

Registered number: 02780748
Charity number: 1016538

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Trustees and advisers	1 - 2
Trustees' report	3 - 23
Independent auditor's report on the financial statements	24 - 28
Statement of financial activities	29
Balance sheet	30 - 31
Statement of cash flows	32
Notes to the financial statements	33 - 64

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2024**

Trustees Mr Christian Brodie (appointed 18 April 2024)
Mrs Melissa Geiger
Dr Rosalind Given-Wilson, Chair
Mr Ben Gordon
Mr Richard Greenhalgh (resigned 23 May 2024)
Dame Reena Keeble
Dr Zoe Asensio-Sanchez (appointed 1 January 2024, resigned 24 September 2024)

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

Company registered number 02780748

Charity registered number 1016538

Registered office Worldwide House
Thorpe Wood
Peterborough
PE3 6SB

Company secretary Mrs Alison Hussain

Chief executive officer Sir Jon Coles

Senior management team Sir Jon Coles, Chief Executive Officer
Mr Benjamin Antell, Director of Secondary Education
Mrs Fiona Boulton, Director of Independent Schools
Mrs Kate Bradley, Director of HR
Mr Darran Ellison-Lee, Director of Primary Education
Mrs Suzanne Howard, Director of Professional Development
Mrs Louise Johnston, Chief Financial Officer
Ms Anna Paige, Director of Strategy and Performance
Ms Lauren Thorpe, Chief Transformation Officer

Independent auditor Grant Thornton UK LLP
Chartered Accountants
17th Floor
103 Colmore Row
Birmingham
B3 3AG

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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

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

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees (who are also directors of the Charitable Company for the purposes of the Companies Act) present their annual report together with the audited financial statements of United Church Schools Trust (Limited by Guarantee) (the Charitable Company) for the year ended 31 August 2024. The Trustees confirm that the Trustees' Report and financial statements of the Charitable Company comply with current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) ("SORP 2019").

About United Learning

The roots of the United Learning Group can be traced back nearly 140 years. Over this period, we have always focused on meeting the most important social and educational challenges of the day, with the aim of providing excellent education to children and young people across the country. We seek to improve the life chances of all the children and young people we serve and make it our mission to bring out 'the best in everyone' – pupils, staff, parents and the wider community.

We provide a broad education, which prepares children and young people to progress in learning and to make a success of their lives. We focus sharply on the evidence of what makes it more likely that children and young people will progress and succeed, apply that to our practice and continue to learn and develop our schools. We make it a priority to provide teachers with excellent professional support and development, so that every child receives an excellent experience.

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 excellence and to continuous improvement. We believe that each of our schools is and should be distinctive – each is committed to developing its own strengths and identity while sharing our core values, common principles and a commitment to the highest standards.

As of 31 August 2024, United Learning – the trading name of the Charitable Group – comprises 14 independent schools operated within United Church Schools Trust ("UCST"), 90 state sector academies and 2 standalone nurseries operated within United Learning Trust ("ULT"), and a central office function that serves all our schools. Together, the Group's schools educate around 75,000 children and young people and employ nearly 12,000 members of staff.

Constitution and objects

United Church Schools Trust (Limited by Guarantee) is registered with the Charity Commission (No. 1016538) and is constituted as a company limited by guarantee (registered in England and Wales), governed by Memorandum and Articles of Association, which were last amended in 2004. The Charitable Company is established for charitable purposes and in accordance with its Memorandum of Association its principal activity is to provide a liberal, practical and general education for children which includes religious instruction in the doctrine and duties of Christianity.

Members of the Board (hereafter called "Trustees")

The present membership of the Board is set out under Reference and Administrative Details. All Trustees served throughout the year except where indicated.

Each member of the Board of Trustees holds one share in United Learning Ltd ("ULL"), the ultimate parent undertaking.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Appointment of Trustees

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

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

Strategic report

Strategies and activities

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

Founded in 1883 as an educational charity anchored in the Church of England, the Charitable Company manages the operation of a group of Independent Schools to provide education for students of different abilities between the ages of 0 and 18. Its admission policies welcome people from all employment, faiths and backgrounds. In 2001, it created a subsidiary charity, United Learning Trust ("ULT") a multi-academy trust, to extend its work into some of the most challenging inner-city areas through the City Academy programme, and to this day the Charitable Company remains the sponsor of ULT.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Operating review

Framework for Excellence

Our 'Framework for Excellence' is at the heart of everything we do at United Learning. It sets out the five key principles that we believe are vital to an excellent education for children and young people.

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 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.

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 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.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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.

Achievements and performance

We continue to follow our five-year strategy, agreed in 2021 and covering the period 2021-2026.

We have a number of performance indicators against which we assess our success and progress in achieving our objectives, covering:

- Delivery of excellent standards of education to children and young people
- Recruitment and retention of high-quality staff, including a strong pipeline of trainee teachers
- Achieving in-year budgets and ensuring that its schools are financially sustainable
- Making a meaningful contribution to the communities its schools serve and the wider education system

Progress against nonfinancial indicators is set out below, against the relevant areas of our strategy. (Reporting includes all schools that joined United Learning before September 2023.)

Great places to learn

Our schools aim to bring out the best in their pupils, regardless of their starting points or backgrounds, through developing the whole person and preparing young people for success at school and in their lives, through excellent pastoral care and through the quality of relationships and the environment in which their pupils learn.

Our approach to curriculum and teaching, which is seen in all United Learning schools, emphasises deep, subject-based learning, designed to enable young people to master complex ideas and techniques. Every school in the group receives the challenge and support they need to ensure that across the curriculum, young people access this entitlement, building a strong conceptual framework to which new ideas are added in a logical sequence through skilled teaching, based on Rosenshine's principles of instruction. Over the course of the year we have continued to develop our United Learning Curriculum as a non-compulsory but comprehensive high-quality set of resources and materials available to all teachers in the group.

Performance across our secondary schools at GCSE and A level remained broadly stable relative to 2023, maintaining the positive outcomes seen since the resumption of examinations post-pandemic and above or in line with national average performance.

At GCSE:

- 27% of all entries achieved grade 9 (27% in 2023)
- 62% of all entries achieved a grade 7 or above (61% in 2023)
- 49% of students achieved a grade 7 or above in both English and maths (53% in 2023)

Overall, at GCSE our schools achieved value-added of 0.55 (meaning that students achieved on average just over half a grade higher in every subject than would have been predicted from their starting point).

At A-level:

- 52% of entries achieved A*A grades (50% in 2023)
- 75% of entries achieved A*B grades (75% in 2023)
- 89% of entries achieved A*C grades (91% in 2023)

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Overall, at A level our schools achieved value-added of 0.17 (meaning that students achieved on average just under a fifth of a grade higher in every subject than would have been predicted from their starting point).

54% of students who left our independent school sixth forms in summer 2024 progressed to Oxbridge or to Russell Group university destinations, with a further 15% progressing to a 'top third' university outside of this group (69% in total, compared to 58% in 2023). 3% of students progressed to an apprenticeship (unchanged from 2023).

We introduced a new 'Pupil Charter' in September 2023, setting out the experiences our schools commit to providing their pupils, through their curricular and co-curricular offer. Children and young people from across our schools participated in a number of Groupwide events and initiatives such as the annual International Art Competition, the StorySLAM creative writing competition, Student Leadership Programme for primary pupils and Social Action Programme for secondary students as well as the Olympic-inspired Paris 2024 to encourage participation in sport and active lifestyles.

During the year three of the Charitable Group's independent schools (Ashford School, Dunottar School, Tranby School) were inspected by ISI under the new inspection framework introduced in September 2023. Each school met the standards.

Each year we survey pupils and parents regarding their experience of our schools. In surveys carried out in November 2023:

- 98% of prep pupils and 89% of secondary pupils agreed they were proud of their school
- 94% of prep pupils and 88% of secondary pupils agreed that they belong in their school
- 88% of prep parents and 79% of secondary parents said they would recommend their child's school to family and friends.

