

Charity Registration No. 1039622

Company Registration No. 02889781 (England and Wales)

Undershaw Education Trust

Annual Report and Financial Statements

For the Year Ended 31 August 2022

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David Graham Associates
Chartered Certified Accountants and Registered Auditors
Ryefield Court
81 Joel Street
Northwood Hills
Middlesex
HA6 1LL

UNDERSHAW EDUCATION TRUST

LEGAL AND ADMINISTRATIVE INFORMATION

Trustees	J Franklin	
	M Elms	
	C Cookson	
	C Baskerville	(Appointed 1 September 2021)
	K Heath	(Appointed 1 September 2021)
	W Karlsen	(Appointed 1 September 2021)
	C Westbury	(Appointed 1 September 2021)
	D Gerring	(Appointed 1 September 2022)

Charity number 1039622

Company number 02889781

Registered office
Undershaw
Portsmouth Road
Hindhead
Surrey
GU26 6AQ

Auditor
David Graham Associates
Ryefield Court
81 Joel Street
Northwood Hills
Middlesex
HA6 1LL

UNDERSHAW EDUCATION TRUST

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UNDERSHAW EDUCATION TRUST

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees present their annual report and financial statements for the year ended 31 August 2022.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the School's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016)

Objectives and activities

The objective of Undershaw Education ("the School") is to be an inclusive school where the best interests of the child are at the heart of everything that we do. A school where we empower students to aspire and achieve. A caring and safe environment which allows students to thrive and flourish and prepares them to be socially and economically engaged in the future.

The trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the School should undertake.

Undershaw Education is a specialist provision for students with a range of mild to moderate learning disabilities such as ASD (high functioning), cerebral palsy, hemiplegia and medical vulnerabilities, for whom neither mainstream nor a more specialist SEN provision would meet their educational needs. Undershaw Education sits in the niche just between the two.

The School was established by parents of former students, out of their passion to create something very special for their children which could be tailored to meet her individual needs. That passion and approach continues to this day as seen in the high expectations set by the entire Undershaw Education team for each and every child attending the School. We aim to promote the rights, needs and aspirations of students who have special needs and their families. We offer a package of high quality education, training, therapy and care in order for our students to thrive. We measure our success as a School through the qualification and life outcomes achieved by our students and aim for them to become fully contributing members of their community and society.

The School is based in Hindhead, Surrey, on the border with Hampshire and close to West Sussex. Students are referred from all three of these local authorities as well as further afield e.g. South London. The School initially established itself as a first-class provider of care and education for young people with hemiplegia but in recent years has developed its skills and knowledge to meet the needs of students who have found their access to education a challenge. We are able to make provision for children with acute or chronic medical conditions, high functioning mild autism and a range of mild physical disabilities. Our expertise in these areas is increasingly recognized by families and local authorities resulting in large numbers of applications for a placement with us.

The School is spread over two sites, within walking distance of each other. It has excellent facilities and enjoys a great relationship with the local community.

We are an educational community that is creative, supportive, challenging and rewarding. Learning and teaching is based on shared values and beliefs, which provide a sense of hope and high expectations. We ensure we deliver these goals through a clear leadership and management structure that has developed and expanded. We are working hard to build and maintain effective partnerships with the families of the children. As a result, their contributions are actively sought and valued by staff. Our Schools' curriculum is broad, balanced and relevant, well matched to the personal needs of every student. We tailor our provision to need, using our resources, teaching styles and strategies effectively, ensuring that the curriculum goes beyond entitlement; extending and enriching each child's experience. Access to learning is greatly enhanced by the higher level of specialist therapeutic provision we are now able to make.

Our approach enables students to become more resilient in their attitudes and ability to learn and develop as responsible adults so that they may take their place and make a positive contribution within their community. The Post-16 offer has been specifically developed so as to support a successful transition to further education or employment. A stronger emphasis on work related learning has seen a significant increase in business and community links.

