how the Group 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;
- We assessed the susceptibility of the Group'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



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

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as 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 group including:
    - the provisions of the applicable legislation
    - guidance issued by the ESFA and 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 Group'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 Group's control environment, including: the policies and procedures implemented by the Group to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations.
    - the policies and procedures implemented by the group 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.

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.



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

**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*

**William Devitt FCA**  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Birmingham  
Date: 9/2/2023



## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Total 2021 £'000
<b>Income</b>						
<b>Income from donations</b>						
Voluntary income	5	3,843	452	-	4,295	2,861
Net assets/(liabilities) transferred to or from other charities and on conversion	7	-	4,086	-	4,086	(4,487)
<b>Income from charitable activities</b>						
School fees receivable	2	106,731	-	-	106,731	98,758
Other educational related activities	3	20,212	-	-	20,212	16,156
Grants from Department for Education	4	-	380,484	-	380,484	368,451
Rents and lettings		468	-	-	468	403
Other income		53	-	-	53	-
<b>Income from other trading activities</b>						
Trading income		4,561	-	-	4,561	3,286
<b>Income from investments</b>						
Investment income	6	593	-	-	593	268
<b>Other income</b>						
Gains on disposals of tangible fixed assets		240	-	-	240	2
<b>Total income</b>		<b>136,701</b>	<b>385,022</b>	<b>-</b>	<b>521,723</b>	<b>485,698</b>
<b>Acquired operations</b>						
Continuing operations		136,701	379,736	-	516,437	470,175
Discontinued operations		-	5,286	-	5,286	1,640

In 2021, of total income from acquired operations, £83k was to unrestricted funds and £13,800k was to restricted funds. Discontinued operations were to unrestricted funds.

The notes on pages 48-89 form part of these financial statements.

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


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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022**


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	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Total 2021 £'000
<b>Expenditure</b>						
<b>Expenditure on raising funds</b>						
Trading expenditure		1,538	-	-	1,538	2,054
<b>Expenditure on charitable activities</b>						
School and academy operating costs, project management and finance costs		118,958	405,372	-	524,330	494,989
<b>Total expenditure</b>	8	<b>120,496</b>	<b>405,372</b>	<b>-</b>	<b>525,868</b>	<b>497,043</b>
<b>Acquired operations</b>		-	-	-	-	17,182
<b>Continuing operations</b>		120,496	405,372	-	525,868	476,569
<b>Discontinued operations</b>		-	-	-	-	3,292

In 2021, of total expenditure on acquired operations, £nil was from unrestricted funds and £17,182k was from restricted funds. Discontinued operations were to unrestricted funds.

The notes on pages 48-89 form part of these financial statements.

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Total 2021 £'000
Net incoming/ (outgoing) resources before investment gains and transfers		16,205	(20,350)	-	(4,145)	(11,345)
Acquired operations		-	-	-	-	(3,299)
Continuing operations		16,205	(25,636)	-	(9,431)	(6,394)
Discontinued operations		-	5,286	-	5,286	(1,652)
Net gains/(losses) on investments		(888)	(41)	-	(929)	1,787
Net income/(outgoing) resources before other recognised gains and losses		15,317	(20,391)	-	(5,074)	(9,558)
Actuarial gains/(losses) on defined benefit pension schemes	28	1,065	175,132	-	176,197	(23,296)
Net movement in funds for the year		16,382	154,741	-	171,123	(32,854)
Acquired operations		-	-	-	-	(3,299)
Continuing operations		16,382	149,455	-	165,837	(27,903)
Discontinued operations		-	5,286	-	5,286	(1,652)
Funds brought forward at 1 September 2021		144,847	548,846	277	693,970	726,824
Funds carried forward at 31 August 2022		161,229	703,587	277	865,093	693,970

The notes on pages 48-89 form part of these financial statements.

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

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**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND  
EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022**

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In 2021, of net incoming resources before investment gains and transfers from acquired operations, £83k was to unrestricted funds and (£3,382k) was to restricted funds. Discontinued operations were to unrestricted funds.

In 2021, of the net movement in funds from acquired operations, a surplus of £83k was to unrestricted funds and (£3,382k) was to restricted funds. Discontinued operations were to unrestricted funds.

The notes on pages 48-89 form part of these financial statements.

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Intangible assets	12	2,055	2,378
Tangible assets	13	859,627	865,614
Investments	11	11,200	11,720
		<u>872,882</u>	<u>879,712</u>
<b>Current assets</b>			
Stocks	14	127	185
Debtors	15	49,533	51,089
Cash and cash equivalents	25	88,704	64,959
		<u>138,364</u>	<u>116,233</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(124,231)</u>	<u>(108,371)</u>
<b>Net current assets</b>		<u>14,133</u>	<u>7,862</u>
<b>Total assets less current liabilities</b>		<u>887,015</u>	<u>887,574</u>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(634)</u>	<u>(15,159)</u>
<b>Net assets excluding pension liability</b>		<u>886,381</u>	<u>872,415</u>
<b>Defined benefit pension scheme liabilities</b>	28	<u>(21,223)</u>	<u>(178,380)</u>
<b>Net assets including pension liability</b>		<u>865,158</u>	<u>694,035</u>

The notes on pages 48-89 form part of these financial statements.

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


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**CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2022**


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	Note	£'000	2022 £'000	£'000	2021 £'000
<b>Capital</b>					
Called up share capital	19		65		65
<b>Capital funds</b>					
Endowment fund	20		277		277
<b>Income funds</b>					
Restricted funds					
Restricted general funds	22	722,796		724,125	
Other restricted funds	22	889		889	
		<u>723,685</u>		<u>725,014</u>	
Pension reserve	22	<u>(20,098)</u>		<u>(176,168)</u>	
			703,587		548,846
Unrestricted funds	21	159,674		144,144	
Pension reserve	21	(1,125)		(2,212)	
Designated funds	21	<u>2,680</u>		<u>2,915</u>	
			<u>161,229</u>		<u>144,847</u>
			<u>865,158</u>		<u>694,035</u>

The financial statements were approved by the Board and authorised for issue on 3 February 2023 and signed on its behalf by:

*Stephen Critchley*

Dr Stephen Critchley, Trustee

The notes on pages 48-89 form part of these financial statements.

