

Charity Registration No. 1039622

Company Registration No. 02889781 (England and Wales)

# Undershaw Education Trust

Annual Report and Financial Statements

For the Year Ended 31 August 2021

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

# UNDERSHAW EDUCATION TRUST

## LEGAL AND ADMINISTRATIVE INFORMATION

---

### Trustees

D Forbes-Nixon  
L Sullivan  
J Franklin  
M Elms  
C Cookson  
D Tomasz (Appointed 1 December 2020)  
C Baskerville (Appointed 1 September 2021)  
K Heath (Appointed 1 September 2021)  
W Karlsen (Appointed 1 September 2021)  
S Setterfield  
C Westbury (Appointed 1 September 2021)

### Charity number

1039622

### Company number

02889781

### Registered office

Undershaw  
Portsmouth Road  
Hindhead  
Surrey  
GU26 6AQ

### Auditor

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

---

# UNDERSHAW EDUCATION TRUST

## CONTENTS

---

|   | Page    |
|---|---------|
| Trustees' report                        | 1 - 5   |
| Statement of trustees' responsibilities | 6       |
| Independent auditor's report            | 7 - 9   |
| Statement of financial activities       | 10      |
| Balance sheet                           | 11      |
| Notes to the financial statements       | 12 - 22 |

---

# **UNDERSHAW EDUCATION TRUST**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021**

---

The trustees present their report and financial statements for the year ended 31 August 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the School's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016)

### **Objectives and activities**

In 2003 Construction Industry Solutions Limited, purchased the church at Tower Road and converted it into a special needs school. Stepping Stones School ('the School') opened in 2004 with Ofsted approval. The school was financially supported by Construction Industry Solutions Limited until it became financially independent. In 2012 the David Forbes-Nixon Charitable Foundation purchased and fully funded the re-development of the Undershaw site, increasing the school's capacity to enroll 100 mild to moderate learners across a lower and upper school.

On the 12 May 2021 the school changed its name to Undershaw Education Trust. The objective of Undershaw Education Trust is unchanged, that is to create a positive school environment where the students can become self-confident, independent learners and gain the qualifications and skills to lead happy, active and fulfilled lives.

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

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

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

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

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

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



# UNDERSHAW EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

---

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

### **Achievements and performance**

#### **Student Success**

Due to COVID, exams did not take place during the summer term of 2021. Teacher Assessed Grades (TAGS) were used as the method of assessment. 19 students were entered for a range of qualifications including Functional Skills, GCSE and BTEC. 3 students completed certification in Functional Skills English Level 1 and 7 completed certification in Functional Skills Level 2. 2 students completed Entry Level qualifications. 7 students entered GCSE subjects. 12 students completed certification in BTEC subjects. All students, irrespective of the level or grade achieved, have excelled and demonstrated their potential.

#### **Maths:**

##### Entry Level Certificate

1 student entered and achieved a Level 2 pass.

##### GCSE Maths

6 students entered, 1 achieved grade 6, 1 achieved grade 5 and 4 achieved grade 4.

##### GCSE Statistics

1 Student entered and achieved grade 5.

#### **English:**

##### Entry Level Certificate

10 students entered, 7 achieved Level 2 and 3 achieved Level 1.

##### GCSE

2 students entered, 1 achieved grade 7 and 1 achieved grade 5.

#### **Science:**

##### Entry Level Certificate

1 student entered and achieved grade 3.

##### GCSE (Double Award)

10 students entered, 3 achieved Grade 5, 6 achieved Grade 4 and 3 achieved grade 3.

##### GCSE Geography

4 students entered, 1 achieved grade 6, 1 achieved grade 5, 1 achieved grade 4 and 1 achieved grade 3.

### **Financial review**

Total Income for the year has risen to £3,411,339 (£3,028,103 in 2019-20), which includes £80,248 in Donations and Legacies (£96,017 in 2019-20). Income from lettings during the year was £23,018 (£14,573 in 2019-20); the increase due entirely to the easing of Covid 19 restrictions. Total expenditure for the year was £3,253,098 (£2,785,423 in 2019-20); creating a surplus of £158,241 (£242,680 in 2019-20).

