

UNIVERSITY COLLEGE SCHOOL

UCS
HAMPSTEAD



ANNUAL REPORT AND FINANCIAL STATEMENTS for the year ended 31 August 2021

Charity Number 312748

UNIVERSITY COLLEGE SCHOOL
FINANCIAL STATEMENTS
for the year ended 31 August 2021

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UNIVERSITY COLLEGE SCHOOL GOVERNORS, OFFICERS AND ADVISERS

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Council and Charity Trustees

The Governing Body of University College School is the Council. The Council comprises the charity trustees of University College School. Members of Council who served during the year and to the date of this report are shown below, together with their membership of the main Council Sub-Committees.

	Nominating Body	Finance & General Purposes Committee	Education Committee	Investment Committee (Rotating Chair)	Nominations & Governance Committee	International Development Committee
S Warshaw, BA (appointed 14th January 2021) <i>Chair</i>	1				*	*
E A Bingham, OBE, MIPA, MABRP, DBA (resigned 11th December 2021)	1			*	*	*
R Bondy, <i>Vice Chair</i> †	1			*	Chair	Chair
N R Gullifer, MA	1		Chair		*	
Professor C Tyerman, MA, DPhil (Oxford), FR HistS	1					
S Grodzinski, QC † § (resigned 24th September 2021)	1					
E Riche, BSc, MBA § (resigned 15th October 2021)	1	*		*		
C Spooner, BA, MA § (resigned 24th March 2021)	1	*		*		
Dr S Rana, PGCE, BA, MSc PhD (resigned 31st December 2021)	1		*		*	
S Soskin	1		*		*	
R Datnow, BA, MA, Dip LP	1	*				
S Adams, RIBA, FRSA †	3	*				
C Rodrigues, CBE, MBA, MA †	1				*	
C Moynihn, BA, MA (appointed 6 October 2020, resigned 21st July 2021)	4					
E Ziff, OBE, DL Hon, DBA (appointed 29th September 2021)	1	Chair				
S Lewis (resigned 28th January 2021)	1					
P Wood (appointed 16th June 2021)	1		*			
A Rao, B(Eng), MBA (appointed 22 October 2021)	1					

† *Old Gover*

§ *Parent of a pupil at University College School, Hampstead*

1 *Co-opted by Council*

2 *The University of London*

3 *London Borough of Camden*

4 *University College, London*

OFFICERS

The Headmaster

The Headmaster of the Junior Branch

The Headmistress of the Pre-Prep

M J Beard MA, M Ed

L R J Hayward, MA Ed, MA, BA

Dr Z Dunn PHD, PHQ, B Ed

Director of Finance & Operations and Clerk to the Council

N J Mugridge, ACA

Addresses:

The Senior School
Frogna
London
NW3 6XH

The Junior Branch
11 Holly Hill
London
NW3 6QN

The Pre-Prep
36 College Crescent
London
NW3 5LF

The day-to-day running of the schools is delegated to the respective Heads and the Director of Finance & Operations.

**UNIVERSITY COLLEGE SCHOOL
GOVERNORS, OFFICERS AND ADVISERS (continued)**

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Advisers

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

The Royal Bank of Scotland plc
Western Branch
60 Conduit Street
London
W1S 2GA

Bank of Ireland
1 Donegall Square South
Belfast
BT1 5JA

Lloyds Bank plc
33 Old Broad Street
London
EC2N 1HZ

Solicitors

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Independent Auditor

RSM UK Audit LLP
Chartered Accountants
The Pinnacle
170 Midsummer Boulevard
Milton Keynes
Bucks
MK9 1BP

Investment Adviser

Schroder & Co Limited
12 Moorgate
London
EC2R 6DA

Insurance Broker

Marsh Limited
Education Practice
Capital House
1 Tower Place West
Tower Place
London
EC3R 5BU

Report of Council for the year ended 31 August 2021

The Council of Governors of University College School ("UCS") presents its annual report and audited financial statements for the year ended 31 August 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements and comply with the Charity's trust deed, the Charities Act 2011 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) second edition effective 1 January 2019.

Objectives and Activities**Objectives**

The Object of the Charity is to promote the education of boys or, at the Governors' discretion, of boys and girls, by the provision of a school or schools. The Charity also has a number of trust funds held for special purposes in connection with the development of its school facilities as well as for scholarships, bursaries, prizes and other educational purposes. The Governors confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Charity's objectives and activities.

Applying no religious test in the selection of pupils and ensuring that no applicants for employment shall be at any disadvantage on the ground of religious opinion, the Charity aims to promote principles of liberal scholarship and that academic excellence should be achieved through the encouragement of intellectual curiosity, breadth of study and independence of mind. Selecting children with no regard to race or creed, UCS fosters in them a sense of community alongside a tolerance of and a respect for the individual. With this latter in mind, particular attention is paid to endeavour for the wider good of society and examples of such activity are included under "Achievements and Performance" below.

Benefit to the Community

The UCS Foundation (comprising the Senior School, Junior Branch and the Pre-Prep, UCS Facilities and UCS International Services Limited) educates over 1,270 children at no cost to the State.

We offer wider access to our schooling through fee assistance and operate a means-tested bursary scheme which can remit up to 100% of fees. More detail is provided under "Fee assistance" below.

The Senior School continues to deliver academic results which are well above the national average and which demonstrate excellent added-value. We also demonstrate particular excellence in subjects that are regarded as at risk or in decline in the maintained sector, such as the sciences, maths, classics, modern languages, drama, music and art history.

We continue our efforts to promote education across the wider community and we offer the use of our facilities to a number of local schools and community groups. More details are provided under "Achievements and Performance" below.

We continue to carry out fundraising activities to provide financial support to the charities "Hands of Hope" in Romania and "El Shaddai Child Rescue" in Goa, India, both of which help severely disadvantaged children. Normally, teams of students travel each year to work alongside the permanent charity staff of each of these charities, and help with teaching and running activities. They have not been able to travel there during the Covid pandemic.

Report of Council for the year ended 31 August 2021

Through our current pupils and former pupils (the "Old Gowers"), UCS provides players, teams and playing venues to support a range of local sports activities and teams, including Athletics, Cricket, Lawn Tennis, Fives, Football and Rugby. We make our playing fields and other sporting facilities available to other schools and sporting organisations. In addition, our swimming pool and indoor sports facilities are well-used by the local community.