Great places to work

Our schools aim to bring out the best in every colleague, through excellent professional development, a high-quality working environment and resources and strong relationships with students and other colleagues, so that every child and young person has a wonderful experience of school, and every adult has a meaningful role and the opportunity to develop their career.

Recruitment to our initial teacher training has been extremely strong, despite wider recruitment challenges across the sector. During 2023-24 224 people trained to become teachers with United Teaching and were recommended for Qualified Teaching Status. 92% have been retained into Early Career Teaching roles in United Learning and beyond. We have achieved our highest ever enrolment for 2024-25, with 370 trainee teachers starting in September 2024.

Retention remains a challenge in common with the wider sector. Staff retention across our independent schools decreased for both teachers and support staff. Voluntary turnover for teachers was 12.1% in August 2024 on a 12-month rolling basis (August 2023: 8.9%) and 13.7% for support staff at the same point (2023: 13.3%).

We continue to deliver high quality professional development programmes to colleagues within and beyond United Learning: internal leadership development programmes; national professional qualifications; networks for women and minority ethnic colleagues to support progression into leadership and an apprenticeship programme (delivering apprenticeships at level 3 for Teaching Assistant, Early Years Educator and HR Support together with a teacher apprenticeship delivered through United Teaching).

We are committed to ensuring that every member of staff is encouraged to aspire, learn, succeed and progress in their career and is rewarded for doing so. Over the course of the year, 10.9% of Head Teacher appointments and 7.9% of Senior Leader appointments were made internally.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Each year we survey staff regarding their experience of working in our schools. Overall engagement dropped slightly as measured by the survey carried out in November 2023 but remained very high relative to sector and wider norms at 79% (2023: 80%). Other key responses included:

- 90% of staff said they were proud to work at their school (2023: 90%)
- 71% of staff said they felt their development was supported by their school (2023: 72%)
- 75% of staff said their school gets the best out of them (2023: 78%)
- 74% of staff said they would recommend their school as an employer to a friend or family member (2023: 77%)
- 67% of staff said they were satisfied with the balance between their work and home life (2023: 66%)
- 81% of staff said their school was well led (2023: 82%)

Great group to join

We aim to offer high-quality support to our schools across school improvement, the 'back office' and in relation to compliance.

During the year we welcomed Godolphin, an all-through school based in Salisbury into the Group.

Financial results are reported separately.

Great contribution beyond the group

We aim to make a great contribution beyond United Learning, to have a positive impact on our local communities beyond our schools, on the national education system and on the wider world through our commitment to sustainable operations. Our independent schools offer children and young people the opportunity to engage in volunteering and acts of service within school and beyond, supporting their development as citizens with an ethical compass, a strong sense of responsibilities to others and conscious of the impact they can have on their community, society and the planet.

We committed in 2021 to establishing a community hub in each of our clusters and are making strong progress towards this goal through United Communities. By the end of 2023-24 we had 13 community hubs established, with a further 7 ready to start development in 2024-25.

Each hub has been tailored to meet the needs of their local community. They often feature a range of common activities delivered directly by the hub, through partnerships or by local people themselves. Activities may include youth provision, early years groups, interest groups, adult education, sports and leisure activities, cost-of-living support, employment support, parent groups and courses, community gardens and community action initiatives. Across our hubs this year we have recorded:

- Over 24,000 instances of participation, across 2,000 hours of community support through various activity sessions
- A 52% increase in overall engagement and a 200% increase in school and community partnerships, with 160 partnerships being forged by our hubs
- 1,000 volunteer hours contributed to hub delivery

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

As part of our commitment to the wider education system and with the aim of making a contribution towards the improvement of education generally across the country, we make available our expertise and resources to schools beyond United Learning. In 2023-24:

- Our central teams have provided over 100 days of educational and wider support to schools outside the group, including through the DfE Trust and School Improvement programme.
- We have made available our United Learning Curriculum to schools outside the group. As well as access to a tried and tested curriculum, schools have access to benchmarking analysis for end of year assessments. We have kept fees to a minimum, with revenue invested back into curriculum and assessment development to benefit every school using it. By the end of 2023-24 72 primary schools and 20 secondary schools were using our curriculum in at least one subject.
- We continued to provide free access to teaching resources provided through Continuity Oak which was first set up during the pandemic in 2020. Over the course of the academic year, there were 292,000 active users with users visiting the site more regularly than the year before.
- We continued to open up our high-quality leadership development and apprenticeship programmes to colleagues from schools outside the group. In 2023-24 around 700 external participants were enrolled on one of our programmes.

We have also made a commitment to sustainability, through reducing our impact on the environment and the carbon emissions associated with our day-to-day operations. We are working towards a target of 50,000 tco2e per year by 2029/30. Further details of the work carried out towards this ambition in 2023-24 and the impact on carbon emissions is provided below.

Public benefit

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

Going Concern

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

The financial results of the Charitable Company for the year were underpinned by strong pupil numbers, and whilst pay inflation impacted trading results, strong cash reserves were maintained. The current year also started positively with strong pupil numbers ahead of budget. However, the imposition of VAT from January 2025, and the loss of business rate relief and the increase of National Insurance from April 2025 will have a significant impact on the finances of the Charitable Company's schools. The Charitable Company is nevertheless in a strong position and able to absorb the surplus reduction in the short-term, with reviews continuing to identify efficiencies and savings to be made in order to restore surplus margins. Various cash flow scenarios have been modelled for the period to 28 February 2026. 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. However, even in this scenario the Charitable Company 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 costs savings and the timing of capital expenditure, which can improve working capital at the lower points, notwithstanding that this remains positive throughout. The Charitable Company also 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.

There is no reliance on bank loan facilities in management's assessment of going concern. Drawn balances at the balance sheet date on bank loan facilities of the parent undertaking, to which the Charitable Company is party to cross-guarantees, have since been repaid. The headroom in the different cash flow models and the

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

levers available to the Charitable Company have enabled management to conclude that there is no material uncertainty in management's going concern assessment.

Therefore, based on the current financial position and latest forecasts, the robustness of cash flow management and the level of financial reserves available in the cash flow scenarios, the Board of Trustees are confident that the Charitable Company has adequate resources to continue to operate for the foreseeable future, being at least twelve months from the date of approval of these financial statements. For this reason, it continues to adopt the 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 £18.2m (2023: £4.1m). During the year a multi-year payment scheme was introduced for parents paying independent school fees. This resulted in an increase in cash reserves and deferred income compared to the prior year. Included within these results was an actuarial (loss)/gain on defined benefit pension schemes and other pension commitments of £(127)k (2023: £125k).

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

AKS
Ashford School
Banstead Preparatory School
Crowth Flexlands School
Dunottar School
Embley
Godolphin
Guildford High School
Lincoln Minster School
Rowan Preparatory School
St. Ives (Haslemere)
Surbiton High School
The Royal School
Tranby

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

Funds

The value of restricted funds to be utilised in future years includes £1.2m (2023: £0.7m) for prize and scholarship funds and other donated funds and £1.7m (2023: £1.7m) for the sponsorship fund. Unrestricted funds amount to £47.9m (2023: £30.2m) including designated funds of £2.0m (2023: £2.4m). The assets are held in pursuance of the Charitable Company's objectives.

Plans for future periods

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Funding

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

Principal risks and uncertainties

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

Those risks have been reviewed by the Risk and Audit Committee and risk management strategies have been implemented. Risk management is embedded in the day-to-day processes of the Charitable Company and its subsidiaries. The Trustees have assessed the major risks to which the Charitable Company is exposed, in particular those related to the operations and finances of the Charitable Company and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The principal risks include:

Safeguarding

To ensure that pupils are safe, feel safe, and are fully supported in this respect by their school, and to reduce the risk of child protection or safeguarding issues the Charitable Company has Safeguarding and Child Protection policies in place. 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.

Cyber Security

In order to reduce the risk of data breaches and loss of access, 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 the risk of not being able to recruit and retain high-quality staff the Charitable Company's pay agreements for all staff are competitive within the sector, 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 its own training provider.