### **Reserves Policy**

The Charity's unrestricted funds were in surplus of £1,150,591 at 31 August 2021 (surplus of £992,350 at 31 August 2020) and Restricted Reserves were £Nil. The Charity's policy is to maintain sufficient reserves to mitigate against a temporary shortfall in income (or unexpected exceptional costs) and to provide funding for planned development initiatives.

# **UNDERSHAW EDUCATION TRUST**

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

---

### **Reflection**

During the academic year 2020-21, 95 young people were enrolled at the School, aged 7-19 years old; organised into 13 teaching groups, according to their age and ability in each curriculum subject. The School has embedded itself across the two sites. The Senior Leadership Team was restructured in November 2020. This included a Director of Business & Operations, a Director of Safeguarding (DSL), Welfare and Pastoral Care (from January 2021) and a Director of Education (who joined April 2021) to lead these three key strategic areas. In May 2021 the newly appointed Director of Education became the Acting Headteacher.

In the academic year 2020/21, during partial closures and lockdowns due to the global COVID pandemic, the ongoing delivery of the curriculum was ensured through an effective use of the Microsoft Teams learning platform to deliver the curriculum and therapy. Funding continued from the Local Authorities and the school ensured that it accessed Department for Education COVID related funding (such as Catch Up Funding, COVID expenditure funding, and Mass Testing Funding). The school worked hard during the year to ensure that all students on-roll could have their needs met and, as numbers dropped below PAN in the Summer Term, so admissions work continued uninterrupted. The school has a detailed CV19 Whole School Risk Assessment in place which is updated to ensure that latest DfE and PHE guidance is followed and communicated with staff, students and relevant external parties. In addition the school has a CV19 Business Continuity Plan which has been shared with Local Authorities.

The Governors have strengthened the breadth of their skills-set to further support and challenge the Senior Leadership Team and plan to recruit new parent governors in the academic year 2021/22. Governors and management continue to focus on improving the core offer of the School with a view to the next stage of its development. The School is determined to deliver its ambitious development plans; building upon its firm foundations.

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

### **The Future**

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

In the academic 2020/21 we started an exciting journey to realise the next stage of Undershaw Education' development as a school, including the creation of five curriculum areas: Employability & Life Skills, Arts, Culture and Communication, Humanities, Community and the Wider World, STEM and Nature, Animals & The Environment. We introduced new qualification pathways from KS2 to KS5, culminating in a Post 16 Transition Year with supported routes into employability or local FE colleges. We have repurposed the use of our two sites to make the main site the hub for all students with specialist provision in the Arts being delivered at the newly named Arts and Media Centre. This includes Art, Music, Media Studies, Computing and Drama. We also relocated the Post 16 provision to this site so that the students have the opportunity to plan and run music gigs and exhibitions in the future as part of their employability curriculum. We actioned a new model of therapy to include an integrated approach to therapy and mental and physical health in the lived experience of the school day and to embed a universal provision as part of our core offer.



# UNDERSHAW EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

---

### Structure, governance and management

The School is a company limited by guarantee.

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

D Forbes-Nixon

L Sullivan

J Franklin

T Armitage

(Resigned 21 July 2021)

M Elms

C Cookson

L Law

(Resigned 28 September 2021)

P Langman

(Resigned 18 December 2020)

S Clark

(Resigned 18 December 2020)

D Tomasz

(Appointed 1 December 2020)

C Baskerville

(Appointed 1 September 2021)

K Heath

(Appointed 1 September 2021)

W Karlsen

(Appointed 1 September 2021)

S Setterfield

C Westbury

(Appointed 1 September 2021)

### Method of Recruitment and Appointment of Trustees

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

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

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

### Organisational structure

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

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

The Directors do not recommend payment of a final dividend.