Our extensive participation in programmes to promote Young Citizenship and enhance the awareness of street safety, knife crime, alcohol, sexual responsibility, road safety and drugs, benefit not only our pupils and their parents but also the police and local community at large.

We remain very actively engaged in charitable work in the local community and further afield, which not only benefits others but also those pupils engaged in the work (by developing social responsibility). In addition to participating in specific externally organised charity events, our pupils' own Community Action fundraising activities at both the Junior Branch and the Senior School produce tens of £000s per annum for various local and national charities.

Principal Activities in the Year

University College School continues to provide education to boys aged 7 to 11 at its Junior Branch in Holly Hill, Hampstead and to boys aged 11 to 18 and girls aged 16 to 18 at the Senior School in Frognal, Hampstead. The School has sports fields at Ranulf Road, West Hampstead. During the year, the Junior Branch averaged 254 pupils (2020: 255) and the Senior School 923 pupils (2020: 905). Both sixth form year-groups include girls, who were first admitted in 2008. Applications for entry continue to exceed capacity, providing confidence that demand will be sustained in the foreseeable future. At least in part, this may be attributed to the School's very high standards of pastoral care, its resolve to maintain and improve academic standards and its placement of leavers to world-class universities, which in 2021 underpinned the Senior School's position in the premier division of independent day schools.

UCS Pre-Prep provided pre-preparatory education to 96 boys aged 4 to 7 (2020: 98). The Pre-Prep has access to the UCS playing fields at Ranulf Road and to our other facilities at the Frognal and Holly Hill sites.

The impact of Covid-19

The schools were closed for the spring term 2021 and we switched to our tried and trusted remote learning solution, which was again well-received by parents, pupils and staff. The schools reopened for the summer term.

UCS Facilities was unable to offer any external activities for four weeks from 5th November 2020, in compliance with the national lockdown, and was then shut again between 20th December and 29th March 2021.

Over summer the Foundation Management Team ("FMT") again spent a lot of time thinking about and planning how we could re-open the schools in September in the most Covid-secure way. They produced detailed risk assessments and revised operating procedures which were approved by Council before being shared with the school community. FMT reviews those regularly, taking into account feedback from all members of the school community, and adjusts them as required. Feedback from parents, pupils and staff has been supportive. A small minority remain very cautious and concerned. FMT take every opportunity to reassure the school community that they are doing everything they can to make our sites as safe as possible.

Report of Council for the year ended 31 August 2021

Pupils, parents and staff were very pleased that we were able to return to a normal hot lunch provision in September 2021, albeit with the requirement to wear face-coverings when in the lunch queue.

We have complied with all government guidance and in some respects gone further, for instance in enforcing the wearing of masks whilst queueing for lunch.

The financial impact is discussed under "Financial Review" on page 11.

Fee assistance

It is Council's policy to promote wider access to education at the School. In part, this is achieved through the award of bursaries (fee assistance) based on assessed financial need, through scholarships and through discounts. The School continues to actively advertise the availability of fee assistance through its prospectus and website, through feeder schools, local libraries and local newspapers, and through participation in a joint advertising programme with a number of other London schools, including the website www.feeassistancelondonschools.org.uk.

Bursaries awarded in each of the past three years were as follows:

	2021	2020	2019
Fee assistance	£1,259,000	£1,143,000	£1,130,000
Trips/books/exam fees assistance	£1,000	£8,000	£18,000
Number of bursary awards of 75% or more	48	48	52
Number of bursary awards of up to 75%	30	7	7
Number of full-time equivalent bursaries	60	54	57
Scholarship awards	£260,000	£226,000	£146,000
Number of scholarship awards	58	47	42
Other fee discounts	£186,000	£183,000	£183,000
Number of other fee discounts	14	15	17
Total number of awards	150	117	118
Total number of full-time equivalent awards	81	74	73

During the year the School received £828,000 (2020: £921,000) in donations specifically for bursary support, including £720,000 (2020: £742,000) from Frognal Educational Charitable Trust (see Group Structure and Relationships section on page 15)). In addition, the bursary funds received a net £33,000 (2020: £9,000) in income from their fixed asset investments. From those funds, £863,000 (2020: £885,000) was used to support bursaries made in 2020-21. 100% (2020: 100%) of the donation from Frognal Educational Charitable Trust was used to support bursaries in the year, representing 57% (2020: 61%) of the total bursary cost. The restricted funds carried forward to support bursaries in future years totalled £313,000 (2020 - £315,000) (note 13).

We provide bursary support at two entry points: 11+ and 16+. Every applicant is required to submit detailed financial information and supporting documentation. Once a bursary has been awarded it will normally continue throughout the pupil's school life. We do ask parents/guardians to submit updated

Report of Council for the year ended 31 August 2021

financial information each year so that we can check that the level of the bursary award is still appropriate. In practice, there are few changes and any that are required tend to be small.

We again made it clear to parents/guardians that we are a community rather than a business and would continue to support them through these difficult times. We provided an additional £206,000 (2020: £47,000) of hardship support in respect of this year's fees and agreed extended payment terms with a number of other families.

Volunteers

The School continues to benefit immensely from the unstinting efforts of Old Gowers and the Parent Guilds, which provide extensive voluntary service in support of fundraising and general extra-curricular activities. Council remains very appreciative of this valuable support.

Achievements and Performance**Partnerships and Community**

The aim in 2020-21 was to support partner schools with the impact of the pandemic and the lockdowns. The social distancing restrictions meant some of our routine partnership activities, the science immersion mornings and the UCS Summer School, were not able to run but many other events transferred online seamlessly.