Financial pressures

The Charitable Company is reliant upon the parents paying its school fees promptly and an economic downturn could have a direct impact on parents' ability to pay their fees. The imposition of VAT from January 2025, loss of business rate relief and the increase of National Insurance from April 2025 will have a significant impact on the finances of the Charitable Company's schools.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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

A large proportion of the Charitable Company's costs relate to staff salaries, which are relatively fixed each year. There is a risk that a significant drop in revenue or further pay inflation or increases in pension contributions or National Insurance may lead to an inability to cover such costs.

To mitigate these financial risks senior management closely monitor all costs, including pay, 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.

Fraud

The Charitable Company is alert to the risk of fraud involving its employees or external parties. The Group's Anti-Fraud policy and response plan is reviewed annually and shared with all employees at the start of each year. School procedures are reviewed regularly as part of our programme of internal audit visits, with reports shared with the Board's Risk and Audit Committee.

Data protection

In order to ensure that its schools are compliant with all relevant data protection legislation to mitigate the risk of access or loss of personal data, the Charitable Company carries out regular training on key aspects of the data protection framework, including annual refresher training for all staff. The Group's Company Secretary is the Charitable Company's Data Protection Officer and works with school-based colleagues to ensure that policies and procedures are up to date and to share resources and effective practice.

Business continuity

The Charitable Company requires all its schools to have in place a business continuity plan; to manage the risk to operations in the event of a major incident; these are reviewed as part of the cycle of internal audit visits. A major incident escalation process is in place and communicated to schools. To further support the effectiveness of business continuity the Executive carried out a business continuity exercise in 2024-25 and plans to provide specific training for school business managers.

Pensions

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

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

increased contribution rates.

With regards to the LGPS risk senior management review the accounting reports prepared annually by the schemes' actuary.

Financial risk management objectives and policies

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

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

Financial risk management is managed by the central office finance department who act as the Charitable Company's treasury function ensuring that surplus funds are deposited to maximise interest receivable. In addition, it uses the Charitable Company's facilities in the most efficient manner. Those facilities are designed to ensure that the Charitable Company has sufficient available funds for day-to-day operations and for planned expansion and capital expenditure. The Charitable Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities.

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

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

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

Policies

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

Reserves

The Charitable Company's reserve and funding policy is to maintain the level of available liquid funds required to support the strategic five-year goals of the Charitable Company and to cover any unforeseen circumstances including those covered by the Trust's risk management processes, whilst remaining within the debt levels agreed by Trustees and the banking covenants negotiated. When setting the appropriate level of reserves and funding Trustees are conscious that in-year funding relates to the pupils currently in schools and should be used in line with the Charitable Company's objectives, as well as to deal with unforeseen circumstances.

With this over-riding principle and also considering the size of the Charitable Company, its financial position, the economic landscape and the guidance of the Charities Commission, the Trustees consider that the appropriate level of available liquid funds to hold is equivalent to one month's expenditure on charitable operating activities. To achieve this each school is set an in-year budget target which ensures adequate resources including for estates and digital infrastructure investment as per their individual five-year plans.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Total reserves as at 31 August 2024 are £50.8m (2023: £32.6m) made up of retained restricted and unrestricted funds, comprising unrestricted general funds of £46.7m (2023: £28.6m), unrestricted designated funds of £2.0m (2023: £2.4m), an unrestricted pension fund deficit of £0.8m (2023: deficit of £0.8m) and restricted funds of £2.9m (2023: £2.4m). Retained restricted and unrestricted reserves increased during the year due to well managed budgeting and financial controls ensuring the aims of the Charitable Company were met.

Available liquid funds as at 31 August 2024 totalled £113.2m (2023: £52.3m) of which £63.1m relates to fee invoices raised and settled for multiple years education, the balance excluding bank facilities adequately covers one month's expenditure on charitable operating activities of £12.9m.

Trustees therefore consider the current level of reserves and future investment plans to be appropriate and in line with the Charitable Company's policies.

Investment policy

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

Environmental policy

The Charitable Group recognises that good environmental management must be an integral and fundamental part of its corporate business strategy and good educational practice. The Charitable Group therefore aims to ensure that its work is sustainable and seeks to avoid negative impact on the environment and climate. It is committed to reducing the carbon emissions associated with its operations, towards a goal of carbon neutral.

The Charitable Group seeks to engage all members of the school community in developing 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.

The Charitable Group has made a commitment to reduce our impact on the environment and the carbon emissions associated with our day-to-day operations. We are working towards a target of 50,000 tco2e per year by 2029/30.

This year, key activities and initiatives have included:

- Supporting schools to review their energy consumption;
- Encouraging schools to have at least one 'Meat Free Day' a week;
- Tackling food waste by using ReFood – a food recycling service that turns waste into renewable energy;
- Identifying ways to reduce paper consumption;
- Schools conducting their own travel surveys with staff and pupils to help better assess commuting-related emissions.

Key educational initiatives included participation in COP Simulation events whereby 150 secondary students from 23 United Learning schools played the part of world leaders, NGOs and media representatives in a climate conference simulation. A group of Sixth Form students also joined with their peers across the country to discuss climate change at the 'Our Earth, Our Future' events.

Pay policy for key management personnel

Details of the pay policy in respect of key management personnel is included in the Governance section on page 20.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Employee involvement and employment of the disabled

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

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

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

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

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

The union members of the JNC report back to their members through locally appointed representatives. Each school also ensures all staff are kept fully briefed by using a variety of methods including staff meetings and newsletters.

In accordance with the Charitable Company's Equal Opportunities policy, the Charitable Company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charitable Company's offices.

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

Fundraising

Our schools occasionally fundraise for themselves or charities via events such as performances, non-school uniform days and school fairs.

Occasionally, the Group is approached by trusts or individuals who are interested in working with us and we will provide them with programme and funding information in order to explore funding opportunities that meet both parties' objectives and ethos. In prior years, the Charitable Group has received large donations from individuals in this way.

We are members of the Fundraising Regulator Fundraising Preference Service to monitor our fundraising complaints. We did not receive any complaints this year.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Academies

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

Access policy

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

Bursary Policy

The ability to offer education to children of families who would not be able to afford the school fees is very important to the Charitable Company. As a result of the desire to help children in this way the Charitable Company continued to operate its schemes of means tested financial assistance and its separate schemes of scholarships and family discounts, where parents have more than one child at one of our schools. Means tested assistance is available to those who would not otherwise be able to afford the fees and, equally importantly, in cases of hardship where pupil's education or future prospects might be at risk. Bursaries range in value from 5% to 100% of the school fee. During the year, the Charitable Company granted £0.8m (2023: £0.8m) to pupils attending its schools under means tested assistance. This equated to 0.5% of gross fees received (2023: 0.6%). Further details of our Bursary Policy and how to apply are on our website.

In addition during the year, the Charitable Company granted £253k (2023: £307k) of further discounts and £2k (2023: £4k) of payment deferrals from the £4m Hardship Fund set up during lockdown to support those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic.

Section 172 Statement

The Charitable Company's purpose is to promote excellent education, providing strong schools which enable all young people to make a success of their lives. The Board, senior leadership team and other employees take a values-based approach to strategic, financial and operational decision making in line with this purpose and with the requirements and expectations of Section 172. Strategic priorities – informed by our long-term vision and strategy, outcomes for pupils and other key performance measures – are discussed with the Board at the start of each year. The Board sets key performance indicators and targets relating to those priorities and monitors performance against these at each Group Board meeting. They also receive reports at each Board meeting highlighting any notable successes or concerns at school level. 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 Charitable Company has a strong focus on promoting collaboration between its schools and on enabling staff to connect with colleagues across the organisation. It operates a wide range of staff networks, from subject networks to function and specialist networks, which meet regularly (generally virtually) and support the sharing of knowledge and practice. We hold termly leadership forums bringing all Headteachers together and an annual Leadership Conference engaging Heads and Chairs. Each year a group-wide induction is provided to new staff – the Best in Everyone induction – prior to the start of term, which introduces new employees to the trust and the opportunities for their professional development. Employees' views are sought through the annual staff survey, results of which are shared with the Board together with any action planned at a group level in response; all

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

schools develop their own annual action plans.