# UNDERSHAW EDUCATION TRUST

## TRUSTEES' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT) FOR THE YEAR ENDED 31 AUGUST 2021

---

### Statement of Public Benefit

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

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

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

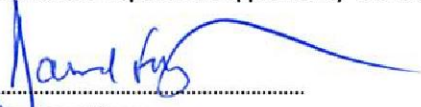
### Auditor

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

### Disclosure of information to auditor

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

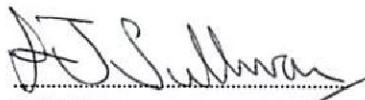
The trustees' report was approved by the Board of Trustees.



**D Forbes-Nixon**

Trustee

Dated: 22 March 2022



**L Sullivan**

Trustee

Dated: 22 March 2022



# **UNDERSHAW EDUCATION TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2021***

---

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

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

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

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

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the School and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# UNDERSHAW EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE TRUSTEES OF UNDERSHAW EDUCATION TRUST

---

#### Opinion

We have audited the financial statements of Undershaw Education Trust (the 'School') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Emphasis of matter

We draw attention to note 1.2 of the financial statements, which describes the economic and social consequences the school is facing as a result of Covid-19. Our opinion is not modified in respect of this matter.

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# UNDERSHAW EDUCATION TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF UNDERSHAW EDUCATION TRUST

---

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

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

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

### Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the trustees, who are also the directors of the School for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the School's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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



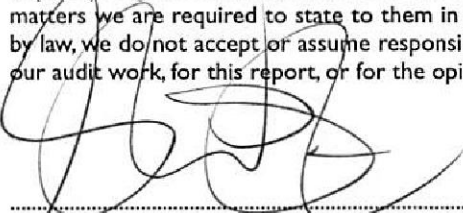
# **UNDERSHAW EDUCATION TRUST**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE TRUSTEES OF UNDERSHAW EDUCATION TRUST**

---

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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

Ryefield Court  
81 Joel Street  
Northwood Hills  
Middlesex  
HA6 1LL  
22 March 2022

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

# UNDERSHAW EDUCATION TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

|   | Notes | Unrestricted funds<br>2021<br>£ | Unrestricted funds<br>2020<br>£ |
|---|-------|---------------------------------|---------------------------------|
| <b>Income from:</b>                                       |       |                                 |                                 |
| Donations and legacies                                    | 3     | 80,248                          | 96,017                          |
| Charitable activities                                     | 4     | 3,307,977                       | 2,917,265                       |
| Other trading activities                                  | 5     | 23,018                          | 14,573                          |
| Investments   | 6     | 96                              | 248                             |
| <b>Total income</b>                                       |       | <b>3,411,339</b>                | <b>3,028,103</b>                |
| <b>Expenditure on:</b>                                    |       |                                 |                                 |
| Charitable activities                                     | 7     | 3,253,098                       | 2,785,423                       |
| <b>Net income for the year/<br/>Net movement in funds</b> |       | <b>158,241</b>                  | <b>242,680</b>                  |
| Fund balances at 1 September 2020                         |       | 992,350                         | 749,670                         |
| <b>Fund balances at 31 August 2021</b>                    |       | <b>1,150,591</b>                | <b>992,350</b>                  |

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

All income and expenditure derive from continuing activities.

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

# UNDERSHAW EDUCATION TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2021

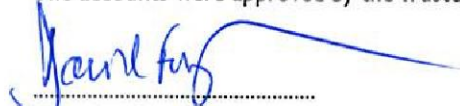
|  | Notes | 2021<br>£   | £         | 2020<br>£ | £         |
|--|-------|-------------|-----------|-----------|-----------|
| <b>Fixed assets</b>  |       |             |           |           |           |
| Tangible assets  | 11    |             | 683,978   |           | 716,108   |
| <b>Current assets</b>  |       |             |           |           |           |
| Debtors  | 12    | 846,227     |           | 311,948   |           |
| Cash at bank and in hand                                       |       | 1,099,605   |           | 1,136,255 |           |
|  |       | 1,945,832   |           | 1,448,203 |           |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (1,079,219) |           | (671,961) |           |
| Net current assets   |       |             | 866,613   |           | 776,242   |
| <b>Total assets less current liabilities</b>                   |       |             | 1,550,591 |           | 1,492,350 |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |             | (400,000) |           | (500,000) |
| <b>Net assets</b>  |       |             | 1,150,591 |           | 992,350   |
| <b>Income funds</b>  |       |             |           |           |           |
| Unrestricted funds   |       |             | 1,150,591 |           | 992,350   |
|  |       |             | 1,150,591 |           | 992,350   |