Highlights included:

- One teacher (the Head of Maths) was seconded to teach at LAE, Stratford for one day a week throughout the year.
- During the autumn and spring terms, eight UCS teachers delivered weekly support sessions to pupils studying A-Level Maths, Physics, Chemistry and Biology at LAE, Stratford and Michaela Community School. The scheme known as *STEMlink* aimed to support pupils in Year 12 who had missed class time during Year 11 due to the lockdown. Over 30 pupils received weekly support.
- Over three tonnes of non-perishable food was donated on a single day in October by pupils from the Pre Prep, Junior Branch and the Senior School. The food was donated to North Paddington Food Bank.
- Mock interview preparation evenings were arranged for pupils from UCS, MCS, WA, LAE and UCL Academy during the autumn. The interviews were delivered by colleagues, Old Gowers and parents from across the five schools and around 110 pupils were supported. The three evenings were run online and targeted pupils applying for:
 - Medicine
 - STEM courses at Oxford and Cambridge
 - Humanities courses at Oxford and Cambridge
- In the final week of the autumn term, welfare hampers were prepared by pupils throughout the Foundation. Toys, books, and arts and craft equipment, was donated by pupils and parents and these were distributed to families supported by the North Paddington Food Bank. The volume of donations was staggering and filled the school van three times!
- During the build up to the Christmas holidays, UCS pupils made and wrote around 1,600 Christmas cards which were given to residents in local care homes who would not be seeing their families during the festive season.
- In March, UCS teamed up with Forest School, to design a series of science activities and resources which could be delivered by primary school science teachers during the spring lockdown for British Science Week. 150 schools accessed the resources and we estimate 6,000 children used the activities.

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- During the spring term, 23 Year 12 UCS pupils remotely attended co-curricular clubs run by LAE staff. 19 LAE pupils attended UCS clubs remotely during the lockdown and members of the UCS PE department ran separate fitness sessions for the LAE pupils online.
- Maths breakfast clubs were run remotely for two primary schools by Middle School pupils every Friday morning during the spring and summer terms. Over 30 pupils (from Holy Trinity and Richard Cobden Primary Schools) received online support delivered by Remove and Upper Remove pupils.
- During the spring term, 16 LAE pupils joined the Transitus academic enrichment sessions run by UCS staff on Friday afternoons.
- Two Language Immersion mornings were run for primary school children during the summer term. 60 Year 5 pupils attended remotely and were given their first taste of learning German, Mandarin, Spanish and Italian.
- In June, the first UCS Education Conference, known as *The Conversation*, was run online. This was attended by over 50 teachers from UCS and partner schools, and talks were delivered by colleagues and external speakers.
- 6,000 hours of community work was carried out by our Sixth Formers on Friday afternoons. Much of the work had to be done online rather than in-person.

Senior School

In the summer of 2021, our Sixth Form pupils achieved the school's best ever A Level grades, with 49% A* and 88% A*-A. This was a fitting record for the cohort who had previously achieved best ever grades at GCSE two years before. 99% of leavers went to university either immediately or after a gap year, with 87% attending Russell Group universities (incl. 10% Oxbridge). 6% went to US or Canadian universities.

At GCSE level in 2021, the school also enjoyed its best ever set of grades, with 96% 9-7 (A*-A) and 83% 9-8 (A*).

Registrations and acceptances continue to reach high levels, with both 11+ and 16+ entry points receiving record numbers of applicants. The number of people expressing interest in a UCS education has more than doubled over the past ten years. Our commitment to increasing both the awareness and the availability of fee assistance at UCS continues to be effective. A founding member of the London Schools Joint Bursary Advertising initiative, UCS provided fee assistance to the equivalent of 60 (2020: 54) full time bursaries.

Physical developments to the Frognaal site included completion of a refurbished and extended Sixth Form Centre and refurbishment of the Giles Slaughter Lecture Theatre.

The School continues to offer and encourage a wide range of extra-curricular activities, albeit from January-March 2021 this was significantly restricted through the national lock-down. Before that point, all pupils participated in weekly physical education and sport and many represented the School in inter-school fixtures. Main sports are rugby, soccer, cricket, hockey and tennis. Pupils also have the opportunity to play a wide range of indoor sports including: basketball, badminton, squash, fives, fencing, swimming, dance and use of the gym. Outdoor and adventurous activities are growing in popularity, with increasing participation in the Duke of Edinburgh Award Scheme. Indeed, the school received congratulations from the DoE Scheme for maintaining the programme during the Covid period.

Report of Council for the year ended 31 August 2021

Pupils also took full advantage of a wide range of clubs and societies: intellectual, inspirational, aesthetic and recreational. The staff lecture series remains very popular, as do the Academic Symposia for Year 12. Music and drama continue to thrive. There was a full range of classical, jazz and rock concerts through the year, though these were created either remotely or within year group bubbles.

During lockdown the timetable continued remotely and included a continuation of cultural and sporting activities. Particularly popular was the recording and showing on our YouTube channel of a variety of musical, recitation and theatrical performances from all year groups.

Junior Branch

The academic year 2020-2021 was a very challenging year for the Junior Branch. A national lockdown in November 2020 was followed by an extended period of remote learning from January to early March 2021. Towards the end of the academic year Covid case numbers rose again, meaning that many pupils finished the year remote learning.

Throughout these difficult times, however, the flexibility, commitment and engagement of the staff was exceptional and widely recognized by parents, whether it was the online provision during remote learning (which included excellent pastoral care and sports/fitness coaching) or the range of extra clubs and activities put on after the pupils returned from lockdown.

Socially, the pupils took a little time to readjust to normal school routine after the end of the winter lockdown and it was evident that the prolonged spell of isolation had caused stress and mental health issues among some pupils and their families, which resulted in a higher incidence of behavioural concerns than normal in the spring before settling down towards the end of the academic year.

Academically, pupil attainment levels in assessments indicated that online learning provision had been very successful with the vast majority of pupils reaching or even exceeding predicted attainment levels. A small minority had not coped so well with remote learning but these received extra support during term time and with holiday work assignments.

Due to restrictions and lockdowns, there were no concerts or sports fixtures during the year but we did manage to stage a magnificent production of *Nicholas Nickleby* involving every boy in Year 6 in the Lund Theatre. This was an incredible achievement in the circumstances and may well have been unique as a school production in this most difficult of years. We were also proud to carry out a Year 6 residential trip to Kingswood, Norfolk.

Another significant achievement that was able to happen via Zoom was the success of our mathematicians in becoming joint winners of the 2021 National Maths Quiz championship. A very large number of schools across the country enter this competition every year so this was a very considerable success.

During the summer holiday window, a good deal of redevelopment work was carried out improving the aesthetics of the corridor connecting the science lab to the drama studio as well as the stonework under the front balcony. New AstroTurf was fitted in the playground, new wooden flooring installed in the lower corridor and the headmaster's and deputy headmasters' offices were redecorated and recarpeted.