UNDERSHAW EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Achievements and performance

Student Success

For the first time since 2019 (pre-covid), students in year 10, 11 and Post 16 were entered for GCSE, BTEC and functional skills examinations. This was in-line with the national picture, as exams did not take place in 2020 or 2021. Students in year 11 (4) completed level 2 qualifications in GCSEs, BTECs and functional skills. All students in year 11 achieved outcomes in line with their individual targets.

All students in post-16 achieved or exceeded their individual targets in a range of BTEC and GCSE courses. All students in year 11 and post-16 have successfully progressed to continue their studies in specialist provision or FE college.

Subject	Cohort size	9	8	7	6	5	4	3	2	1/L1	% 4+ (L2 pass)
English	5					1	1 (-1 FSK L2 pass)	1		1	60%
Maths	4	1			1		1 (-1 FSK L2 pass)				100%
Science	4			1 (7-7)		1 (5-4)	1 (4-3)	1 (3-2)			63%
Geography	3					1		1	1		33%
GCSE Art	1					1					100%
GCSE Computing	2		1	1							100%
		Distinction *	Distinction	Merit	Pass	Level 1					
BTEC Music	1	1									100%
BTEC Media	2				2						100%
BTEC Animal care	7 (3 Yr10)	2		1	4						100%
ELC History (L1)	1									1	-

Financial review

Total Income for the year was £3,315,806 (£3,411,339 in 2020-21), which includes £123,059 in Donations and Legacies (£80,248 in 2019-20). Income from lettings during the year was £64,139 (£23,018 in 2020-21); the increase due entirely to the easing of Covid 19 restrictions. Total expenditure for the year was £3,136,536 (£3,253,098 in 2020-21); creating a surplus of £179,270 (£158,241 in 2020-21).

Reserves Policy

The Charity's unrestricted funds were in surplus of £1,329,861 at 31 August 2022 (surplus of £1,150,591 at 31 August 2021) and Restricted Reserves were £Nil. The Charity's policy is to maintain sufficient reserves to mitigate against a temporary shortfall in income (or unexpected exceptional costs) and to provide funding for planned development initiatives.

UNDERSHAW EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Reflection

During the academic year 2021-22, 95 young people were enrolled at the School, aged 7-19 years old: organised into 13 teaching groups, according to their age and ability in each curriculum subject. The School has embedded itself across the two sites. After a successful Ofsted in February 2022, the then Acting Headteacher was appointed as the permanent Headteacher of Undershaw. The leadership team consisted of a director of Safeguarding (DSL), an Acting Head of School (Pastoral), Acting Head of Education (Academic) and a Head of SEND. The acting roles provided an opportunity to review the needs of the school and restructure the roles within the leadership team from September 2022.

The Governors have strengthened the breadth of their skills-set to further support and challenge the Senior Leadership Team and have recruited new governors including parent governors to the Governing Body. Governors and management continue to focus on improving the core offer of the School with a view to the next stage of its development. The School is determined to deliver its ambitious development plans; building upon its firm foundations.

The Trustees have produced a register of the significant risks faced by the Charity. As a result, policies and procedures designed to minimise risk have been reviewed and, where appropriate, revised to ensure that they remain effective. Progress with risk-control action plans are reviewed regularly and Trustees have undertaken to review the entire Risk Register at least annually.

The Future

The School was established and initially supported by the COINS and DFN Charitable Foundations but is now secure in its ability to fund future developments from its own resources. The School is currently full and holding a waiting list and remains in demand with increasing consultations for placement from the local authorities. We have a key role to play in social change and will ensure that we are pinnacle to influencing this in the world of young people with Special Educational needs and disabilities.

Building on the success of the previous academic year we continued to be ambitious for the school and the students. Our comprehensive School Development Plan identified the strategic direction of the school and through regular reviews of progress by the leadership team and reports to Governors impressive gains were made in moving the school forward. The new curriculum was improved to include thematic learning for key stage 2, Project Based Learning for Key stage 3 and a broader range of GCSE and BTEC courses at KS4. Strong links were built with a farm based provision and our first cohort of BTEC Animal Care completed their qualification. A new assessment model was introduced to improve the reliability of assessment data; standardised cognitive ability testing and reading age tests were used with the students to ensure high aspirations for all.

UNDERSHAW EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management

The School is a company limited by guarantee.