The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2021, although an audit has been carried out under section 144 of the Charities Act 2011.

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

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

The accounts were approved by the Trustees on 22 March 2022

  
D Forbes-Nixon  
Trustee

  
L Sullivan  
Trustee

Company Registration No. 02889781



# UNDERSHAW EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

---

### 1 Accounting policies

#### Charity information

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

#### 1.1 Accounting convention

The accounts have been prepared in accordance with the School's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The School is a Public Benefit Entity as defined by FRS 102.

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

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

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

#### 1.2 Going concern

The trustees have considered the impact of the Covid-19 crisis on the school's ability to continue to provide specialist education for its students. The school has worked hard to adapt to the changing environment and has successfully implemented online learning facilities where required along with introducing specific measures to ensure adequate protection for the staff and students. The school has confirmed that student fees will continue to be paid by the relevant local authorities for the foreseeable future. Whilst it is difficult to predict the full extent of the impact of Covid-19, the trustees note that events such as announcements or the enactment of new measures to contain the virus are considered to be non-adjusting events. Therefore, there have been no adjustments made in these financial statements in respect of such developments.

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

#### 1.3 Charitable funds

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

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

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

#### 1.4 Incoming resources

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

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

# UNDERSHAW EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

---

### I Accounting policies

(Continued)

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

# UNDERSHAW EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

---

### I Accounting policies (Continued)

#### I.5 Resources expended

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

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

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

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

#### I.6 Tangible fixed assets

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

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

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

#### I.7 Impairment of fixed assets

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

#### I.8 Cash and cash equivalents

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

#### I.9 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.



# UNDERSHAW EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### I Accounting policies

(Continued)

#### *Basic financial assets*

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

#### *Basic financial liabilities*

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

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

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

#### *Derecognition of financial liabilities*

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

#### 1.10 Employee benefits

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

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

#### 1.11 Retirement benefits

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

### 2 Critical accounting estimates and judgements

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

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

# UNDERSHAW EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 3 Donations and legacies

|             | Unrestricted funds | Unrestricted funds |
|-------------|--------------------|--------------------|
|             | 2021               | 2020               |
|             | £                  | £                  |
| Fundraising | 80,248             | 96,017             |

### 4 Charitable activities

|             | School fees | School fees |
|-------------|-------------|-------------|
|             | 2021        | 2020        |
|             | £           | £           |
| School fees | 3,181,361   | 2,862,579   |
| Grants      | 126,616     | 54,686      |
|             | 3,307,977   | 2,917,265   |

### 5 Other trading activities

|                                    | Unrestricted funds | Unrestricted funds |
|------------------------------------|--------------------|--------------------|
|                                    | 2021               | 2020               |
|                                    | £                  | £                  |
| Letting and licensing arrangements | 23,018             | 14,573             |

### 6 Investments

|                     | Unrestricted funds | Unrestricted funds |
|---------------------|--------------------|--------------------|
|                     | 2021               | 2020               |
|                     | £                  | £                  |
| Interest receivable | 96                 | 248                |