There were four retirements and one other staff departure in July with six new staff, including a new Deputy Head Academic and Assistant Head Admissions starting in September.

Report of Council for the year ended 31 August 2021

UCS Pre-Prep

The Pre-Prep senior management team review the Pre-Prep School Development Plan each year. Due to the impact of Covid, some of last year's development priorities have been moved to this academic year.

The priorities in the current plan are:

Quality of Education: Pupils' Academic Achievements

Curriculum

- Assess the development of mathematical skills across Key Stage One to support the transition to Key Stage 2.

Attainment

- Analyse the reluctance of some very young boys to write, and formulate a research-led approach to develop confidence/attainment.
- Analysis of the More Able and Talented/enrichment programme based on individual need.
- Develop a new assessment system for the Early Years Foundation Stage ("EYFS").

Teaching & Learning

- Embed the new EYFS Framework into Reception teaching, learning and assessment and ensure progression and continuity for Key Stage One transition.

Pupils' Personal Development - Spiritual, moral, social and cultural development of pupils

- Rebuild respectful relationships through collaborative learning, peer reflection, listening to learn and contributing with courtesy.
- Utilise Pupil Attitudes to Self and School ("PASS") data to support pastoral provision and strengthen mindfulness moments.
- Develop the Duke Awards to support life skills in PSHE.

School Premises/Health and Safety

- Reconfigure the playground resources to support independence and choice and to reflect outdoor learning aims.
- Renovate the staff areas to enhance wellbeing.

Contribution to others, the School and Community

- Continue to collaborate with Foundation staff over the schools' sustainability goals.
- Development of meaningful charity projects for the pupils linked to the local community.

Governance, Leadership & Management

- To remain robustly compliant and to have a successful ISI inspection.
- Strengthen opportunities across the Foundation to learn together through collaborative pupil projects and CPD.

End of Key Stage One results

Year 2 Mathematics

- 69% of boys achieved meeting and above, this remains well above the national average with boys working at Year 3 NC level yet it is a decline from 2020 of 15%.
- 80% of pupils with EAL achieved meeting and above and 40% exceeding.
- 100% of pupils with SEND achieved meeting from their starting point of developing/emerging at the end of EYFS.

Report of Council for the year ended 31 August 2021Year 2 Writing

- 60% boys achieved meeting and above compared with 79% in 2020. This is a dip from last year of 20%, mainly because of the impact of Covid. Writing was not successful with home remote learning. It is a key focus for school development.
- 80% of EAL pupils achieved secure or above with 40% exceeding
- 100% of pupils with SEND achieved secure from their starting point of developing/emerging at the end of EYFS.

Year 2 Reading

- 78% boys achieved meeting and above with 34% exceeding and this continues as an area of strength. This is a decline of 10% from 2020 but the pupils' progress through comprehension and reading levels was evident in their work and ongoing assessments.
- 80% of EAL pupils achieved secure and above, with 40% exceeding.
- 100% of pupils with SEND achieved secure or meeting from their starting point of developing/emerging at the end of EYFS.

At 7+ pupils were successful in attaining places at their first choice schools with 100% transferring to the UCS Junior Branch. They were not required to sit the 7+ entrance examination this year because of the impact of Covid and the school closure in January.

Pastoral care continues to be a strength of the school and the relationships between staff, pupils and parents remain very positive. Building on our wellbeing initiatives, the Pre-Prep staff are most conscious of the impact of time out of school on the maturity levels and the independence of the pupils. Therefore, this year there is a focus on embedding some of the key social skills that were missed when the boys were in very small groups.

We used a new assessment system called PASS which focuses on self-esteem and other confidence and resilience values, which we thought would be an excellent focus for Covid-19 catch up. 85% of the boys surveyed felt very positive about their learning, 80% positive about life in school and 85+% being prepared for learning. There were lower results in Year Two, 41%, with self-worth and identity as a learner particularly from the older pupils and we put positive PSHE work into this last term. Based on the data, and the teachers' assessments of pupil wellbeing, we put interventions in place to support some Year Two pupils in Circles of Support each week.

Due to the bubble restrictions we were unable to reinstate many of the cross-age range roles as pupils were not allowed to roam the school site. The Wellbeing Champions, IT Experts and Librarians have had to work with their year groups which was much more limiting.

All year groups enjoyed an excellent range of off-site trips that enriched their learning experiences despite the school's closure due to Covid. Boys visited the Hendon RAF museum, the Roald Dahl museum and an interactive Fire of London workshop. In addition to the off-site excursions, the school provided a range of special themed days, such as: Science Day focusing on the Mars landings, Puzzle and Problem Solving Day and Greek History Off the Page.

The performance of My Heart's Desire (December) was videoed for parents due to the restrictions in place whereas the boys put on three performances of Pictures at an Exhibition in the summer, which delighted parents after such an absence of performing. It highlighted the value of drama, music and dance skills as well as the impact on their social and emotional wellbeing and self-esteem.

Report of Council for the year ended 31 August 2021

The school community raised over £2,000 for a number of national charities throughout the year, including: Comic Relief, UNICEF, Jeans for Genes and the NSPCC. Through linking charity with the curriculum, pupils in the Pre-Prep gained a stronger understanding of how their kindness and generosity supports and helps others, making charitable giving more meaningful for them.

Financial Review

We responded to the Covid crisis by providing fee relief totalling £206,000 (2020: £47,000) to families suffering temporary hardship, and by agreeing deferred payment terms for a number of other families.

A number of employees were furloughed for part of the year. We received £133,000 (2020: £153,000) from the Government's Coronavirus Job Retention Scheme (commonly known as the Furlough Scheme). All employees who were furloughed received 100% of the salary they would have earned had they been working normally.

Consolidated net income in the year was £1,033,000 (2020 - £1,607,000), which was satisfactory. Our annual surpluses are important because they provide the funds to enable us to maintain and improve the buildings from which we operate and the services we provide.

Consolidated income for the year was £26,963,000 (2020 - £26,925,000). The net change was small, but this disguised some large compensating differences: in 2019-20 we gave a rebate of 15% on summer term fees (we froze school fees for 2020-21), restricted donations fell from £1,060,000 to £109,000, and UCSIS turnover fell by £440,000.