Trustees take steps to understand the needs and priorities of our key stakeholder groups in a number of ways. Each year the Charitable Company carries out stakeholder surveys of all parents and pupils. The results of these surveys are shared with the Board. Throughout the year Trustees take opportunities to visit schools, including discussion with staff and parents. Notes of these visits are shared with the Executive Team and with the Board. The Board has designated a named Trustee to act as the key link between the Board, the education teams and the LGBs. The Link Trustee also attends termly 'Chairs Forum' meetings with the chairs of local governing bodies. Guidance in relation to our local governing bodies makes clear the importance of having parent representation at a local level. More widely, the Charitable Company ensures that key information, policies and procedures are shared with its regulators (the Department for Education and the Information Commissioner's Office) as necessary.

The Trustees consider relationships with suppliers through their oversight of the Group procurement policy and Modern Slavery statement. The Group procurement strategy describes how the Charitable Group manages its suppliers based and 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.

Governance

The Board of Trustees have delegated their powers and functions to a committee of Trustees known as the Group Board. All the Trustees of United Church Schools Trust ("UCST") are members of the Group Board. Members of the Group Board also include persons who are Trustees of United Learning Trust ("ULT"), a subsidiary Charitable Company. The Group Board of Trustees has formally met 6 times during the year and the UCST Board of Trustees held 3 independent meetings. Attendance during the year at the meetings of the Trustees was as follows:

	UCST meetings attended	Out of a possible
Dr Rosalind Given-Wilson (Chair)	3	3
Dr Zoe Asensio-Sanchez	2	2
Mr Christian Brodie	1	1
Mr Ben Gordon	3	3
Mr Richard Greenhalgh	2	2
Dame Reena Keeble	3	3

Board member	Group Board meetings attended	Out of a possible
Dr Zoe Asensio-Sanchez	3	5
Mr Christian Brodie (Chair)	3	3
Mr David Brown	4	5
Sir Jon Coles	7	7
Dr Stephen Critchley	1	1
Ms Karima Fahmy	6	7
Mrs Melissa Geiger	7	7
Dr Rosalind Given-Wilson	5	7
Mr Ben Gordon	7	7
Mr Richard Greenhalgh	6	6
Dame Sue John	5	7
Dame Reena Keeble	6	7
Mr Neil MacDonald	6	7
Dr Rania Marandos	6	7
Mr Christie Spurling	6	7

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

The Board of Trustees delegates clear responsibilities to the Schools' Local Governing Bodies ("LGBs"), whose purpose is to provide support and challenge to the school on behalf of the Board. The functions and duties of the LGBs are set out in the LGB Members' Handbook. The Group Board maintains links with the LGBs through the Head of Local Governance, and designated Trustees for the schools. The Chairs and Vice Chairs of the LGBs are invited to attend meetings of the Chairs' Forum, which meets three times in the academic year and provides advice on strategy and education, relevant continuing professional development and the opportunity for sharing of best practice with their peers. The Chairs' Forum meetings further enhance communications between LGBs and the Trustees.

The Charitable Company has a policy for managing conflicts of interest which covers processes for the recording of business and pecuniary interest and the recording of gifts and hospitality, whether accepted or not. The business interests of the Trustees and LGB members are published on our website. The Trustee's register of interests is included in the papers for every meeting and the Trustees are asked to declare any further interests at the start of each meeting. Our procurement policy requires employees to check the register of business interests prior to making procurement decisions. Where there is a potential for any perceived or real conflict of interest the policy requires staff to declare it the earliest opportunity and remove themselves from any decision-making process.

The board commissions an external review of board effectiveness every three years. The Board commissioned a consultant to carry out this external review and they reported to the Board at its April 2024 meeting. The consultant reviewed a wide range of governance documentation, observed board and committee meetings and conducted interviews with Board members, the Executive team and the Company Secretary. A written report was provided to summarise the findings and recommendations and these were presented to the Board at its April meeting.

The consultant concluded that the Board is a highly effective Board, which works as an effective team, using the appropriate balance of skills, experience, backgrounds and knowledge to make informed decisions. The Board's composition and its practices are maintaining highly effective arrangements for independent scrutiny, holding to account and assurance. The Group Board is meaningfully supporting and contributing to the achievement of United Learning's strategic objectives.

Board Committees

The Group Board has four further committees, which advise on matters defined by their terms of reference. The Committees are the Finance Committee, the Risk and Audit Committee, the Nominations and Remuneration Committee and the Education Standards and Performance Committee. The minutes of all committees are made available to the Board of 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 Company properly plans the use of its finances and is adequately funded to undertake projected expenditure.
- review and recommend the annual budgets for approval by the Board of Trustees.
- monitor financial performance against agreed budgets.
- ensure, with the Risk and Audit Committee, that the Charitable Company's financial statements are supported accurately by management accounts.
- monitor and review the Charitable Company's arrangements in relation to investments and make recommendations to the Board of Trustees in relation to the appointment and removal of investment advisors.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Attendance at meetings during the year was as follows:

Committee member	Meetings attended	Out of a possible
Dr Zoe Asensio-Sanchez	2	2
Mr Christian Brodie	1	1
Mr David Brown	1	2
Dr Stephen Critchley	1	1
Mr Ben Gordon	4	4
Mr Richard Greenhalgh	3	3
Mr Neil MacDonald (Chair)	4	4

The Risk and Audit Committee's purpose is to:

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

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr Andrew Balfour	2	2
Dr Stephen Critchley	1	1
Ms Karima Fahmy (Chair)	4	4
Mrs Melissa Geiger	4	4
Mr Neil MacDonald	2	2
Mr Yong Shen	1	1
Mrs Janet Swadling	1	1

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

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

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

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

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr Christian Brodie	1	1
Mr Ben Gordon (Chair)	4	4
Mr Richard Greenhalgh	3	3
Dame Sue John	1	1
Dr Rania Marandos	3	4

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

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

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr Christian Brodie	1	1
Sir Jon Coles	3	3
Dr Rosalind Given-Wilson	2	3
Mr Richard Greenhalgh	2	3
Dame Sue John	3	3
Dame Reena Keeble (Chair)	3	3
Mr Christie Spurling	3	3

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Charitable Company's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Charitable Company for the year from 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Charitable Company 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 Company's significant risks that has been in place for the year from 1 September 2023 to 31 August 2024 and up to the date of approval of the annual report and financial statements.

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

The Risk and Control Framework

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

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

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

Internal Audit's role includes giving advice on internal controls and performing a range of checks on the Charitable Company's core financial systems. An increased level of control checks were carried out in the year including increased testing of school level controls, covering local governance, procurement, income, cash management, human resources, payroll and fixed assets.

Furthermore, testing of non-financial systems and central office functions were conducted, including reviews of the organisation's, health and safety arrangements, staff recruitment and retention management, new school on-boarding projects and purchase ledger arrangements.

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

For the year ended 31 August 2024, based on the work undertaken, an internal audit opinion of good assurance was given on the adequacy and effectiveness of the organisation's risk management, internal control and governance arrangements.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

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

Chief Executive

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

Connected charities

There is a relationship between United Church Schools Trust (Limited by Guarantee) and other charities as set out in note 27.

Trustees' indemnities

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

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

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

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

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

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

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Disclosure of information to auditor

The Trustees confirm that:

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

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

Dr Rosalind Given-Wilson

Dr Rosalind Given-Wilson

Chair Trustee

Date: 13/2/2025

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of United Church Schools Trust (the 'Charitable Company') for the year ended 31 August 2024, which comprise Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102; The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Statement of Recommended Practice: Accounting and Reporting by Charities, 2019 Edition; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charitable Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the 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 Charitable Company's business model including effects arising from macro-economic uncertainties such as the cost of living crisis and introduction of VAT on private schools as well as other taxation changes, we assessed and challenged the reasonableness of estimates made by the trustees and the related disclosures and analysed how those risks might affect the charitable company's financial resources or ability to continue operations over the going concern period.