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## CHARITABLE COMPANY BALANCE SHEET AS AT 31 AUGUST 2022

	Note	2022 £'000	2021 £'000
<b>Fixed assets</b>			
Tangible assets	13	176,193	177,887
Investments	11	702	737
		<u>176,895</u>	<u>178,624</u>
<b>Current assets</b>			
Debtors	15	169	142
Cash and cash equivalents		3	3
		<u>172</u>	<u>145</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(55,175)</u>	<u>(40,205)</u>
<b>Net current liabilities</b>		<u>(55,003)</u>	<u>(40,060)</u>
<b>Total assets less current liabilities</b>		<b>121,892</b>	<b>138,564</b>
<b>Creditors: amounts falling due after more than one year</b>	17	<u>(431)</u>	<u>(14,864)</u>
<b>Net assets</b>		<u><b>121,461</b></u>	<u><b>123,700</b></u>
<b>Capital</b>			
Called up share capital	19	65	65
<b>Capital funds</b>			
Endowment fund	20	277	277
<b>Income funds</b>			
Restricted funds	22	773	808
Unrestricted funds	21	120,325	122,529
Designated funds	21	21	21
		<u><b>121,461</b></u>	<u><b>123,700</b></u>

The Charitable Company generated a deficit for the year of £2.239m (2021: £2.050m).

The financial statements were approved by the Board and authorised for issue on 3 February 2023 and signed on its behalf by:

*Stephen Critchley*

Dr Stephen Critchley, Trustee

The notes on pages 48-89 form part of these financial statements.

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


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**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2022**


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	Note	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	24	31,571	33,656
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets	13	(21,348)	(20,006)
Purchase of intangible fixed assets		-	(419)
Proceeds from the sale of tangible fixed assets		223	1,454
Proceeds from the sale of intangible fixed assets	12	22	-
Purchase of investments	11	(3,507)	(1,983)
Proceeds from the sale of investments		3,434	1,947
Dividends and interest received from fixed asset investments		593	268
ESFA capital grants received		<u>12,777</u>	<u>16,367</u>
<b>Net cash used in investing activities</b>		<b>(7,806)</b>	<b>(2,372)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		(6,933)	(7,332)
Repayment of finance leases		(22)	(21)
Interest paid		<u>(441)</u>	<u>(378)</u>
<b>Net cash used in financing activities</b>		<b>(7,396)</b>	<b>(7,731)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>16,369</b>	<b>23,553</b>
Cash and cash equivalents brought forward		<u>55,034</u>	<u>31,481</u>
<b>Cash and cash equivalents carried forward</b>	25	<b><u>71,403</u></b>	<b><u>55,034</u></b>

The notes on pages 48-89 form part of these financial statements.



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


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**CONSOLIDATED STATEMENT OF NET DEBT FOR THE YEAR ENDED 31 AUGUST 2022**


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	At 1 September 2021 £'000	Cash flows £'000	Other movements £'000	Repayment of bank loans £'000	At 31 August 2022 £'000
Cash and cash equivalents	55,034	23,302	-	(6,933)	71,403
Debt due within one year	(6,953)	-	(14,414)	6,933	(14,434)
Debt due after one year	(14,867)	22	14,414	-	(431)
	<b>33,214</b>	<b>23,324</b>	<b>-</b>	<b>-</b>	<b>56,538</b>

The notes on pages 48-89 form part of these financial statements.

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 1 Accounting Policies

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

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

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

##### 1.2 Consolidation

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

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

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

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

##### 1.3 Income

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

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

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

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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

##### **1.3 Income (continued)**

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

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

##### **1.4 Expenditure**

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

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

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

##### **1.5 Fund accounting**

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Accounting Policies (continued)****1.5 Fund accounting (continued)**

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

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

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

**1.6 Company status**

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

**1.7 Going concern**

The 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 Group 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 and the current economic climate in reaching their conclusions, preparing an annual budget and monitoring performance against it with forecasts for the balance of the financial year and beyond, and preparing a range of cash flow forecast scenarios. The Charitable Group maintains reserves to meet unexpected obligations and forecast models indicate that, even allowing for the economic impacts of the pandemic and rising costs of inflation, the Charitable Group has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis as discussed in the Trustees' Report on pages 17 and 18.

Various cash flow scenarios have been modelled for the period to 31 March 2024. 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 the model builds in higher levels of inflation and increased costs such as energy. However, even in this scenario the Charitable Group continues to have adequate cash reserves to meet its liabilities as they fall due during the forecast period.

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 cash flow models and the levers available to the Charitable Group have enabled management to conclude that there is no material uncertainty in management's going concern assessment.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Accounting Policies (continued)**

**1.8 Intangible fixed assets and amortisation**

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

**1.9 Tangible assets and depreciation**

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

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

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

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

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

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

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

Freehold land is not depreciated.

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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

##### **1.10 Investments**

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

Investments in subsidiaries are measured at cost less accumulated impairment.

##### **1.11 Goodwill**

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

##### **1.12 Stocks**

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

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

##### **1.13 Interest receivable**

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

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

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

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

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

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

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**Accounting Policies (continued)****1.15 Finance leases: the Charitable Group as lessee**

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

**1.16 Taxation**

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

**1.17 Debtors**

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

**1.18 Cash and cash equivalents**

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

**1.19 Liabilities and provisions**

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

**1.20 Financial instruments**

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

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

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

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

#### **1.21 Pensions**

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

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

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

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

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



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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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

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

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

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

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

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

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

##### *Actuarial valuations for Local Government Pension Schemes*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pensions liability at 31 August 2022. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

##### *Unfunded pension obligations*

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

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

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

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**Accounting Policies (continued)**
*Buildings occupied under PFI Agreements*

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

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

*Depreciation of tangible fixed assets*

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

*Impairment of tangible fixed assets*

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

**2 School fees receivable**

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

	2022 £'000	2021 £'000
Gross fee income receivable	114,723	109,949
Scholarships, bursaries and reduced fees	<u>(9,945)</u>	<u>(12,357)</u>
	104,778	97,592
Catering income	<u>1,953</u>	<u>1,166</u>
Net fee income receivable	<u><u>106,731</u></u>	<u><u>98,758</u></u>

In 2021 of the total income, £98,758k was income from unrestricted funds, and £nil was income from restricted funds.