Our donation income, by its nature, tends to be fairly lumpy. We adopt conservative assumptions in relation to this type of income in our budgeting process.

We continue to aim to increase fees by the minimum amount required to run our schools effectively and efficiently, and to invest in new and improved facilities where required. In the face of continued Covid uncertainty, we took the decision to freeze our fees for the 2020/21 academic year. Fees were raised by 3.8% (4.8% at the Pre-Prep) for 2021/22.

UCS Facilities, which generates external income from running our sports facilities and hiring out our school buildings, was again hit by the closures required by Covid. Its profits reduced to £329,000 (2020: £445,000, 2019: £813,000). The facilities were closed for four weeks from 5th November 2020, before briefly reopening, and then closed again between 20th December and 29th March. We do expect profits to regain their previous level, but it may take a few years to do so. The sports side is now a relatively mature business and we expect future growth, in normal conditions, to come mainly from external lettings.

Expenditure on charitable activities increased by £1,114,000 (4.7%) to £24,846,000. An analysis is provided in note 5. The figures for 2021 and 2020 are not strictly comparable, as a result of the closure of our operations over the spring term in 2021 and the summer term in 2020. The increase (£336,000) in "Property running costs – non-payroll costs" is the result of stonework repairs at the Frognaal campus which were deferred in 2020.

Report of Council for the year ended 31 August 2021

Total funds of the Group increased by £1,033,000 in the year (2020 - £1,607,000), after gains on investments of £103,000 (2020 - a loss of £6,000).

Capital expenditure totalled £1,637,000 (see note 7). Significant items were: the completion of the redevelopment of our Sixth Form Centre (£931,000) and the purchase of new/replacement IT equipment (£348,000).

Group Bank and cash balances increased by £3,896,000 to £8,422,000 (2020 - £4,526,000), partly caused by the maturity of £1m of term deposits held at 31 August 2020.

As detailed in note 13, unrestricted reserves were boosted by the transfer of £1,781,000 from restricted reserves following the completion of the Sixth Form redevelopment.

Investment powers, policy and performance

The investment sub-committee of Council has agreed with the investment advisers that School trust funds will be managed to maintain their contribution whilst preserving the real value of investments. Aside from this, no formal benchmark is set for investment performance but this is monitored against market conditions. The Governors are satisfied with the performance of the investment funds during the year, in which the value of the portfolio rose from £980,000 to £1,120,000.

Reserves

Notes 13 and 16 to the financial statements show the assets and liabilities attributable to the various funds by type, and also describe the various trusts of the Charity and summarise the year's movements on each fund.

Unrestricted funds amounted to £28,102,000 (2020 - £25,304,000). Of that amount, £23,990,000 (2020 - £23,870,000) is invested in fixed assets (net, after related loans), leaving £4,112,000 (2020 - £1,434,000) of free reserves.

Council has determined that the appropriate level of free reserves which are not invested in tangible fixed assets should be equivalent to 4 months' (one term's) expenditure, approximately £8.7m (2020 - £8.4m). Our policy is, therefore, to build up reserves to that level by means of annual operating surpluses and judicious management of our investment assets, supplemented by general-purpose appeals from time to time. Tangible fixed assets are all held for use by the schools.

Going concern

Council has prepared a prudent two-year income and cash flow forecast covering the period to 31 August 2023. The principal assumptions are: (1) a small increase in pupil numbers at the Senior School; (2) a modest increase in fees from September 2022; and (3) a modest increase in salaries from September 2022. On the basis of that forecast it is expected that the charity will be able to meet all financial commitments as they fall due, including the servicing of debts and associated covenants, and therefore it is appropriate for these financial statements to be prepared on the basis that the charity is a going concern.

Fundraising

We raise funds from parents of current pupils, Old Gowers and selected other individuals and organisations. We do not approach the general public for donations nor do we use professional partners or commercial fundraisers. We have not received any complaints regarding our fundraising. We do not ask for donations from vulnerable people.

Report of Council for the year ended 31 August 2021**Plans for future periods**

As well as seeking to build on already commendable academic results, Council continues to oversee a strategic development plan for the School. Under the guidance of the Headmaster, the UCS Foundation Senior Management Team has finalised its plan for the 2020-25 period. This plan is consistent with the following guiding ethos, aims and means:

The Ethos of the UCS Foundation

UCS was founded to promote the Benthamite principles of liberal scholarship and education. That remains our first and over-riding aspiration. Intellectual curiosity, breadth of study and independence of mind combine to achieve academic excellence; they are not subordinate to it.

Selecting children with no regard to race or creed, UCS fosters in them a sense of community alongside a tolerance of and a respect for the individual. By offering the fullest range of opportunities for personal and for group endeavour, it teaches the value of commitment and the joy of achievement. It is a place of study, but also of self-discovery and self-expression; a school that places equal value on learning with others as on learning from others.

The Aims of the UCS Foundation

UCS seeks to impart or provide:

- A distinctively kind and respectful environment that values diversity, promotes self-awareness and respects every individual in a safe and supportive community.
- An academic education that stimulates, enriches and informs.
- Preparation for the world beyond UCS from a foundation of attitudes, attributes, skills and knowledge.
- A varied experience beyond the classroom that encourages creativity and aspiration and develops the individual talents of every child.
- Opportunities for all members of UCS within the local, national and global communities of which it is a part to recognise, and respond to, their own responsibilities.
- Via a Bursary Fund, an education for a diverse pupil population that will not be restricted by factors such as family income and wealth.

Means to Achieve these Aims

To achieve these aims, the Foundation:

- Has an ongoing development plan for educational and pastoral provision, new buildings, playing areas and facilities.
- Provides opportunities for consultation with staff, parents and pupils.
- Seeks able men and women to serve as governors and uses their experience to help map out a successful future.
- Appoints and assists with the development of talented and inspirational staff.
- Develops close and positive relationships with schools in the maintained sector.
- Provides increased funding for bursaries, to allow a wide intake from the locality.
- Ensures prudent financial management.
- Adopts, and keeps current, suitable policies to ensure that all regulatory requirements are met.