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.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

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

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

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 Trustees' 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 Trustees' 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 Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report included in the Trustees' Report.

Matters on which we are required to report by exception

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

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

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

Responsibilities of Trustees

As explained more fully in the Responsibilities Statement set out on page 22, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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 Charitable Company and the sector in which it operates. We determined that the following laws and regulations were most applicable: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), Charities SORP, Charities Act 2011 and the Companies Act 2006;
- We understood how the Charitable Company is complying with these legal and regulatory frameworks by making inquiries of management and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes, through our legal and professional expenses review and through inquiries of solicitors who served during the period;
- We assessed the susceptibility of the Charitable Company's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of relevant controls management has in place to prevent and detect fraud
 - Challenging the assumptions and judgements made by management in applying its significant accounting policies
 - Identifying and testing journal entries, with a focus on manual postings, journal entries which directly impacted 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
 - Performing a review of Board & Committee Meeting minutes to identify any matters discussed which may bear upon our audit opinion

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

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

- 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 and experience of the charity and education sectors
 - Understanding of the legal and regulatory requirements specific to the Charitable Company, including the provisions of the applicable legislation and the guidance issued by the Charities Commission.
- The team communications in respect of potential non-compliance with relevant laws and regulations, including the potential for fraud in revenue through manipulation of income and management override of controls; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Charitable Company's operations, including the nature of its income and expenditure and its services and of its objectives and strategies, to understand the classes of transactions, account balances, expected financial statement disclosure and business risks that may result in risks of material misstatement
 - The Charitable Company's control environment, including: the policies and procedures implemented by the Charitable Company to ensure compliance with the requirements of the financial reporting framework and relevant laws and regulations.
 - ◆ The Policies and procedures implemented by the Charitable Company to ensure compliance with laws and regulations, and the relevant financial reporting framework
 - ◆ The adequacy of procedures for authorisation of transactions, and
 - ◆ Procedures to ensure that possible breaches of laws and regulations are appropriately reviewed.

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

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

Use of our report

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

Jim McLarnon

Jim McLarnon ACA
Senior Statutory Auditor

for and on behalf of
Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor

Birmingham

Date: 13/2/2025

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Restricted funds 2024 £000	Unrestricted funds 2024 £000	Total funds 2024 £000	Total funds 2023 £000
Income from:					
Donations and legacies	4	440	13,641	14,081	4,843
Charitable activities	2,3	-	160,833	160,833	139,311
Investments	6	-	1,051	1,051	-
Total income		440	175,525	175,965	144,154
Expenditure on:					
Charitable activities	5	3	157,671	157,674	140,199
Total expenditure		3	157,671	157,674	140,199
Net income before net gains/(losses) on investments		437	17,854	18,291	3,955
Net gains/(losses) on investments		11	5	16	(6)
Net income		448	17,859	18,307	3,949
Transfers between funds	15	(3)	3	-	-
Net movement in funds before other recognised gains carried forward		445	17,862	18,307	3,949
Other recognised gains:					
Actuarial (losses)/gains on defined benefit pension schemes	23	-	(127)	(127)	125
Net movement in funds		445	17,735	18,180	4,074
Reconciliation of funds:					
Total funds brought forward		2,436	30,171	32,607	28,533
Total funds carried forward		2,881	47,906	50,787	32,607

All activities are continuing and there are no other recognised gains and losses.

The notes on pages 33 to 64 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note	2024 £000	2023 £000
Fixed assets			
Intangible assets	9	1,456	1,756
Tangible assets	10	20,377	8,543
Investments	11	691	210
		<u>22,524</u>	<u>10,509</u>
Current assets			
Stocks	12	135	4
Debtors	13	60,124	65,155
Cash and cash equivalents	18	91,248	20,323
		<u>151,507</u>	<u>85,482</u>
Creditors: amounts falling due within one year	14	(122,454)	(62,575)
Net current assets		<u>29,053</u>	<u>22,907</u>
Total assets less current liabilities		<u>51,577</u>	<u>33,416</u>
Net assets excluding pension liability		<u>51,577</u>	<u>33,416</u>
Defined benefit pension scheme liability	23	(790)	(809)
Total net assets		<u><u>50,787</u></u>	<u><u>32,607</u></u>
Charity funds			
Restricted funds	15	2,881	2,436
Unrestricted funds			
Unrestricted funds excluding pension liability	15	48,696	30,980
Pension reserve	15	(790)	(809)
Total unrestricted funds	15	<u>47,906</u>	<u>30,171</u>
Total funds		<u><u>50,787</u></u>	<u><u>32,607</u></u>

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

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

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

Dr Rosalind Given-Wilson

Dr Rosalind Given-Wilson

Date: 13/2/2025

The notes on pages 33 to 64 form part of these financial statements.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £000	2023 £000
Cash flows from operating activities			
Net cash provided by operating activities	17	73,955	4,350
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,823)	(2,975)
Net cash acquired in business combinations		642	-
Proceeds from the sale of tangible fixed assets		-	1
Net cash used in investing activities		(2,181)	(2,974)
Cash flows from financing activities			
Interest paid		(849)	(743)
Net cash used in financing activities		(849)	(743)
Change in cash and cash equivalents in the year		70,925	633
Cash and cash equivalents at the beginning of the year		20,323	19,690
Cash and cash equivalents at the end of the year	18	91,248	20,323

The notes on pages 33 to 64 form part of these financial statements

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

1. Accounting policies

1.1 Basis of preparation of financial statements

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

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

1.2 Consolidation

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

1.3 Income

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

Donated services or facilities are recognised when the Charitable Company has control over the item, any conditions associated with the donated item have been met, the receipt of economic benefit from the use of the Charitable Company of the item is probable and that economic benefit can be measured reliably. In accordance with the Charities SORP (FRS 102), volunteer time is not recognised.

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

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

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

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

1. Accounting policies (continued)

1.4 Expenditure

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

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

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

Restructuring costs are recognised once there is a legal or constructive obligation to undertake restructuring activities, which includes redundancy payments.

All expenditure is inclusive of irrecoverable VAT.

1.5 Fund accounting

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

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.6 Company status

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

1. Accounting policies (continued)

1.7 Going concern

The Trustees assess whether the use of going concern is appropriate, considering whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charitable Company to continue as a going concern. The Trustees make this assessment in respect of a period at least one year from the signing date of these financial statements. The Trustees have considered the effects of the current economic and political 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 Company maintains reserves to meet unexpected obligations and forecast models indicate that, even allowing for the rising costs of inflation including wage inflation, the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. The financial statements have therefore been prepared on a going concern basis as discussed in the Trustees' Report on page 9.

Various cash flow scenarios have been modelled for the period to 28 February 2026. The worst-case scenario uses pessimistic assumptions including potential pupil number reductions resulting from the impact of the imposition of VAT and high costs of living, and the model builds in higher levels of inflation and increased costs such as pay. However, even in this scenario the Charitable Company continues to have adequate cash reserves to meet its liabilities as they fall due during the forecast period.

There is no reliance on bank loan facilities in management's assessment of going concern. Drawn balances at the balance sheet date on bank loan facilities of the parent undertaking, to which the Charitable Company is party to cross-guarantees, have since been repaid. The headroom in the different cash flow models and the levers available to the Charitable Company have enabled management to conclude that there is no material uncertainty in management's going concern assessment.

1.8 Intangible fixed assets and amortisation

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

1.9 Tangible fixed assets and depreciation

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

1. Accounting policies (continued)

1.9 Tangible fixed assets and depreciation (continued)

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

Depreciation is provided on the following bases:

Freehold land	- not depreciated
Freehold buildings	- 50 years
Leasehold improvements	- Term of the lease
Motor vehicles	- 4 years
Fixtures and fittings	- 10 years
Computer equipment	- 3 years

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

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

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

1.10 Investments

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

1.11 Stocks

Stock is held at the lower of cost and estimated selling price less costs to complete and sell.