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**3 Other educational related income**

	2022 £'000	2021 £'000
Accounting services to other schools	652	742
Pupil registration fees	331	284
Charges for additional classes	1,112	1,050
Income from Government's Coronavirus Job Retention Scheme	8	2,493
Trip income	2,817	1,625
Other miscellaneous school income	15,292	9,962
	<u>20,212</u>	<u>16,156</u>

In 2021 of the total income, £16,156k was income from unrestricted funds, and £nil was income from restricted funds.

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

**4 Grants from DfE**

	2022 £'000	2021 £'000
<b>Grants from Department for Education:</b>		
Capital grants for new buildings	10,961	13,516
Revenue grants for operating costs of existing academies	365,812	348,224
COVID-19 additional funding	3,711	6,711
	<u>380,484</u>	<u>368,451</u>

In 2021 of the total income, £nil was income from unrestricted funds, and £368,451k was income from restricted funds.

**5 Voluntary income**

	2022 £'000	2021 £'000
Other sponsorship and donations received	4,294	2,861
Gift aid – COVID-19 donations	1	-
	<u>4,295</u>	<u>2,861</u>

In 2021 of the total income, £2,803k was income from unrestricted funds, and £58k was income from restricted funds.

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**6 Investment income**

Investment income comprises income from:

	2022 £'000	2021 £'000
Listed investments	291	239
Bank deposits	302	29
	<u>593</u>	<u>268</u>

In 2021 of the total income, £268k was income from unrestricted funds, and £nil was income from restricted funds.

**7 Net assets transferred to or from other charities and on conversion**

During the year, there were no transfers in of existing schools or academies to the Trust.

Academies transferred out of ULT during the year:

During the year ended 31 August 2022, John Smeaton Academy was transferred out of ULT, with the following amounts being transferred to The GORSE Academies Trust:

	Transfer out of academies leaving ULT £'000
Fixed assets	10
Pension	<u>(4,096)</u>
<b>(Net liabilities)</b>	<u><b>(4,086)</b></u>

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**8 Analysis of total resources expended**

	Staff costs £'000	Other costs £'000	Depreciation and amortisation £'000	Total 2022 £'000	Total 2021 £'000
<b>Expenditure on raising funds</b>					
Trading expenditure	682	835	21	1,538	2,054
<b>Total expenditure on raising funds</b>	<b>682</b>	<b>835</b>	<b>21</b>	<b>1,538</b>	<b>2,054</b>
<b>Charitable activities</b>					
Schools operating costs					
Education costs	310,737	27,564	-	338,301	319,367
Catering	784	15,574	-	16,358	13,948
Premises and services	10,171	39,447	-	49,618	48,813
Technology	9,344	6,928	-	16,272	17,596
Marketing	711	1,280	-	1,991	2,144
Administration and other costs	48,530	24,083	-	72,613	64,737
Exceptional cost:					
School acquisition and closure costs	-	-	-	-	195
Bank interest payable and charges	-	694	-	694	601
Depreciation and amortisation	-	-	27,604	27,604	26,718
Loss on disposals of tangible fixed assets	-	-	18	18	28
Corporation tax	-	-	-	-	15
Governance costs:					
Group secretarial costs	277	32	-	309	307
Audit and accountancy fees – Auditor's remuneration	-	318	-	318	311
Audit and accountancy fees – Component auditor	-	13	-	13	14
Other governance costs	-	219	-	219	194
Members' meetings and travel expenses	-	2	-	2	1
<b>Total expenditure on charitable activities</b>	<b>380,554</b>	<b>116,154</b>	<b>27,622</b>	<b>524,330</b>	<b>494,989</b>
<b>Total resources expended</b>	<b>381,236</b>	<b>116,989</b>	<b>27,643</b>	<b>525,868</b>	<b>497,043</b>

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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

Exceptional costs incurred in school closures, mergers, acquisitions and disposals and in relation to the COVID-19 outbreak during the year ended 31 August 2022 amounted to £873k (2021: £546k).

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

Total resources expended include:

	2022 £'000	2021 £'000
Auditor's remuneration – audit of the Charitable Company	19	17
Auditor's remuneration – audit of the accounts of subsidiary undertakings	224	213
Auditor's remuneration – other assurance fees	38	45
Auditor's remuneration – all non audit services not covered above	37	36
Subsidiary auditor's remuneration – component auditor	13	14
Depreciation:		
Tangible fixed assets, owned	27,307	26,429
Tangible fixed assets, financed	17	28
Loss on sale of fixed assets	18	28
Amortisation	301	295
Operating lease rentals	<u>1,710</u>	<u>2,158</u>

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

**Deficit for the financial year**

The Charitable Company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Financial Activities in these financial statements. The Group deficit for the year includes a deficit of £2.239m (2021: £2.050m) relating to United Church Schools Foundation Ltd which is dealt with in the financial statements of the Charitable Group.

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**9 Net interest**

	2022 £'000	2021 £'000
On bank loans and overdrafts	441	378
Interest on Local Government and Unfunded Pension Schemes	2,976	2,359
	<u>3,417</u>	<u>2,737</u>

**10 Members and employees**

Staff costs during the year were as follows:

	2022 £'000	2021 £'000
Wages and salaries	272,094	267,626
Social security costs	27,864	25,098
Other pension costs	72,347	65,308
	<u>372,305</u>	<u>358,032</u>
Supply teacher costs	7,911	5,644
Staff restructuring costs	1,020	2,279
	<u>381,236</u>	<u>365,955</u>

The average number of employees during the year was 9,144 (2021: 9,537).