The trustees, who are also the directors for the purpose of company law, and who served during the year and up to the date of signature of the financial statements were:

D Forbes-Nixon	(Resigned 13 December 2022)
L Sullivan	(Resigned 13 December 2022)
J Franklin	
M Elms	
C Cookson	
L Law	(Resigned 28 September 2021)
D Tomasz	(Resigned 13 December 2021)
C Baskerville	(Appointed 1 September 2021)
K Heath	(Appointed 1 September 2021)
W Karlsen	(Appointed 1 September 2021)
S Setterfield	(Resigned 12 July 2022)
C Westbury	(Appointed 1 September 2021)
D Gerring	(Appointed 1 September 2022)

Method of Recruitment and Appointment of Trustees

The Governing board advertises vacancies on the website and through partner organisations. Candidates are asked to provide an overview of their interest and qualifications in relation to the position and they will be interviewed by the Chair of Governors and visit the School.

If the vacancy is one of our Foundation-nominated places the successful candidate will be put forward by the Foundation to the full Governing Board. Staff and parent governors are elected by the relevant stakeholder parties and nominated to the Board; they too are interviewed for suitability by the Chair of Governors. Details of the number and nomination of Governors is detailed in the Articles of Association of the School.

All nominated Governors must be agreed by the full Governing Board and checks take place prior to them becoming trustees of the Charity.

Organisational structure

Undershaw Education charity trustees are also directors of the Company and Governors of the School. The management of the School is delegated to the Executive Headteacher who reports directly to the Governing Board.

The Charity maintains Trustees' Liability insurance in respect of legal action that might be brought against its directors.

No preference dividends were paid. The Directors do not recommend payment of a final dividend.

Statement of Public Benefit

The Directors have referred to the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

The Directors believe they meet the requirements to demonstrate that their activities provide public benefit. Primarily, this is delivered by providing specialised education and related services and facilities to highly complex needy and often disadvantaged children and young people. This also has the benefit of providing support to the families of these children. The services and provision of the Schools also assist the State in discharging legal obligations to provide a statutory education for children and young people unable to access a statutory right to education in mainstream education provision.

During the year Directors, acting as governors of the School, have promoted community access to School and in particular continued to ensure public access to the historical Undershaw property.

UNDERSHAW EDUCATION TRUST

TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT)

FOR THE YEAR ENDED 31 AUGUST 2022

Auditor

In accordance with the company's articles, a resolution proposing that David Graham Associates be reappointed as auditor of the company will be put at a General Meeting.

Disclosure of information to auditor

Each of the trustees has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The trustees' report was approved by the Board of Trustees.

.....
J Franklin

Trustee

Dated: 24 March 2023

.....
D Gerring

Trustee

Dated: 24 March 2023

UNDERSHAW EDUCATION TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2022

The trustees, who are also the directors of Undershaw Education Trust for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the School and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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;
- make judgements and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the School 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 School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

UNDERSHAW EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE TRUSTEES OF UNDERSHAW EDUCATION TRUST

Opinion

We have audited the financial statements of Undershaw Education Trust (the 'School') for the year ended 31 August 2022 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the School 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

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 School'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 annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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 course of 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 this gives rise to 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

UNDERSHAW EDUCATION TRUST

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE TRUSTEES OF UNDERSHAW EDUCATION TRUST

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the School for the purpose 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 School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Simon Weston (Senior Statutory Auditor)
for and on behalf of David Graham Associates
Statutory Auditor

Ryefield Court
81 Joel Street
Northwood Hills
Middlesex
HA6 1LL
24 March 2023

David Graham Associates is eligible for appointment as auditor of the School by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

UNDERSHAW EDUCATION TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds 2022 £	Unrestricted funds 2021 £
	Notes		
Income from:			
Donations and legacies	4	123,059	80,248
Charitable activities	3	3,128,544	3,307,977
Other trading activities	5	64,139	23,018
Investments	6	64	96
Total income		3,315,806	3,411,339
Expenditure on:			
Charitable activities	7	3,136,536	3,253,098
Net income for the year/ Net movement in funds		179,270	158,241
Fund balances at 1 September 2021		1,150,591	992,350
Fund balances at 31 August 2022		1,329,861	1,150,591