# UNDERSHAW EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 7 Charitable activities

|  | Charitable<br>Expenditure<br>2021<br>£ | Charitable<br>Expenditure<br>2020<br>£ |
|--|--|--|
| Staff costs                            | 2,326,591                              | 2,026,055                              |
| Education                              | 37,421                                 | 49,958                                 |
| Therapy                                | 232,919                                | 153,011                                |
| General direct costs                   | 10,445                                 | 9,954                                  |
| Facilities costs                       | 174,793                                | 195,056                                |
| Insurance                              | 48,391                                 | 33,808                                 |
| Repairs and maintenance                | 37,082                                 | 26,638                                 |
| Administration costs                   | 43,056                                 | 19,539                                 |
| Telecommunications                     | 14,304                                 | 8,509                                  |
| Motor and travelling expenses          | 5,509                                  | 5,408                                  |
| Legal and professional                 | 112,489                                | 31,423                                 |
| Computer software and maintenance      | 97,696                                 | 99,435                                 |
| Indirect staff costs                   | 40,230                                 | 57,807                                 |
| Sundry expenses                        | 142                                    | 373                                    |
| Bank charges                           | 2,135                                  | 1,661                                  |
| Depreciation                           | 62,895                                 | 59,788                                 |
|  | <u>3,246,098</u>                       | <u>2,778,423</u>                       |
| Share of governance costs (see note 8) | 7,000                                  | 7,000                                  |
|  | <u>3,253,098</u>                       | <u>2,785,423</u>                       |

### 8 Support costs

|                       | Support<br>costs<br>£ | Governance<br>costs<br>£ | 2021<br>£    | Support costs<br>£ | Governance<br>costs<br>£ | 2020<br>£    |
|-----------------------|-----------------------|--------------------------|--------------|--------------------|--------------------------|--------------|
| Audit fees            | -                     | 7,000                    | 7,000        | -                  | 7,000                    | 7,000        |
|                       | <u>-</u>              | <u>7,000</u>             | <u>7,000</u> | <u>-</u>           | <u>7,000</u>             | <u>7,000</u> |
| Analysed between      |                       |                          |              |                    |                          |              |
| Charitable activities | -                     | 7,000                    | 7,000        | -                  | 7,000                    | 7,000        |
|                       | <u>-</u>              | <u>7,000</u>             | <u>7,000</u> | <u>-</u>           | <u>7,000</u>             | <u>7,000</u> |

Governance costs includes payments to the auditors of £7,000 (2020- £7,000) for audit fees.

### 9 Trustees

None of the Trustees (or any persons connected with them) received any other expenses or benefits from the school.



# UNDERSHAW EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Employees

The average monthly number of employees during the year was:

|                                | 2021<br>Number | 2020<br>Number |
|--------------------------------|----------------|----------------|
| Education including therapists | 53             | 53             |
| Support and administration     | 22             | 12             |
| Total                          | 75             | 65             |

#### Employment costs

|                     | 2021<br>£ | 2020<br>£ |
|---------------------|-----------|-----------|
| Wages and salaries  | 2,141,560 | 1,861,455 |
| Other pension costs | 185,031   | 164,600   |
|                     | 2,326,591 | 2,026,055 |

The number of employees whose annual remuneration was £60,000 or more were:

|              | 2021<br>Number | 2020<br>Number |
|--------------|----------------|----------------|
| Over £60,000 | 1              | 2              |

# UNDERSHAW EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

| 11 Tangible fixed assets           |  | Leasehold land<br>and buildings | Plant and<br>equipment | Fixtures and<br>fittings | Computers | Motor vehicles | Total   |
|------------------------------------|--|---------------------------------|------------------------|--------------------------|-----------|----------------|---------|
|                                    |  | £                               | £                      | £                        | £         | £              | £       |
| <b>Cost</b>                        |  |                                 |                        |                          |           |                |         |
| At 1 September 2020                |  | 629,618                         | 8,738                  | 48,839                   | 175,575   | 76,950         | 939,720 |
| Additions                          |  | -                               | 4,039                  | 5,521                    | 21,205    | -              | 30,765  |
| At 31 August 2021                  |  | 629,618                         | 12,777                 | 54,360                   | 196,780   | 76,950         | 970,485 |
| <b>Depreciation and impairment</b> |  |                                 |                        |                          |           |                |         |
| At 1 September 2020                |  | 20,355                          | 3,816                  | 35,168                   | 121,540   | 42,733         | 223,612 |
| Depreciation charged in the year   |  | 9,000                           | 1,559                  | 7,867                    | 35,559    | 8,910          | 62,895  |
| At 31 August 2021                  |  | 29,355                          | 5,375                  | 43,035                   | 157,099   | 51,643         | 286,507 |
| <b>Carrying amount</b>             |  |                                 |                        |                          |           |                |         |
| At 31 August 2021                  |  | 600,263                         | 7,402                  | 11,325                   | 39,681    | 25,307         | 683,978 |
| At 31 August 2020                  |  | 609,263                         | 4,921                  | 13,672                   | 54,035    | 34,217         | 716,108 |