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**10 Members and employees (continued)**

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

	2022 Number	2021 Number
£60,001 to £70,000	235	203
£70,001 to £80,000	98	85
£80,001 to £90,000	38	36
£90,001 to £100,000	26	30
£100,001 to £110,000	12	17
£110,001 to £120,000	14	14
£120,001 to £130,000	4	7
£130,001 to £140,000	10	7
£140,001 to £150,000	6	4
£150,001 to £160,000	1	2
£160,001 to £170,000	-	2
£170,001 to £180,000	1	2
£180,001 to £190,000	2	1
£190,001 to £200,000	4	2
£240,001 to £250,000	-	1
£250,001 to £260,000	1	1

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

	2022 £'000	2021 £'000
Pension contributions to defined contribution, Teachers' Pension Scheme and Local Government Pension Scheme	<u>7,155</u>	<u>6,362</u>

During the year, 39 higher paid employees (2021: 34) participated in defined contribution schemes, 380 (2021: 355) participated in the Teachers' Pension Scheme (operated by the Teachers' Pension Agency), 17 (2021: 17) participated in the Local Government Pension Scheme and 16 (2021: 8) did not participate in any scheme.

None of the Trustees received any remuneration in the year (2021: None).

Expense reimbursements paid to 3 (2021: 1) Trustee of Group entities was £1,933 (2021: £1,009) and all related to travel and subsistence costs.

The remuneration for Key Management Personnel, as defined in the Reference and Administration details, totalled £1,362,884 (2021: £1,383,038). This remuneration was recorded as an expense in UCST.



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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**11 Fixed asset investments**

	Listed investments and investment funds £'000
<b>The Charitable Group</b>	
Valuation	
At 1 September 2021	11,720
Additions	3,507
Disposals	(3,266)
Loss on revaluation	(761)
	<hr/>
<b>At 31 August 2022</b>	<b><u>11,200</u></b>

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

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

	Investment funds £'000
<b>The Charitable Company</b>	
Valuation	
At 1 September 2021	737
Loss on revaluation	(35)
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<b>At 31 August 2022</b>	<b><u>702</u></b>

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

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**11 Fixed asset investments (continued)**

United Learning Trust has been consolidated as a 100% subsidiary undertaking on the basis that it operates as a wholly owned subsidiary.

At 31 August 2022, the Charitable Company held more than 20% of the following:

	Company number	Class of share capital held	Cost of Investment	Proportion held		Nature of business
			£	Directly	Indirectly	
United Church Schools Trust (Limited by Guarantee)	02780748	-	-	100%	-	Education
The Church Schools Trading Company Limited	02724038	Ordinary £1	2	100%	-	School lettings, uniform shops
United Learning Trust (Limited by Guarantee)	04439859	-	-	-	100%	Education
ULT Projects Limited	04717890	Ordinary £1	100	-	100%	Dormant
ULT Trading Company Limited	06791313	Ordinary £1	100	-	100%	School lettings, uniform shops
St. Ives (Haslemere) Limited (Limited by Guarantee)	00724728	-	-	-	100%	Dormant
Regis Community Arena Limited (Limited by Guarantee)	07879081	-	-	-	100%	Dormant
Priory School (Banstead) Trust Limited (Limited by Guarantee)	00346881	-	-	-	100%	Dormant
Bacon's College Community Services Limited (Limited by Guarantee)	05321174	-	-	-	100%	School Lettings

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**11 Fixed asset investments (continued)**

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

	<b>UCST</b>		<b>ULT</b>		<b>Bacon's College Community Services Limited</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Incoming resources	<b>130,332</b>	121,961	<b>400,527</b>	374,879	<b>65</b>	90
Expenditure	<b>(123,929)</b>	(119,955)	<b>(410,419)</b>	(385,268)	<b>(183)</b>	(158)
(Loss)/gain on investments	<b>(3)</b>	2	<b>(891)</b>	1,672	-	-
Actuarial gains/(losses)	<b>1,065</b>	419	<b>175,132</b>	(23,715)	-	-
Net surplus/(deficit)	<b>7,465</b>	2,427	<b>164,349</b>	(32,432)	<b>(118)</b>	(68)
Assets	<b>88,216</b>	77,976	<b>771,902</b>	766,137	<b>1,299</b>	1,381
Liabilities	<b>(59,683)</b>	(56,908)	<b>(54,665)</b>	(213,249)	<b>(898)</b>	(862)
Net assets	<b>28,533</b>	21,068	<b>717,237</b>	552,888	<b>401</b>	519

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**11 Fixed asset investments (continued)**

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

	Regis Community Arena Limited		The Church Schools Trading Company Limited		ULT Trading Company Limited	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Turnover	861	1,583	1,245	627	2,625	986
Cost of sales, administration and other costs	(890)	(1,620)	(197)	(142)	(438)	(118)
Retained profit/(loss) for the year	(29)	(37)	1,048	485	2,187	868
Assets	17	693	1,341	810	3,189	1,415
Liabilities	(17)	(664)	(276)	(325)	(977)	(544)
Net assets	-	29	1,065	485	2,212	871

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**12 Intangible fixed assets**

**The Charitable Group**

	<b>Software development £'000</b>
Cost	
At 1 September 2021	3,019
Disposals	(24)
<b>At 31 August 2022</b>	<b>2,995</b>
Amortisation	
At 1 September 2021	641
Charge for the year	301
Disposals	(2)
<b>At 31 August 2022</b>	<b>940</b>
<b>Net book amount at 31 August 2022</b>	<b>2,055</b>
Net book amount at 31 August 2021	2,378

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

## 13 Tangible fixed assets

The Charitable Group	Total £'000	Freehold land and buildings £'000	Long term leasehold property £'000	Short leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000	Assets under construction £'000
Cost								
At 1 September 2021	1,111,056	300,212	708,948	2,135	49,611	48,358	1,160	632
Additions	21,348	1,177	4,095	63	10,354	3,285	43	2,331
Disposals	(5)	-	-	-	-	-	(5)	-
Transfers to other charities	(98)	-	-	-	(18)	(80)	-	-
Transfers between categories	-	1,021	-	-	-	-	-	(1,021)
<b>At 31 August 2022</b>	<b>1,132,301</b>	<b>302,410</b>	<b>713,043</b>	<b>2,198</b>	<b>59,947</b>	<b>51,563</b>	<b>1,198</b>	<b>1,942</b>
Depreciation								
At 1 September 2021	245,442	36,360	129,645	983	31,955	45,550	949	-
Provided in the year	27,324	5,775	14,382	17	4,166	2,876	108	-
Transfers to other charities	(88)	-	-	-	(8)	(80)	-	-
Disposals	(4)	-	-	-	-	-	(4)	-
<b>At 31 August 2022</b>	<b>272,674</b>	<b>42,135</b>	<b>144,027</b>	<b>1,000</b>	<b>36,113</b>	<b>48,346</b>	<b>1,053</b>	<b>-</b>
<b>Net book amount at 31 August 2022</b>	<b>859,627</b>	<b>260,275</b>	<b>569,016</b>	<b>1,198</b>	<b>23,834</b>	<b>3,217</b>	<b>145</b>	<b>1,942</b>
Net book amount at 31 August 2021	865,614	263,852	579,303	1,152	17,656	2,808	211	632

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

**13 Tangible fixed assets (continued)**

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

The net book value of assets held under finance lease, included above within fixtures and fittings is £13k (2021: £30k).