Report of Council for the year ended 31 August 2021**Structure, governance and management****Governing Document**

The Charity was constituted by the University College (Transfer) Act 1905 and is administered in accordance with the 1905 Act as altered or affected by the Scheme dated 9 February 2005 ordered by the Charity Commission for England and Wales ('the Scheme'), and by the statutes contained therein ('the Statutes') as amended by resolutions of Council dated 10 October 2013, 11 October 2018 and 15 October 2020, and in accordance with permissions granted by the Charity Commission.

The Charity changed its name on 16 November 2020, from "University College School, Hampstead" to "University College School". This was to make it easier to register international trademarks as part of our ambition to open branded schools overseas. The Charity is interchangeably known as "University College School, Hampstead", "University College School" and "UCS" and the trustees are confident this name-change will cause no confusion.

Governing Body

The Governing Body of University College School is the Council ('Council'). The members of Council are the charity trustees of the University College School. Members of Council serving at the date of this report, together with their Nominating Bodies, where appropriate, are shown on page 1. No member of Council has been a direct beneficiary of the Charity during the period or preceding year and no member of Council received any remuneration from the Charity during the period (2020 – nil). Members of Council may be reimbursed for costs incurred in attending meetings on behalf of the Charity.

Appointment of Members of Council

In accordance with The Statutes, Council should consist of no fewer than twelve but not more than sixteen members, who each hold office for a term of four years and may be reappointed. There are currently eleven members. Council expect to appoint an additional governor shortly. Of the eleven current members, one is a Nominated Member who was appointed by the following Nominating Body:-

Council of the London Borough of Camden

The remaining ten members are Co-opted Members appointed by resolution of Council. Following the amendment of the Statutes on 10 October 2013, The Corporation of University College School no longer elects members of Council. Current Members nominated by The Corporation of University College School will continue to serve their period of office as Co-opted Members.

Recruitment and Training of Members of Council

In response to vacancies, Co-opted governors are recruited to Council through the nominations process set out in The Statutes. Nominated Members are appointed by the Nominating Bodies. New governors are inducted into the workings of the Charity and its schools, including policy and procedures, through an individually tailored series of meetings with other governors and the executive officers. In addition, they are provided with appropriate publications and updates produced by the Charity Commission, by the Department for Education and by professional bodies concerned with the independent school sector, including the Association of Governing Bodies of Independent Schools (AGBIS), the Independent Schools Council (ISC), the Incorporated Association of Preparatory Schools (IAPS), the Headmasters' Conference (HMC) and the Independent Schools Bursars Association (ISBA). Governors are also provided with a Handbook detailing relevant school information and policies. Where necessary and appropriate, further training is provided through specialist briefings and seminars.

Report of Council for the year ended 31 August 2021**Organisational Management**

Members of Council, as the trustees of the Charity, are legally responsible for the overall management and control of University College School. Council meets at least 3 times each year to receive reports from its sub-committees, the Headmasters, the Director of Finance & Operations and the Director of Development, and to make decisions on reserved matters. The main sub-committees of Council are the Finance & General Purposes Committee, which meets at least 3 times in each year and deals with matters including finance, resources, personnel and property matters, and the Education Committee which meets termly and deals with educational matters. The Investment Committee meets with the investment advisers at least twice a year to review investment policy and its implementation. Membership of the sub-committees is as shown on page 1. Governors are also represented on the school's Health & Safety and Compliance committees.

Day-to-day running of the schools is delegated to the respective head teacher. The Headmaster chairs the Foundation Management Team (FMT), which comprises the Director of Finance & Operations, the Vice Master, the Headmaster of the Junior Branch and the Headmistress of UCS Pre-Prep, with the Director of Partnerships and PR, the Director of Development, the International Director and the Head of HR in attendance. The FMT deals with all aspects of Foundation-wide operations. The Headmaster delegates the chair of other meetings covering a range of School activities to members of FMT, including the Academic Board, Pastoral Committee, the Compliance Committee and the Health & Safety Committee.

Group Structure and Relationships

University College School owns 100% of the share capital of UCS International Services Limited, a company registered in England and Wales (registered number: 12288444). It was incorporated in 2019 to account for the international licensing activities of the Foundation. It produces its own report and accounts, and its results are consolidated in these group accounts.

University College School owns 100% of the share capital of UCS Facilities (Company Number 5926954). Taxable profits generated by UCS Facilities are distributed to University College School. UCS Facilities produces its own annual report and financial statements, and its results are consolidated in the group financial statements of University College School.

Frognal Educational Charitable Trust (Charity Number 286466) is regarded by Council as connected with the School. The Frognal Educational Charitable Trust was constituted by deed on 2 February 1983 and its trustees may apply income and capital to charitable purposes connected with the school, or other charitable purposes, provided that the trustees shall, before exercising their discretion, consider in the first place the requirements of the School. The trustees of the Frognal Educational Charitable Trust are W H Frankel, A G Hillier, L D Bard, R Bondy, C Rodrigues and S Warshaw. New trustees are appointed by a majority of the Provost of University College London, the Chairman of the Council of University College School (2 votes), the Master of the Worshipful Company of Musicians and the Archdeacon of Hampstead. The School provides administrative support to the Frognal Educational Charitable Trust. The trustees of Frognal Educational Charitable Trust have considered the relationship of this charity with the School and have resolved that, in spite of the association, Frognal Educational Charitable Trust is independent, and as a result Council is of the opinion that it would be inappropriate to consolidate Frognal Educational Charitable Trust into its financial statements.

Risk Management

Council is responsible for the management of the major risks faced by the School. Detailed consideration of risk is delegated to the Headmaster and his senior leadership team and reviewed by

Report of Council for the year ended 31 August 2021

the Governance, Nominations and Remuneration Committee. The Charity continues to develop its procedures to monitor and control risk and a formal review of this process is undertaken on an annual basis. Key controls employed by the Charity include:

- Formal agendas and recording for all Council business
- Terms of reference for all committees
- Comprehensive strategic planning, budgeting and management accounting
- Established management structures and lines of reporting
- Formal written policies
- Clear financial authorisation and approval levels
- Stringent application of vetting procedures as required by law and best practice for the protection of the vulnerable.