1.12 Interest receivable

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

1.13 Operating leases

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.14 Taxation

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

1.15 Debtors

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

1.16 Cash and cash equivalents

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

1.17 Liabilities and Provisions

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

1. Accounting policies (continued)

1.18 Financial instruments

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

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

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

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

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

1. Accounting policies (continued)

1.19 Pensions

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

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charitable Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

1. Accounting policies (continued)

1.20 Judgements in applying accounting policies and key sources of estimation uncertainty

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

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

Actuarial valuations for Local Government Pension Scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost/(income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, will impact the carrying amount of the pension liability. For example, a 0.1% increase in discount rate would decrease the liability by £111k and a 0.1% increase in inflation would increase the liability by £112k. 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 2024. 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. Judgement has also been made in applying a limit to the net pension surplus recognised as the present value of future service contributions is higher than the present value of future service costs.

The estimates and assumptions that have a lower risk of causing a material adjustment to the carrying amounts and liabilities within the next financial year are discussed below.

Unfunded pension obligations

The Charitable Company has also made provision for unfunded pension obligations amounting to £0.8m (2023: £0.8m). The key assumptions made in computing this provision comprise mortality assumptions and discount rates, with the total obligation arising as a result having been disclosed in note 23. Any changes in these assumptions would impact the carrying amount of the liability.

Depreciation of tangible fixed assets

Depreciation amounting to £2.2m (2023: £1.6m) is computed based on the best estimate of the useful economic lives of the relevant assets and their ultimate residual value.

Provision for bad debts

An allowance for doubtful debts amounting to £1.0m (2023: £1.1m) is maintained for estimated losses resulting from the inability of the Charitable Company's fee debtors to make required payments. The Charitable Company applies a policy for providing for bad debts which is periodically reviewed based on an assessment of actual outcomes against those expected.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

1. Accounting policies (continued)

1.21 Exceptional items

Costs classified as exceptional relate to costs which are non-recurring and outside of the normal charitable activities of the company as disclosed in note 8.

2. School fees receivable and catering income

	2024 £000	2023 £000
Gross fee income receivable	135,917	124,750
Scholarships, bursaries and reduced fees	(10,317)	(10,387)
Catering income	2,111	1,966
Net fee income receivable	127,711	116,329

In 2024, of the total school fees receivable and catering income, £127,711k (2023: £116,329k) was to unrestricted funds and £NIL (2023: £NIL) was to restricted funds.

3. Other educational related income

	2024 £000	2023 £000
Support services to other schools and academies	18,990	13,758
Early years funding	1,478	1,190
Pupil registration fees	368	361
Charges for additional classes	1,805	1,557
Charges for school trips	5,629	3,640
Other school income	3,780	1,998
Rents and lettings	1,072	478
	33,122	22,982

In 2024, of the other educational related income, £33,122k (2023: £22,982k) was to unrestricted funds and £NIL (2023: £NIL) was to restricted funds.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

4. Voluntary income

	2024 £000	2023 £000
Other sponsorship and donations received	3,837	3,773
Gift aid from subsidiary undertakings	1,144	1,070
Net assets transferred from other charities	9,100	-
	<u>14,081</u>	<u>4,843</u>

In 2024 of the total voluntary income, £13,641k (2023: £4,843k) was to unrestricted funds and £440k (2023: £NIL) was to restricted funds.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

5. Analysis of total resources expended

	Staff costs	Other costs	Depreciation	Total	<i>Total</i>
	2024	2024	2024	2024	<i>2023</i>
	£000	£000	£000	£000	<i>£000</i>
Charitable activities					
Direct costs					
Educational supplies	78,353	15,105	-	93,458	84,193
Staff development	372	96	-	468	374
Examination fees	-	905	-	905	773
Technology costs	3,841	2,708	-	6,549	5,758
	<u>82,566</u>	<u>18,814</u>	<u>-</u>	<u>101,380</u>	<u>91,098</u>
Support costs					
Recruitment and support	-	594	-	594	607
Premises costs	4,455	13,384	-	17,839	16,270
Insurance	-	1,174	-	1,174	1,037
Catering	-	7,685	-	7,685	6,446
Marketing	1,400	1,696	-	3,096	2,730
Legal and professional	-	1,453	-	1,453	1,156
Other support costs	17,579	2,835	-	20,414	17,712
Depreciation and amortisation	-	-	2,450	2,450	1,863
Loss/(profit) on disposal of assets	-	4	-	4	(1)
Bank interest and charges	-	1,051	-	1,051	862
	<u>23,434</u>	<u>29,876</u>	<u>2,450</u>	<u>55,760</u>	<u>48,682</u>
Governance costs					
Auditor costs - audit fees	-	129	-	129	64
Company Secretariat costs	355	47	-	402	353
Trustees' meeting and travel	-	3	-	3	2
	<u>106,355</u>	<u>48,869</u>	<u>2,450</u>	<u>157,674</u>	<u>140,199</u>
Total 2024	<u>106,355</u>	<u>48,869</u>	<u>2,450</u>	<u>157,674</u>	<u>140,199</u>
<i>Total 2023</i>	<u>96,734</u>	<u>41,602</u>	<u>1,863</u>	<u>140,199</u>	

In 2024, of the total resources expended, £157,671k (2023: £140,199k) was to unrestricted funds and £3k (2023: £NIL) was to restricted funds.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

Total resources expended include:

	2024	2023
	£000	£000
Auditor's remuneration:		
Audit of the charitable company's annual financial statements	71	64
Non-audit services	10	9
Depreciation:		
Tangible fixed assets, owned	2,150	1,564
Amortisation: Intangible fixed assets	300	299
Operating lease rentals	1,280	1,084
	<u>1,280</u>	<u>1,084</u>

6. Net interest

	2024	2023
	£000	£000
Bank interest receivable	1,051	-
Interest payable to Group undertakings	(847)	(743)
Bank interest payable	(2)	-
	<u>202</u>	<u>(743)</u>

7. Staff costs

	2024	2023
	£000	£000
Wages and salaries	83,851	76,770
Social security costs	8,674	7,872
Other pension costs (note 23)	13,472	11,595
Agency fees	358	497
	<u>106,355</u>	<u>96,734</u>

During the year, there were redundancy or termination payments made which amounted to £276k (2023: £859k).

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

2024	2023
No.	No.
2,455	2,349

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

7. Staff costs (continued)

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

	2024	2023
	No.	No.
In the band £60,001 - £70,000	133	110
In the band £70,001 - £80,000	49	36
In the band £80,001 - £90,000	32	11
In the band £90,001 - £100,000	8	10
In the band £100,001 - £110,000	7	4
In the band £110,001 - £120,000	6	7
In the band £120,001 - £130,000	6	5
In the band £130,001 - £140,000	4	3
In the band £140,001 - £150,000	3	3
In the band £150,001 - £160,000	2	2
In the band £160,001 - £170,000	1	-
In the band £170,001 - £180,000	2	1
In the band £180,001 - £190,000	1	1
In the band £190,001 - £200,000	2	2
In the band £200,001 - £210,000	1	1
In the band £210,001 - £220,000	1	-
In the band £230,001 - £240,000	-	1
In the band £260,001 - £270,000	-	1
In the band £290,001 - £300,000	1	-

Key management personnel, as listed on page 1, are those persons having authority and responsibility for planning, directing and controlling the activities of the entity. The remuneration for these individuals totalled £2,076k (2023: £2,131k).