Included in freehold land and buildings is land with a carrying value of £15.481m (2021: £15.481m) on which depreciation has not been provided.

Included within the total carrying value of £859.627m (2021: £865.614m) are the following assets which are restricted fund assets paid for by the Government and held by ULT on its behalf so that ULT can operate its academies within the buildings to which the figures relate. The Charitable Group is unable to secure any borrowings against these assets.

**The Charitable Group**

	Total £'000	Freehold land and buildings £'000	Long term leasehold property £'000	Fixtures and fittings £'000	Computer equipment £'000	Assets under construction £'000
Net book amount at 31 August 2022	680,858	86,658	573,414	-	20,786	-

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

**13 Tangible fixed assets (continued)****The Charitable Company**

	<b>Total £'000</b>	<b>Freehold land and buildings £'000</b>	<b>Short leasehold improvements £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Computer equipment £'000</b>	<b>Assets under construction £'000</b>
Cost						
At 1 September 2021	214,285	211,764	325	1,503	61	632
Additions	2,331	-	-	-	-	2,331
Transfers between categories	-	1,021	-	-	-	(1,021)
At 31 August 2022	<b>216,616</b>	<b>212,785</b>	<b>325</b>	<b>1,503</b>	<b>61</b>	<b>1,942</b>
Depreciation						
At 1 September 2021	36,398	35,189	325	825	59	-
Provided in the year	4,025	3,907	-	116	2	-
At 31 August 2022	<b>40,423</b>	<b>39,096</b>	<b>325</b>	<b>941</b>	<b>61</b>	<b>-</b>
<b>Net book amount at 31 August 2022</b>	<b>176,193</b>	<b>173,689</b>	<b>-</b>	<b>562</b>	<b>-</b>	<b>1,942</b>
Net book amount at 31 August 2021	177,887	176,575	-	678	2	632

All tangible fixed assets were used for charitable purposes.

Included in freehold land and buildings is land with a carrying value of £15.481m (2021: £15.481m) on which depreciation has not been provided.



## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**14 Stocks**

	The Charitable Group		The Charitable Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Finished goods and goods for resale	127	185	-	-

**15 Debtors: amounts falling due with one year**

	The Charitable Group		The Charitable Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	32,039	30,537	9	-
Amounts owed by group undertakings	-	-	160	137
Other debtors	12,466	14,380	-	5
Prepayments and accrued income	5,028	6,172	-	-
	49,533	51,089	169	142

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

	The Charitable Group		The Charitable Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Bank loans	14,432	6,932	14,432	6,932
Bank overdrafts	17,301	9,925	17,301	9,925
Trade creditors	8,498	16,460	198	239
Amounts owed to group undertakings	-	-	22,988	23,049
Social security and other taxes	7,069	6,911	3	-
Other creditors	21,688	19,970	-	-
Accruals and deferred income	55,241	48,152	253	60
Amounts due under finance leases	2	21	-	-
	124,231	108,371	55,175	40,205

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

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**16 Creditors: amounts falling due within one year (continued)**

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

	2022 £'000	2021 £'000
<b>Deferred income</b>		
Deferred income at 1 September 2021	36,930	35,454
Resources deferred during the year	40,417	36,930
Amounts released from prior year	(36,930)	(35,454)
<b>Deferred income at 31 August 2022</b>	<b>40,417</b>	<b>36,930</b>

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

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

	The Charitable Group		The Charitable Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Bank loans	431	14,864	431	14,864
Other creditors	203	188	-	-
Accruals and deferred income	-	104	-	-
Amounts due under finance leases	-	3	-	-
	<b>634</b>	<b>15,159</b>	<b>431</b>	<b>14,864</b>

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

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**18 Borrowings**

Borrowings are repayable as follows:

	The Charitable Group		The Charitable Company	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Within one year				
Bank overdrafts, bank loans and other loans	31,733	16,857	31,733	16,857
Amounts due under finance lease	2	21	-	-
After one and within five years				
Bank loans and other loans	431	14,864	431	14,864
Amounts due under finance lease	-	3	-	-
	<u>32,166</u>	<u>31,745</u>	<u>32,164</u>	<u>31,721</u>

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

Annual commitments for bank loans repayable by instalments amount to £432k. Interest is charged at fixed rates on top of the Bank of England Base Rate of between 0.88% and 1.64%. A facility with year-end balance of £14 million matures in February 2026. All outstanding balances fall due for repayment at maturity.

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

**19 Share capital**

	2022	2021
	£'000	£'000
Authorised ordinary shares of £5 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid ordinary shares of £5 each	<u>65</u>	<u>65</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**20 Endowment fund**

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

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

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

**21 Unrestricted funds**

Current year	At 1 September 2021 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2022 £'000
<b>The Charitable Group</b>						
Unrestricted funds	144,144	137,023	(120,565)	(40)	(888)	159,674
Pension reserve	(2,212)	-	22	-	1,065	(1,125)
Designated funds						
Embley	21	-	-	-	-	21
Other school funds	2,894	(322)	47	40	-	2,659
Total designated funds	2,915	(322)	47	40	-	2,680
<b>Total unrestricted funds</b>	<b>144,847</b>	<b>136,701</b>	<b>(120,496)</b>	<b>-</b>	<b>177</b>	<b>161,229</b>
<b>The Charitable Company</b>						
Unrestricted funds	122,529	2,563	(4,767)	-	-	120,325
Designated funds						
Embley	21	-	-	-	-	21
<b>Total unrestricted funds</b>	<b>122,550</b>	<b>2,563</b>	<b>(4,767)</b>	<b>-</b>	<b>-</b>	<b>120,346</b>