Through the risk management processes established for the School and overseen by the Governance, Nominations and Remuneration Committee, Council is satisfied that the major risks so far identified have been adequately mitigated where possible. Key risks identified are Covid-safety for all members of the school community, student safety and welfare, school safety, online safety, cybersecurity, employing and retaining inspirational, properly qualified and vetted staff, and financial stability.

It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been adequately managed.

Pay policy for key management personnel

The Governors consider the Headmaster and his key leadership team (which comprises the Heads of the Junior Branch and the Pre-Prep, the Vice-Master and the Director of Finance & Operations) to be the key management personnel in charge of directing and controlling, running and operating the Foundation on a day to day basis.

The pay of the senior staff is reviewed annually and increases are decided after considering market comparisons, any changes in responsibilities, increases in average earnings generally and inflation.

Reference and administrative details

University College School is an unincorporated charity, registered with the Charity Commission in England and Wales (registration number 312748). It is also known as University College School, Hampstead, UCS and UCS Hampstead.

The address of the principal office of the charity is University College School, Frognal, Hampstead, London, NW3 6XH.

The trustees (governors) and executive officers who served during the reporting year and/or on the date of this report are listed on page 1.

Report of Council for the year ended 31 August 2021

Statement of Trustees' Responsibilities

The trustees are responsible for preparing the Report of Council and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales 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 charity and group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011 and the Charity (Accounts and Reports) Regulations 2008. They are also responsible for safeguarding the assets of the charity and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution to reappoint RSM UK Audit LLP as auditors will be put to the trustees at the annual general meeting.

Approved by the Council of University College School on 3 February 2022 and signed on its behalf by:



S Warsaw

Independent Auditor's Report to the Trustees of University College School**Opinion**

We have audited the financial statements of University College School (the "parent charity") and its subsidiaries (the "group") for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated 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 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 group's and charity's affairs as at 31 August 2021 and of their 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 Charities Act 2011.

Basis for opinion

We have been appointed as auditors under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity'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 Report of Council other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Report of Council. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Trustees of University College School

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Report of Council; or
- sufficient accounting records have not been kept by the parent charity; or
- the parent charity financial statements are not in agreement with the accounting records and returns; 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 set out on page 17, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with law and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

Independent Auditor's Report to the Trustees of University College School

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework, that the group and parent charity operates in and how the group and parent charity is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Charities Act 2011, the parent charity's governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Report of Council, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, and evaluating advice received from internal advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The group engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

Independent Auditor's Report to the Trustees of University College School

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. 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 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

RSM UK Audit LLP

Statutory Auditor

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

Bucks

MK9 1BP

8 February 2022

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

UNIVERSITY COLLEGE SCHOOL
Consolidated Statement of Financial Activities
for the year ended 31 August 2021

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	Notes	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2021 £000	Total Funds 2020 £000
Income and endowments					
Donations and legacies	2	886	109	995	1,853
Charitable activities:					
School fees	2	24,572	(142)	24,430	23,005
Other educational income	3	324	-	324	234
Other ancillary income	3	-	-	-	14
Other income	3	28	-	28	-
Other trading activities:					
UCS Facilities - turnover	3	978	-	978	1,154
UCSIS - turnover	3	-	-	-	440
Other	3	166	-	166	168
Investments - gross income	4	4	38	42	57
Total income		26,958	5	26,963	26,925
Expenditure					
Raising funds:	5				
UCS Facilities		682	-	682	722
UCSIS		167	-	167	503
Loan interest and bank charges		128	-	128	182
Costs of generating voluntary income		182	-	182	141
Financing costs arising from Advance Fee Scheme		26	-	26	30
Charitable activities	5	24,756	90	24,846	23,732
Investments - management fees		-	2	2	2
Total expenditure		25,941	92	26,033	25,312
Net gains/(losses) on investments	9	-	103	103	(6)
Net income		1,017	16	1,033	1,607
Transfers between funds	13	1,781	(1,781)	-	-
Net movement in funds		2,798	(1,765)	1,033	1,607
Reconciliation of funds:					
Total funds brought forward		25,304	2,798	28,102	26,495
Total funds carried forward	13	28,102	1,033	29,135	28,102

UNIVERSITY COLLEGE SCHOOL
Balance Sheets as at 31 August 2021

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	Notes	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Fixed assets					
Tangible Assets	7	27,569	28,603	27,449	28,428
Investments	8	1,120	980	1,120	980
Total fixed assets		28,689	29,583	28,569	29,408
Current assets					
Stocks		111	128	39	47
Debtors	10	1,049	3,010	1,803	2,878
Bank term deposits (more than 3 months to maturity)		-	1,000	-	1,000
Cash at bank and in hand		8,422	4,526	7,459	4,081
Total current assets		9,582	8,664	9,301	8,006
Liabilities					
Creditors: Amounts falling due within one year	11	(7,304)	(7,487)	(6,717)	(6,603)
Net current assets		2,278	1,177	2,584	1,403
Creditors: Amounts falling due after more than one year	12	(1,832)	(2,658)	(1,832)	(2,658)
Total net assets		29,135	28,102	29,321	28,153
The funds of the Group/Charity					
Restricted income funds	13	1,033	2,798	1,033	2,798
Unrestricted funds		4,112	1,434	4,298	1,485
Fixed assets fund		23,990	23,870	23,990	23,870
Total unrestricted funds	13	28,102	25,304	28,288	25,355
Total Group/Charity funds		29,135	28,102	29,321	28,153

The accounting policies and notes on pages 25 to 40 form part of these financial statements.