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

UNDERSHAW EDUCATION TRUST

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	11		774,810		683,978
Current assets					
Debtors	12	503,838		846,227	
Cash at bank and in hand		935,391		1,099,605	
		<u>1,439,229</u>		<u>1,945,832</u>	
Creditors: amounts falling due within one year	14	(584,178)		(1,079,219)	
Net current assets			855,051		866,613
Total assets less current liabilities			1,629,861		1,550,591
Creditors: amounts falling due after more than one year	15		(300,000)		(400,000)
Net assets			<u>1,329,861</u>		<u>1,150,591</u>
Income funds					
Unrestricted funds			1,329,861		1,150,591
			<u>1,329,861</u>		<u>1,150,591</u>

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2022, although an audit has been carried out under section 144 of the Charities Act 2011.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The accounts were approved by the Trustees on 24 March 2023

.....
J Franklin
Trustee

.....
D Gerring
Trustee

Company Registration No. 02889781

UNDERSHAW EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

Charity information

Undershaw Education Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Undershaw, Portsmouth Road, Hindhead, Surrey, GU26 6AQ.

1.1 Accounting convention

The accounts have been prepared in accordance with the School's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The School is a Public Benefit Entity as defined by FRS 102.

The School has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the trustees have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the School.

1.4 Incoming resources

Income is recognised when the School is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the School has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the School has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

UNDERSHAW EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.5 Resources expended

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure is recognised on an accruals basis as a liability is incurred.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	3 years straight line
Plant and equipment	5 years straight line
Fixtures and fittings	3 years straight line
Computers	3 years straight line
Motor vehicles	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the School reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

UNDERSHAW EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

The School has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the School's balance sheet when the School becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the School's contractual obligations expire or are discharged or cancelled.

1.10 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the School is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

2 Critical accounting estimates and judgements

In the application of the School's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

UNDERSHAW EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

3 Charitable activities

	School fees	School fees
	2022	2021
	£	£
School fees	3,088,367	3,181,361
Grants	40,177	126,616
	<u>3,128,544</u>	<u>3,307,977</u>

4 Donations and legacies

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Fundraising	123,059	80,248
	<u>123,059</u>	<u>80,248</u>

5 Other trading activities

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Letting and licensing arrangements	64,139	23,018
	<u>64,139</u>	<u>23,018</u>

6 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Interest receivable	64	96
	<u>64</u>	<u>96</u>

UNDERSHAW EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

7 Charitable activities

	Charitable Expenditure 2022 £	Charitable Expenditure 2021 £
Staff costs	2,169,542	2,326,591
Education	84,090	37,421
Therapy	124,946	232,919
General direct costs	18,869	10,445
Facilities costs	204,843	174,793
Insurance	62,075	48,391
Repairs and maintenance	40,609	37,082
Administration costs	38,263	43,056
Telecommunications	12,359	14,304
Motor and travelling expenses	10,203	5,509
Legal and professional	115,086	112,489
Computer software and maintenance	130,894	97,696
Indirect staff costs	54,437	40,230
Sundry expenses	-	142
Bank charges	1,789	2,135
Depreciation	61,811	62,895
	<u>3,129,816</u>	<u>3,246,098</u>
Share of governance costs (see note 8)	6,720	7,000
	<u>3,136,536</u>	<u>3,253,098</u>

8 Support costs

	Support costs £	Governance costs £	2022 £	Support costs £	Governance costs £	2021 £
Audit fees	-	6,720	6,720	-	7,000	7,000
	<u>-</u>	<u>6,720</u>	<u>6,720</u>	<u>-</u>	<u>7,000</u>	<u>7,000</u>
Analysed between						
Charitable activities	-	6,720	6,720	-	7,000	7,000
	<u>-</u>	<u>6,720</u>	<u>6,720</u>	<u>-</u>	<u>7,000</u>	<u>7,000</u>

Governance costs includes payments to the auditors of £6,720 (2021- £7,000) for audit fees.