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

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

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

**21 Unrestricted funds (continued)**

Previous year	At 1 September 2020 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2021 £'000
<b>The Charitable Group</b>						
Unrestricted funds	135,088	122,720	(115,338)	-	1,674	144,144
Pension reserve	(2,640)	-	9	-	419	(2,212)
Designated funds						
Embley	21	-	-	-	-	21
Other school funds	3,747	(961)	108	-	-	2,894
Total designated funds	3,768	(961)	108	-	-	2,915
<b>Total unrestricted funds</b>	<b>136,216</b>	<b>121,759</b>	<b>(115,221)</b>	<b>-</b>	<b>2,093</b>	<b>144,847</b>
<b>The Charitable Company</b>						
Unrestricted funds	124,691	2,406	(4,568)	-	-	122,529
Designated funds						
Embley	21	-	-	-	-	21
<b>Total unrestricted funds</b>	<b>124,712</b>	<b>2,406</b>	<b>(4,568)</b>	<b>-</b>	<b>-</b>	<b>122,550</b>

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

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

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

**22 Restricted funds**

Current year	At 1 September 2021 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2022 £'000
<b>The Charitable Group</b>						
Sponsorship fund	11,515	-	-	-	-	11,515
DfE funds – revenue	15,358	369,868	(360,327)	(7,411)	(41)	17,447
DfE funds - fixed assets	697,252	11,058	(21,887)	7,411	-	693,834
Pension reserve	(176,168)	4,096	(23,158)	-	175,132	(20,098)
	<u>547,957</u>	<u>385,022</u>	<u>(405,372)</u>	<u>-</u>	<u>175,091</u>	<u>702,698</u>
<b>Other restricted funds</b>						
Scholarship and prize funds	363	-	-	-	-	363
Appeal funds	53	-	-	-	-	53
Other donated funds	444	-	-	-	-	444
Other sponsorship funds	29	-	-	-	-	29
	<u>889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>889</u>
<b>Total restricted funds</b>	<u>548,846</u>	<u>385,022</u>	<u>(405,372)</u>	<u>-</u>	<u>175,091</u>	<u>703,587</u>

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

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

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

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

## 22 Restricted funds (continued)

Previous year	At 1 September 2020 £'000	Incoming resources £'000	Expenditure £'000	Transfers £'000	Gains and losses £'000	At 31 August 2021 £'000
<b>The Charitable Group</b>						
Sponsorship fund	11,515	-	-	-	-	11,515
DfE funds – revenue	9,564	354,993	(344,476)	(4,896)	113	15,358
DfE funds - fixed assets	699,740	13,577	(20,961)	4,896	-	697,252
Pension reserve	(131,377)	(4,631)	(16,445)	-	(23,715)	(176,168)
	<u>589,442</u>	<u>363,939</u>	<u>(381,822)</u>	<u>-</u>	<u>(23,602)</u>	<u>547,957</u>
<b>Other restricted funds</b>						
Scholarship and prize funds	363	-	-	-	-	363
Appeal funds	53	-	-	-	-	53
Other donated funds	444	-	-	-	-	444
Other sponsorship funds	29	-	-	-	-	29
	<u>889</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>889</u>
<b>Total restricted funds</b>	<u>590,331</u>	<u>363,939</u>	<u>(381,822)</u>	<u>-</u>	<u>(23,602)</u>	<u>548,846</u>

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

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

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



## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

**22 Restricted funds (continued)**

Current year	At 31 August 2021 £'000	Incoming resources £'000	Expenditure £'000	Transfer to other charity £'000	Losses £'000	At 31 August 2022 £'000
<b>The Charitable Company</b>						
Scholarship and prize funds	792	-	-	-	(35)	757
Sponsorship fund	6	-	-	-	-	6
Appeal funds	6	-	-	-	-	6
Other donations	4	-	-	-	-	4
	<u>808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(35)</u>	<u>773</u>
 <b>Previous year</b>	 <b>At 31 August 2020 £'000</b>	 <b>Incoming resources £'000</b>	 <b>Expenditure £'000</b>	 <b>Transfer to other charity £'000</b>	 <b>Gains £'000</b>	 <b>At 31 August 2021 £'000</b>
<b>The Charitable Company</b>						
Scholarship and prize funds	680	-	-	-	112	792
Sponsorship fund	6	-	-	-	-	6
Appeal funds	6	-	-	-	-	6
Other donations	4	-	-	-	-	4
	<u>696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>112</u>	<u>808</u>

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

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

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Investments	10,498	702	-	11,200
Intangible assets	2,055	-	-	2,055
Tangible assets	178,599	680,751	277	859,627
Current assets	63,867	74,497	-	138,364
Creditors: amounts falling due within one year	(91,966)	(32,265)	-	(124,231)
Creditors: amounts falling due after more than one year	(634)	-	-	(634)
Defined benefit pension liability	(1,125)	(20,098)	-	(21,223)
	<u>161,294</u>	<u>703,587</u>	<u>277</u>	<u>865,158</u>
Unrealised gains on investments included above	<u>856</u>	<u>450</u>	<u>-</u>	<u>1,306</u>

**The Charitable Company – current year**

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Tangible assets	175,916	-	277	176,193
Investments	-	702	-	702
Current assets	101	71	-	172
Creditors: amounts falling due within one year	(55,175)	-	-	(55,175)
Creditors: amounts falling due after more than one year	(431)	-	-	(431)
	<u>120,411</u>	<u>773</u>	<u>277</u>	<u>121,461</u>
Unrealised gains on investments included above	<u>-</u>	<u>450</u>	<u>-</u>	<u>450</u>

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Investments	10,983	737	-	11,720
Intangible assets	2,378	-	-	2,378
Tangible assets	179,138	686,199	277	865,614
Current assets	43,425	72,808	-	116,233
Creditors: amounts falling due within one year	(73,641)	(34,730)	-	(108,371)
Creditors: amounts falling due after more than one year	(15,159)	-	-	(15,159)
Defined benefit pension liability	(2,212)	(176,168)	-	(178,380)
	<u>144,912</u>	<u>548,846</u>	<u>277</u>	<u>694,035</u>
Unrealised gains on investments included above	<u>2,293</u>	<u>485</u>	<u>-</u>	<u>2,778</u>