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

	2024	2023
	£000	£000
Pension contributions to defined contribution, teachers' pension scheme and local government pension schemes	4,242	2,870

During the year, 56 higher paid employees (2023: 48) participated in defined contribution schemes, 191 (2023: 138) participated in the Teachers' Pension Scheme (operated by the Teachers' Pension Agency), 1 (2023: 2) participated in the Local Government Pension Scheme and 11 (2023: 10) did not participate in Charitable Company pension schemes.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

Payment to Trustees

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

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

Expense reimbursements paid to 4 (2023: 2) Trustees during the year amounted to £3k (2023: £2k) and all related to travel and subsistence costs.

8. Exceptional items

Exceptional costs incurred in school closures, mergers, acquisitions and disposals during the year ended 31 August 2024 amounted to £NIL (2023: £428k).

9. Intangible assets

	Software development £000
Cost	
At 1 September 2023	2,995
At 31 August 2024	2,995
Amortisation	
At 1 September 2023	1,239
Charge for the year	300
At 31 August 2024	1,539
Net book value	
At 31 August 2024	1,456
At 31 August 2023	1,756

All intangible fixed assets were used for charitable purposes.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

10. Tangible fixed assets

	Freehold land and buildings £000	Long-term leasehold property £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Total £000
Cost						
At 1 September 2023	300	2,173	15,928	4,873	847	24,121
Additions	52	31	2,031	648	61	2,823
Transfers from other trusts	10,300	-	788	59	18	11,165
Disposals	-	-	(625)	(1,563)	(181)	(2,369)
At 31 August 2024	10,652	2,204	18,122	4,017	745	35,740
Depreciation						
At 1 September 2023	-	909	9,435	4,514	720	15,578
Charge for the year	206	35	1,388	435	86	2,150
On disposals	-	-	(621)	(1,563)	(181)	(2,365)
At 31 August 2024	206	944	10,202	3,386	625	15,363
Net book value						
At 31 August 2024	10,446	1,260	7,920	631	120	20,377
At 31 August 2023	300	1,264	6,493	359	127	8,543

All tangible fixed assets were used for charitable purposes.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

11. Fixed asset investments

	Listed investments £000	
Valuation		
At 1 September 2023		210
Fair value adjustments		16
Transfer from other trusts		465
At 31 August 2024		691
	2024 £000	2023 £000
Investments at value comprise:		
Listed investments	641	165
Money market deposits	50	45
	691	210

All the fixed asset investments are held in the UK.

Subsidiary undertakings

At 31 August 2024, the Charitable Company held more than 20% of the following:

	Holding	Nature of the business	Class of share capital held
	%		
United Learning Trust*	100	Education	-
Priory School (Banstead) Trust Limited*	100	Dormant	-

*Limited by guarantee

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

12. Stocks

	2024 £000	2023 £000
Catering stock	135	-
Finished goods and goods for resale	-	4
	<u>135</u>	<u>4</u>

13. Debtors

	2024 £000	2023 £000
Due within one year		
Trade debtors	30,885	35,247
Amounts owed by Group undertakings	22,460	25,778
Other debtors	2,794	1,555
Prepayments and accrued income	3,985	2,575
	<u>60,124</u>	<u>65,155</u>

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

14. Creditors: Amounts falling due within one year

	2024	2023
	£000	£000
Trade creditors	4,263	3,568
Amounts owed to Group undertakings	6	6
Other taxation and social security	2,272	2,037
Other creditors	12,716	12,327
Accruals and deferred income	103,197	44,637
	<u>122,454</u>	<u>62,575</u>

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

	2024	2023
	£000	£000
Deferred income at 1 September 2023	41,405	38,049
Resources deferred during the year	99,991	41,405
Amounts released from previous periods	(41,405)	(38,049)
Deferred income as at 31 August 2024	<u>99,991</u>	<u>41,405</u>

Deferred income relates to invoices raised for multiple terms education.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

15. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (losses) £000	Balance at 31 August 2024 £000
Unrestricted funds						
Designated funds						
Designated Funds	2,374	(253)	(153)	3	-	1,971
General funds						
General Funds - all funds	28,606	175,778	(157,664)	-	5	46,725
Pension reserve	(809)	-	146	-	(127)	(790)
	27,797	175,778	(157,518)	-	(122)	45,935
Total Unrestricted funds	30,171	175,525	(157,671)	3	(122)	47,906
Restricted funds						
Sponsorship fund	1,729	-	-	-	-	1,729
Other donated funds	707	440	(3)	(3)	11	1,152
	2,436	440	(3)	(3)	11	2,881
Total of funds	32,607	175,965	(157,674)	-	(111)	50,787

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

15. Statement of funds (continued)

Designated funds are accumulated surpluses from prior years available for use by the School that generated the funds. In response to the impact of the COVID-19 pandemic the Charitable Company transferred £4 million of general funds to designated funds during 2020 to be used in support of those families at our independent schools who found themselves unable to pay school fees as a result of the pandemic. The fund continues to be used to support families who face financial hardship.

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

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

The transfer from other donated funds to designated funds represents a change in the classification of funds available for the benefit of the Godolphin school.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

15. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2022 £000</i>	<i>Income £000</i>	<i>Expenditure £000</i>	<i>Transfers in/out £000</i>	<i>Gains/ (losses) £000</i>	<i>Balance at 31 August 2023 £000</i>
Unrestricted funds						
Designated funds						
Designated Funds - all funds	2,659	(302)	13	4	-	2,374
General funds						
General Funds - all funds	24,556	144,456	(140,403)	(3)	-	28,606
Pension reserve	(1,125)	-	191	-	125	(809)
	23,431	144,456	(140,212)	(3)	125	27,797
Total Unrestricted funds	26,090	144,154	(140,199)	1	125	30,171
Restricted funds						
Sponsorship fund	1,729	-	-	-	-	1,729
Other donated funds	714	-	-	(1)	(6)	707
	2,443	-	-	(1)	(6)	2,436
Total of funds	28,533	144,154	(140,199)	-	119	32,607

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2024	Unrestricted funds 2024	Total funds 2024
Tangible fixed assets	-	20,377	20,377
Intangible fixed assets	-	1,456	1,456
Fixed asset investments	440	251	691
Current assets	2,441	149,066	151,507
Creditors due within one year	-	(122,454)	(122,454)
Pension scheme liability	-	(790)	(790)
Total	2,881	47,906	50,787

Analysis of net assets between funds - prior year

	<i>Restricted funds 2023</i>	<i>Unrestricted funds 2023</i>	<i>Total funds 2023</i>
Tangible fixed assets	-	8,543	8,543
Intangible fixed assets	-	1,756	1,756
Fixed asset investments	-	210	210
Current assets	2,436	83,046	85,482
Creditors due within one year	-	(62,575)	(62,575)
Pension scheme liability	-	(809)	(809)
Total	2,436	30,171	32,607

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

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

	2024 £000	2023 £000
Net income for the year (as per Statement of Financial Activities)	18,307	3,949
Adjustments for:		
Depreciation and amortisation charges	2,450	1,863
Interest paid	849	662
(Increase)/decrease in stocks	(131)	1
Decrease/(increase) in debtors	6,235	(6,037)
Increase in creditors	55,502	4,017
Revaluation of fixed asset investments	(16)	6
Profit/(loss) on disposal of fixed assets	4	(1)
Defined benefit pension scheme cost less contributions payable	(145)	(110)
Funds transferred from other charities	(9,100)	-
Net cash provided by operating activities	73,955	4,350

18. Analysis of cash and cash equivalents

	2024 £000	2023 £000
Cash in hand	91,248	20,323

19. Analysis of changes in net debt

	At 1 September 2023 £000	Cash flows £000	At 31 August 2024 £000
Cash and cash equivalents	20,323	70,925	91,248

20. Contingent liabilities

At 31 August 2024, the Charitable Company was party to cross-guarantees on bank loans and overdrafts of the parent undertaking totalling £10,000k (2023: £10,000k).

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

21. Capital commitments

There were no capital commitments at 31 August 2024 or 31 August 2023.