9 Trustees

One Trustee received remuneration of £47,081 for work done within the school. This remuneration ended on 31 August 2022.

UNDERSHAW EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

10 Employees

The average monthly number of employees during the year was:

	2022 Number	2021 Number
Education including therapists	53	53
Support and administration	22	22
Total	75	75

Employment costs

	2022 £	2021 £
Wages and salaries	2,006,341	2,141,560
Other pension costs	163,201	185,031
	2,169,542	2,326,591

The number of employees whose annual remuneration was more than £60,000 is as follows:

	2022 Number	2021 Number
Over £60,000	2	1

UNDERSHAW EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11 Tangible fixed assets							
		Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	Cost	£	£	£	£	£	£
At 1 September 2021		629,618	12,777	54,360	196,780	76,950	970,485
Additions		96,281	17,192	993	38,179	-	152,645
At 31 August 2022		725,899	29,969	55,353	234,959	76,950	1,123,130
Depreciation and impairment							
At 1 September 2021		29,355	5,375	43,036	157,098	51,644	286,508
Depreciation charged in the year		13,516	2,274	6,718	30,393	8,911	61,812
At 31 August 2022		42,871	7,649	49,754	187,491	60,555	348,320
Carrying amount							
At 31 August 2022		683,028	22,320	5,599	47,468	16,395	774,810
At 31 August 2021		600,263	7,402	11,325	39,681	25,307	683,978

UNDERSHAW EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

11	Tangible fixed assets	(Continued)	
	The carrying value of land included in land and buildings comprises:		
		2022	2021
		£	£
	Freehold	600,263	600,263
		<u> </u>	<u> </u>
12	Debtors	2022	2021
	Amounts falling due within one year:	£	£
	Trade debtors	462,412	710,611
	Prepayments and accrued income	41,426	135,616
		<u> </u>	<u> </u>
		503,838	846,227
		<u> </u>	<u> </u>
13	Loans and overdrafts	2022	2021
		£	£
	Other loans	400,000	500,000
		<u> </u>	<u> </u>
	Payable within one year	100,000	100,000
	Payable after one year	300,000	400,000
		<u> </u>	<u> </u>
14	Creditors: amounts falling due within one year	2022	2021
		£	£
	Borrowings	100,000	100,000
	Other taxation and social security	-	4,995
	Trade creditors	24,186	32,868
	Other creditors	538	859
	Accruals and deferred income	459,454	940,497
		<u> </u>	<u> </u>
		584,178	1,079,219
		<u> </u>	<u> </u>

UNDERSHAW EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

15 Creditors: amounts falling due after more than one year

	2022 £	2021 £
Borrowings	300,000	400,000
	<u> </u>	<u> </u>

16 Audit report information

The auditor's report was unqualified.

Simon Weston (Senior Statutory Auditor)
David Graham Associates

Chartered Accountants
Statutory Auditor

17 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	373,978	333,848
	<u> </u>	<u> </u>

Transactions with related parties

During the year the School entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2022 £	2021 £	2022 £	2021 £
DFN Charitable Foundation	-	-	134,382	97,596
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	-	134,382	97,596
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

	Donations received		2022 £	2021 £
	2022 £	2021 £	2022 £	2021 £
DFN Charitable Foundation	40,412	25,000	-	-
COINS Foundation	10,000	25,000	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	50,412	50,000	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

All of the above related parties have significant influence over the Board of Undershaw Education Trust.

UNDERSHAW EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

17 Related party transactions

(Continued)

The purchase of goods above relates to the rental paid to DFN Charitable Foundation for the school site located at Undershaw.

During the year to 31 August 2020, COINS Foundation sold the Tower Road site to the School for £600,000. A professional valuation was undertaken and the sale price was based on this valuation.

In order to facilitate the purchase of this property COINS Foundation extended a loan to the school of £600,000. The loan agreement was signed by the relevant parties on 17 June 2020 and as such the full amount has been included within the accounts as borrowings. The loan is interest free with the first payment due on 1 September 2020 and termly thereafter; the final payment being on 1 May 2026.

The value of the loan at the year ended 31 August 2022 amounted to £400,000 (2020 - £500,000).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.