**The Charitable Company – previous year**

	Unrestricted funds £'000	Restricted funds £'000	Endowment fund £'000	Total £'000
Tangible assets	177,610	-	277	177,887
Investments	-	737	-	737
Current assets	74	71	-	145
Creditors: amounts falling due within one year	(40,205)	-	-	(40,205)
Creditors: amounts falling due after more than one year	(14,864)	-	-	(14,864)
	<u>122,615</u>	<u>808</u>	<u>277</u>	<u>123,700</u>
Unrealised gains on investments included above	<u>-</u>	<u>485</u>	<u>-</u>	<u>485</u>

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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

	2022 £'000	2021 £'000
Net income for the year (as per Statement of Financial Activities)	(5,074)	(9,558)
<b>Adjustment for:</b>		
Depreciation	27,324	26,457
Amortisation	301	295
Profit/(loss) on disposal of fixed assets	(222)	26
(Profit)/loss on disposal of investments	(168)	(215)
Dividends and interest received on fixed assets investments	(593)	(268)
Unrealised (gain)/loss on investments	761	(1,572)
Decrease/(increase) in stock	58	15
Decrease/(increase) in debtors	(260)	1,791
Increase/(decrease) in creditors	914	8,809
LGPS pension cost less contributions	23,136	16,527
Net liabilities/(assets) transferred (to)/from other charities and on conversion	(4,086)	4,487
ESFA capital grants received	(10,961)	(13,516)
Interest paid	441	378
<b>Net cash provided by operating activities</b>	<b>31,571</b>	<b>33,656</b>

**25 Analysis of cash and cash equivalents**

	2022 £'000	2021 £'000
Cash and cash equivalents	88,704	64,959
Bank overdrafts	(17,301)	(9,925)
<b>Total cash and cash equivalents</b>	<b>71,403</b>	<b>55,034</b>

**26 Capital commitments**

	The Charitable Group		The Charitable Company	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Contracted for but not provided in these financial statements	5,639	2,514	4,203	474

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## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

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#### 27. Contingent liabilities

##### **The Charitable Group**

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

The net book value of assets acquired to date from all resources, including capital grants and after accumulated depreciation is £680,858k (2021: £686,199k) in United Learning Trust.

##### **The Charitable Company**

There were no contingent liabilities at 31 August 2022 or at 31 August 2021.

#### 28. Retirement benefits

The total pension cost to the Charitable Group during the year ended 31 August 2022 was £72,347k (2021: £65,308k) of which £39,698k (2021: £38,708k) relates to the TPS, £30,992k (2021: £24,930k) relates to LGPS and £1,657k (2021: £1,670k) relates to defined contribution pension schemes. Employee and employer contributions payable to the schemes at the Balance Sheet date amounted to £5,871k (2021: £6,037k) and are included within creditors.

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

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

Provisions for unfunded pensions included within the total defined benefit pension scheme liability amounted to £1,125k (2021: £1,005k). The current service cost amounted to £nil (2021: £nil) and actuarial losses recognised through other comprehensive income amounted to £234k (2021: £252k). Benefits paid during the year amounted to £114k (2021: £108k).

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 4.30% with future pension increase and inflation being 12.3%.

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2020. 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 £39.698m (2021 - £38.708m).

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

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

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**28 Retirement benefits (continued)**
**Local Government Pension Scheme (LGPS)**

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

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

The agreed contribution rates for the year ended 31 August 2022 were from 5.5% to 12.5% for employees and from 12.0% to 33.4% for employers.

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

	2022 %	2021 %
Discount rate for scheme	4.25	1.70
Rate of increase in pensions in payment	2.98	2.85
Rate of increase in salaries	4.04	4.25
Inflation assumption	2.93	2.80

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

	2022 £'000	2021 £'000
Current service cost	31,142	24,651
Net interest cost	2,976	2,359
Past service cost	30	24
Losses on curtailments	-	16
Administration expenses	64	86
<b>Total</b>	<b>34,212</b>	<b>27,136</b>

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**28 Retirement benefits (continued)**

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

	2022 £'000	2021 £'000
Fair value of plan assets	247,097	246,899
Present value of funded and unfunded retirement benefit obligations	<u>(268,320)</u>	<u>(425,279)</u>
Net liability	<u>(21,223)</u>	<u>(178,380)</u>

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

	2022 £'000	2021 £'000
Actuarial gains/(losses) and return on assets less interest recognised in SOFA	<u>176,197</u>	<u>(23,296)</u>

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

	2022 £'000	2021 £'000
Equities	149,654	149,636
Bonds	43,057	46,046
Property	28,836	21,340
Cash	7,165	7,205
Other	<u>18,385</u>	<u>22,672</u>
Total market value of assets	<u>247,097</u>	<u>246,899</u>



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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**28 Retirement benefits (continued)**

The actual return on LGPS plan assets was as follows:

	2022 £'000	2021 £'000
Actual return on LGPS plan assets	<u>(6,137)</u>	<u>36,408</u>

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

	2022 £'000	2021 £'000
Opening defined benefit liabilities at 1 September 2021	425,279	329,656
Current service cost	31,142	24,651
Past service cost	30	24
Interest cost	7,107	5,847
Actuarial (gains)/losses	(186,465)	56,216
Losses on curtailments	-	16
Contributions by plan participants	3,329	3,199
Acquired on business combinations	(8,064)	9,650
Benefits paid	(3,924)	(3,872)
Benefits paid – unfunded obligations	<u>(114)</u>	<u>(108)</u>
Closing defined benefit liabilities at 31 August 2022	<u>268,320</u>	<u>425,279</u>

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

	2022 £'000	2021 £'000
Opening fair value of plan assets at 1 September 2021	246,899	195,639
Return on assets less interest	(10,268)	32,920
Interest on assets	4,131	3,488
Contributions by employer	10,962	10,593
Contributions by plan participants	3,329	3,199
Acquired on business combinations	(3,968)	5,019
Administration expenses	(64)	(87)
Benefits paid	<u>(3,924)</u>	<u>(3,872)</u>
Closing fair value of LGPS plan assets at 31 August 2022	<u>247,097</u>	<u>246,899</u>