22. Acquired operations

On 1 May 2024, United Church Schools Trust acquired the trade and certain assets and liabilities of the former The Godolphin School for £NIL consideration. The fair values at the acquisition date of each class of assets and liabilities were as follows:

	Book value £000	Fair value £000
Fixed assets		
Tangible fixed assets	6,888	11,164
Investments	464	464
	<u>7,352</u>	<u>11,628</u>
Current assets		
Debtors	1,204	1,204
Cash	642	642
	<u>1,846</u>	<u>1,846</u>
Creditors		
Creditors due within one year	(3,762)	(3,762)
Creditors due in more than one year	(612)	(612)
	<u>(4,374)</u>	<u>(4,374)</u>
Total identifiable net assets	<u>4,824</u>	<u>9,100</u>

The net assets acquired were held across unrestricted funds (£8,660k) and restricted funds (£440k).
The impact of acquired operations on the Statement of Financial Activities since acquisition is as follows:

	Total £000
Income from donations and legacies	148
Income from charitable activities	2,595
Expenditure on charitable activities	<u>(3,751)</u>
	<u>(1,008)</u>

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

23. Pension commitments

The Charitable Company operates defined contribution schemes for the benefit of its employees. The assets of the schemes are managed and held externally on behalf of the scheme members in funds independent from those of the Charitable Company. Employer contributions payable to the schemes during the year amounted to £1.8m (2023: £1.5m). Employee and employer contributions payable to the schemes at the Balance Sheet date amounted to £0.2m (2023: £0.2m) and are included within creditors.

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS 31 March 2022.

Contributions amounting to £1.5m were payable to the schemes at 31 August 2024 (2023: £1.2m) and are included within creditors.

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

Provisions for unfunded pensions included within the total defined benefit pension scheme liability amounted to £0.8m (2023: £0.8m). The current service cost amounted to £NIL (2023: £NIL) and actuarial losses recognised through other comprehensive income amounted to £0.1m (2023: £0.2m). Benefits paid during the year amounted to £0.1m (2023: £0.1m).

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 4.90%, with future pension increase and inflation being 2.70%.

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2022. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI.

The key elements of the valuation and subsequent consultation are:

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

23. Pension commitments (continued)

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028.

The employer's pension costs paid to TPS in the year amounted to £11.6m (2023: £10.0m).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx>).

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

Local Government Pension Scheme

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

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

The total employer's contribution made for the year ended 31 August 2024 was £49k (2023: £55k). The agreed contribution rates for future years are 21.4 - 22.0 per cent for employers and 5.5 - 12.5 per cent for employees.

Ruling on amendment of Contracted out Salary Related pension schemes

The Virgin Media Ltd v NTL Pension Trustees II decision, handed down by the High Court 16 June 2023, considered the implications for section 37 of the Pension Schemes Act 1993. In a judgement delivered July 2024, the Court of Appeal unanimously upheld the decision of the High Court and the impact of the decision is likely to be that schemes who made amendments without getting the required certification from the actuary will have additional liabilities. This consequently impacts the financial statements (defined benefit pension obligation) of the sponsoring employer. There are plans in place by the Government Actuarial Department to review the potential implications, but at the current time it is not possible to estimate the potential impact, if any, on the Schemes.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

23. Pension commitments (continued)

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

	At 31 August 2024	<i>At 31 August 2023</i>
	%	%
Discount rate	4.90	5.40
Future salary increases	4.10	4.30
Future pension increases	2.70	2.90
Inflation assumption	2.60	2.80

	At 31 August 2024	<i>At 31 August 2023</i>
Mortality rates (in years)		
- for a male aged 65 now	21.0	21.0
- at 65 for a male aged 45 now	22.2	22.2
- for a female aged 65 now	23.5	23.4
- at 65 for a female aged 45 now	25.3	25.2

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

	At 31 August 2024	<i>At 31 August 2023</i>
	£000	£000
Equities	4,397	4,213
Other bonds	9	-
Government bonds	9	35
Property	784	827
Cash	129	52
Other	3,890	3,577
Total market value of LGPS assets	9,218	8,704

The actual return on scheme assets was £644k (2023: (£80k)).

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

23. Pension commitments (continued)

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

	2024	2023
	£000	£000
Current service cost	(37)	(64)
Interest cost	(309)	(300)
Interest income	467	381
Interest on the effect of the asset ceiling	(157)	-
Administrative expenses	(2)	(2)
Total amount recognised in the Statement of Financial Activities	(38)	15

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

	2024	2023
	£000	£000
Opening defined benefit obligation	6,608	8,212
Current service cost	37	64
Interest cost	309	300
Contributions by scheme participants	13	19
Benefits paid - LGPS	(190)	(240)
Benefits paid - unfunded obligation	(135)	(121)
Actuarial losses/(gains)	310	(1,626)
Closing defined benefit obligation	6,952	6,608

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

	2024	2023
	£000	£000
Opening fair value of scheme assets	8,704	8,952
Interest on assets	467	381
Actual return less interest	177	(461)
Contributions by employer	49	55
Contributions by scheme participants	13	19
Benefits paid	(190)	(240)
Administration expenses	(2)	(2)
Closing fair value of scheme assets	9,218	8,704

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

23. Pension commitments (continued)

The Charitable Company expects to contribute £49k to the LGPS in 2024.

Amounts for the current and previous period are as follows:

	2024 £000	2023 £000
Defined benefit pension schemes		
Defined benefit obligations (including unfunded pension deficit)	(6,952)	(6,608)
LGPS assets	9,218	8,704
Unrecognised asset	(3,056)	(2,905)
Net deficit	(790)	(809)
Experience adjustments on LGPS and unfunded liabilities	(310)	1,626
Experience adjustments on LGPS assets	177	(461)
	2024 £000	2023 £000
Unfunded pension scheme liability	(790)	(809)
Total	(790)	(809)

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

24. Operating lease commitments

At 31 August 2024 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £000	2023 £000
Amounts payable: Land and buildings		
Within 1 year	327	327
Between 1 and 5 years	827	981
After more than 5 years	1,238	1,410
	<u>2,392</u>	<u>2,718</u>
	2024 £000	2023 £000
Amounts payable: Other		
Within 1 year	1,344	1,280
Between 1 and 5 years	1,428	1,878
After more than 5 years	87	98
	<u>2,859</u>	<u>3,256</u>
Total		

25. Directors' indemnities

In accordance with normal commercial practice, the Charitable Company has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on school business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2024 was £NIL (2023: £NIL). The cost of this insurance is included in the total insurance cost.

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

26. Related party transactions

United Learning Ltd is the sole member of United Church School Trust (UCST).

During the year, United Learning Ltd charged interest totalling £847k (2023: £743k) and rent totalling £3.1m (2023: £2.2m) to the Charitable Company.

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

The Charitable Company provided central services to ULT. The total amount charged during the year totalled £16.2m (2023: £13.8m) and was computed so as to equal the actual costs incurred on a per pupil basis.

At the year end date, balances amounting to £22.5m (2023: £25.8m) were due to the Charitable Company, and balances amounting to £6k (2023: £6k) were due from the Charitable Company to other entities in the Charitable Group of which United Learning Ltd is the ultimate parent. These balances arise as a result of direct recharges of costs where resources are centrally procured, with the underlying transactions not therefore representing related party transactions.

Brake Bros Ltd - a company in which a Trustee of both United Learning Ltd and ULT is Chief Financial Officer. The Charitable Company purchased products from Brake Bros Ltd totalling £5,317 during the period for cash consideration. £160 was due from Brake Bros Ltd at 31 August 2024. The Charitable Company made the purchases at arms' length in accordance with its financial regulations, which the Trustee neither participated in, nor influenced.

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

27. Ultimate parent undertaking and controlling party

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

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

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

UNITED CHURCH SCHOOLS TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

28. Financial instruments

	2024	2023
Financial assets		
Financial assets measured at fair value	691	210
Financial assets measured at amortised cost	147,135	82,632
	<u>147,826</u>	<u>82,842</u>
	2024	2023
Financial liabilities		
Financial liabilities measured at amortised cost	17,956	16,979
	<u>17,956</u>	<u>16,979</u>