# UNDERSHAW EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

|  |                    |             |
|--|--------------------|-------------|
| <b>11 Tangible fixed assets</b>                                      | <b>(Continued)</b> |             |
| The carrying value of land included in land and buildings comprises: | <b>2021</b>        | <b>2020</b> |
|  | <b>£</b>           | <b>£</b>    |
| Freehold   | 600,263            | 606,263     |
|  |                    |             |
| <b>12 Debtors</b>  | <b>2021</b>        | <b>2020</b> |
|  | <b>£</b>           | <b>£</b>    |
| <b>Amounts falling due within one year:</b>                          |                    |             |
| Trade debtors  | 710,611            | 264,393     |
| Prepayments and accrued income                                       | 135,616            | 47,555      |
|  | 846,227            | 311,948     |
|  |                    |             |
| <b>13 Loans and overdrafts</b>                                       | <b>2021</b>        | <b>2020</b> |
|  | <b>£</b>           | <b>£</b>    |
| Other loans  | 500,000            | 600,000     |
|  |                    |             |
| Payable within one year  | 100,000            | 100,000     |
| Payable after one year   | 400,000            | 500,000     |
|  |                    |             |
| <b>14 Creditors: amounts falling due within one year</b>             | <b>2021</b>        | <b>2020</b> |
|  | <b>£</b>           | <b>£</b>    |
| Borrowings   | 100,000            | 100,000     |
| Other taxation and social security                                   | 4,995              | 43,562      |
| Trade creditors  | 32,868             | 7,697       |
| Other creditors  | 859                | 2,146       |
| Accruals and deferred income   | 940,497            | 518,556     |
|  | 1,079,219          | 671,961     |

# UNDERSHAW EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

### 15 Creditors: amounts falling due after more than one year

|            | 2021<br>£ | 2020<br>£ |
|------------|-----------|-----------|
| Borrowings | 400,000   | 500,000   |

### 16 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

|                        | 2021<br>£ | 2020<br>£ |
|------------------------|-----------|-----------|
| Aggregate compensation | 333,848   | 261,107   |

#### Transactions with related parties

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

|                               | Sale of goods      |           | Purchase of goods |           |
|-------------------------------|--------------------|-----------|-------------------|-----------|
|                               | 2021<br>£          | 2020<br>£ | 2021<br>£         | 2020<br>£ |
| DFN Charitable Foundation     | -                  | -         | 97,596            | 84,000    |
| COINS Foundation              | -                  | -         | -                 | 16,625    |
|                               | -                  | -         | 97,596            | 100,625   |
|                               |                    |           |                   |           |
|                               | Donations received |           | 2021<br>£         | 2020<br>£ |
|                               | 2021<br>£          | 2020<br>£ |                   |           |
| DFN Charitable Foundation     | 25,000             | 25,817    | -                 | -         |
| COINS Foundation              | 25,000             | 29,380    | -                 | -         |
| Inclusive Enterprises Limited | -                  | 1,378     | -                 | -         |
|                               | 50,000             | 56,575    | -                 | -         |

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



# UNDERSHAW EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

---

### 16 Related party transactions

(Continued)

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

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

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

The value of the loan at the year ended 31 August 2021 amounted to £500,000 (2020 - £600,000).