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


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**


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**29 Leasing commitments**

At 31 August 2022, the total of the Charitable Group's future minimum lease payments under non-cancellable operating leases was:

	<b>2022</b>	2021
	<b>Total £'000</b>	Total £'000
In one year or less	<b>2,683</b>	2,251
Between one and five years	<b>4,221</b>	3,689
In five years or more	<b>5,244</b>	4,438
	<b><u>12,148</u></b>	<u>10,378</u>

At 31 August 2022, the total of the Charitable Group's future minimum contractual payments under non-cancellable contracts was:

	<b>2022</b>	2021
	<b>Total £'000</b>	Total £'000
In one year or less	<b>6,087</b>	7,999
Between one and five years	<b>24,347</b>	28,701
In five years or more	<b>38,377</b>	48,365
	<b><u>68,811</u></b>	<u>85,065</u>

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

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

At the reporting date, UCSF owed £22,988k (2021: £23,049k) to UCST in respect of cash balances due. This balance can be seen within amounts owed to group undertakings due within one year.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

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**31 Agency arrangements**

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

In the year ended 31 August 2022, ULT received £455k (2021: £416k) and disbursed £399k (2021: £302k) from the fund. An amount of £875k (2021: £819k) is included in other creditors relating to undistributed funds that are repayable to the ESFA if not disbursed.

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

In the year ended 31 August 2022, ULT received £805k (2021: £1,583k) and disbursed £800k (2021: £1,689k) from the fund. An amount of £113k is included in other debtors (2021: £118k) relating to funds that are owed by or to the Department for Education if not disbursed.

**32 Post balance sheet events**

On 1 November 2022, the Charitable Group welcomed the three primary academies from the former Brightwells Academy Trust in West London. On 1 January 2023, the Charitable Group also welcomed Holland Park School in West London. The Charitable Group had been supporting all four schools prior to them joining. It is not yet possible to form a reliable estimate of the financial effect of these acquisitions, in relation to which no consideration was payable, until such time as completion accounts and final fair value assessments are available.

Bank loans which were due to mature in October 2023, have been re-negotiated since the balance sheet date and mature in February 2026.

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

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

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## UNAUDITED STATEMENT OF FINANCIAL ACTIVITIES – UCSF FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Total 2021 £'000
<b>Incoming resources</b>					
<b>Incoming resources from generated funds</b>					
Investment income	459	-	-	459	392
Gains on disposals of tangible fixed assets	240	-	-	240	2
<b>Incoming resources from charitable activities</b>					
Rents	1,811	-	-	1,811	2,012
Other income	53	-	-	53	-
<b>Total incoming resources</b>	<b>2,563</b>	<b>-</b>	<b>-</b>	<b>2,563</b>	<b>2,406</b>
<b>Resources expended</b>					
<b>Charitable activities</b>					
School and academy operating costs, project management and finance costs	4,767	-	-	4,767	4,568
<b>Total resources expended</b>	<b>4,767</b>	<b>-</b>	<b>-</b>	<b>4,767</b>	<b>4,568</b>

## UNITED CHURCH SCHOOLS FOUNDATION LTD AND ITS SUBSIDIARY UNDERTAKINGS

## UNAUDITED STATEMENT OF FINANCIAL ACTIVITIES – UCSF FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds £'000	Restricted funds £'000	Endowment funds £'000	Total 2022 £'000	Total 2021 £'000
Net (outgoing)/incoming resources before transfers	(2,204)	-	-	(2,204)	(2,162)
Net (outgoing)/incoming resources before other recognised gains and losses	(2,204)	-	-	(2,204)	(2,162)
Other recognised gains and losses					
Investment revaluation losses	-	(35)	-	(35)	112
Net movement in funds for the year	(2,204)	(35)	-	(2,239)	(2,050)
Funds brought forward at 1 September 2021	122,550	808	277	123,635	125,685
Funds carried forward at 31 August 2022	120,346	773	277	121,395	123,635

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


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**UNAUDITED CASH FLOW STATEMENT – UCSF FOR THE YEAR ENDED 31 AUGUST 2022**


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	Note	2022 £'000	2021 £'000
<b>Cash flows from operating activities</b>	1	1,631	4,314
<b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		(2,331)	(1,764)
Sale of tangible fixed assets		240	1,250
<b>Net cash used in investing activities</b>		<b>(2,091)</b>	<b>(514)</b>
<b>Financing</b>			
Repayments of borrowing		(6,933)	(7,332)
Interest paid		(442)	(376)
Interest received		459	392
<b>Net cash (used in) financing activities</b>		<b>(6,916)</b>	<b>(7,316)</b>
<b>Change in cash and cash equivalents</b>		<b>(7,376)</b>	<b>(3,516)</b>
Cash and cash equivalents brought forward	2	(9,922)	(6,406)
<b>Cash and cash equivalents carried forward</b>	2	<b>(17,298)</b>	<b>(9,922)</b>

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

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**UNAUDITED NOTES TO THE CASH FLOW STATEMENT – UCSF FOR THE YEAR ENDED  
31 AUGUST 2021**

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

	2022 £'000	2021 £'000
Changes in resources before transfers and revaluations	(2,239)	(2,049)
Depreciation	4,025	4,013
Profit on disposal of fixed assets	-	(2)
Surplus on property sales	(240)	-
Revaluation of investments	35	(112)
Interest paid	442	376
Interest received	(459)	(392)
(Increase)/decrease in debtors	(27)	1,826
Increase in creditors	94	654
	<u>1,631</u>	<u>4,314</u>
<b>Net cash provided by operating activities</b>	<u><u>1,631</u></u>	<u><u>4,314</u></u>

**2 Analysis of cash and cash equivalents**

	2022 £'000	2021 £'000
Cash and cash equivalents	3	3
Bank overdrafts	<u>(17,301)</u>	<u>(9,925)</u>
<b>Total cash and cash equivalents</b>	<u><u>(17,298)</u></u>	<u><u>(9,922)</u></u>