Approved and authorised for issue by the Council on 3 February 2022, and signed on its behalf by:



S Warshaw

UNIVERSITY COLLEGE SCHOOL
Consolidated Statement of Cash Flows
for the year ended 31 August 2021

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Notes	Total Funds 2021 £000	Total Funds 2021 £000	Total Funds 2020 £000	Total Funds 2020 £000
Cash flows from operating activities:				
Net cash provided by operating activities		5,377		3,421
Cash flows from investing activities:				
Dividends and interest	42		57	
Proceeds from the sale of property, plant and equipment	28		1	
Purchase of property, plant and equipment	(1,637)		(2,103)	
Purchase of investments	(37)		(37)	
Net cash used in investing activities	(1,604)	(1,604)	(2,082)	(2,082)
Cash flows from financing activities:				
Repayments of borrowing	(877)		(877)	
Decrease/(Increase) in bank deposits (more than 3 months to maturity)	1,000		(1,000)	
Net cash generated / (used in) by financing activities	123	123	(1,877)	(1,877)
Change in cash and cash equivalents in the year		3,896		(538)
Cash and cash equivalents at the beginning of the year		4,526		5,064
Cash and cash equivalents at the end of the year		8,422		4,526

Reconciliation of net income to net cash flow from operating activities

Net income for the year as per the Statement of Financial Activities	1,033	1,607
Adjustments for:		
Depreciation and amortisation charges	2,671	2,747
(Gains)/losses on investments	(103)	6
Dividends and interest	(42)	(57)
Profit on the disposal of fixed assets	(28)	-
Decrease in stocks	17	73
Decrease/(Increase) in debtors	1,961	(664)
Decrease in creditors	(132)	(291)
Net cash provided by operating activities	5,377	3,421

Analysis of cash and cash equivalents

Cash in hand	8,422	4,526
Total cash and cash equivalents	8,422	4,526

Analysis of net debt

	At 1st September 2020 £000	Cash Flows £000	Other non- cash Changes £000	At 31st August 2021 £000
Cash	4,526	3,896	-	8,422
Cash Equivalents	1,000	(1,000)	-	-
	5,526	2,896	-	8,422
Loans falling due within one year	(877)	-	-	(877)
Loans falling due after more than one year	(1,578)	-	877	(701)
	3,071	2,896	877	6,844

1 Accounting policies**Abbreviations**

The following abbreviations are used in these financial statements:

The Group - University College School and its subsidiary undertakings

UCS International Services Limited and UCS Facilities

The School and the Charity - University College School

UCSIS - UCS International Services Limited

FECT - Frognal Educational Charitable Trust

Charities SORP (FRS 102) - Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition effective 1 January 2019.

FRS 102 - the Financial Reporting Standard applicable in the UK and Republic of Ireland

SoFA - Statement of Financial Activities

VAT - Value Added Tax

The members of Council are also referred to in this report as the Trustees or the Governors.

Basis of preparation and assessment of going concern

The financial statements have been prepared under the historical cost convention with items recognised at cost, transaction value or, in the case of fixed asset investments, at fair value.

The presentation currency is the British Pound and the level of rounding used in the report is to the nearest '£000.

The financial statements have been prepared in accordance with the Charities SORP (FRS 102), FRS 102 and the Charities Act 2011 and UK Generally Accepted Practice.

The Group represents a public benefit entity as defined by FRS 102.

The Trustees consider that there are no material uncertainties about the Group's or School's ability to continue as a going concern.

Basis of consolidation

The consolidated SoFA, the consolidated balance sheet and the consolidated statement of cash flows include the financial statements of the Group made up to 31 August 2021.

UCS Facilities, a wholly owned subsidiary of University College School, commenced trading during 2006-07 and its financial results are included within Group figures.

UCS International Services, a wholly owned subsidiary of University College School, commenced trading during 2019-20 and its financial results are included within Group figures.

The group has taken advantage of the exemption available in section 7 of FRS 102 not to prepare a charity only cash flow statement.

Intra-group transactions are eliminated fully on consolidation. There are no differences in the accounting policies of the three entities that would result in material differences to the financial results of the Group.

The parent charity, University College School, has not published its own SoFA as the results of the parent charity are clearly disclosed in the group SoFA on page 22.

Notes to the financial statements for the year ended 31 August 2021 (continued)

1 Accounting policies (continued)

The financial statements do not include FECT and its wholly owned dormant subsidiary, Frognal Investments Limited, as, in the opinion of the Governors, University College School does not exercise control over FECT.

Income recognition

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

Grants related to the Coronavirus Job Retention Scheme are treated as income in the periods to which each grant claim relates and is treated as other trading activities income in the SoFA.

Income from donations and legacies receivable

Donations and legacies receivable are credited to the SoFA in the year in which they are recognised, following the principles outlined above under "Income recognition", and to restricted or unrestricted funds dependent on any specific donor wishes.

School fees and other educational income

Fees receivable and the related income receivable for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are stated after deducting the costs of bursaries, scholarships and other concessions granted.

Advance Fee Scheme

As explained in note 12, parents may enter into a contract to pay amounts to the School in advance of the relevant school terms. Parents receive discounts for these advance payments, which are effectively finance charges borne by the School. These finance charges are accounted for on a discounted cash flow basis over the related advance fee period, and are included as "Financing costs arising from Advance Fee Scheme" on the face of the SoFA. Advance fee receipts are recognised as creditors upon receipt of the funds.

Refundable deposits

Parents pay a deposit when they contract to send their child to the School. Most of that deposit is refunded against the first term's fees. The balance is retained until their child's last term to offset any incidental costs incurred in that last term, with any balance refunded at the end of their last term. These deposits are disclosed in these financial statements as amounts due within one year.

Expenditure recognition

Expenditure is recognised as soon as there is a legal or constructive obligation committing the Group to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis. All expenses are allocated to the applicable expenditure headings below:

The costs of raising funds comprises the costs of our commercial trading subsidiary, the costs of our international trading subsidiary, interest payable arising on the loan from the Bank of Ireland, the employment costs of our development department and the interest arising under our advance payment of fees scheme.

Charitable activities comprises the costs of teaching, welfare, premises, and support departments. More detail is provided in note 5.

Investment management fees relate to our fixed asset investments which support our restricted funds.

Irrecoverable VAT is charged to the expenditure heading for which it was incurred.

Notes to the financial statements for the year ended 31 August 2021 (continued)

1 Accounting policies (continued)**Operating leases**

Rental payments are charged to the SoFA on a straight-line basis over the lease term.

Pension schemes

The Group contributes to the Teachers' Pension Scheme ("TPS") at a rate set by the Government Actuary. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives 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 projected unit credit method. The TPS is an unfunded, multi-employer scheme with no underlying assets to assign between employers, consequently there is insufficient information available to use defined benefit accounting, and it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the year to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

The Group also operates a Group Personal Pension Scheme for non-teaching staff. This is a defined contribution scheme and all contributions are charged to the SoFA in the year incurred. This scheme is administered by Royal London.

Tangible fixed assets

The original land and buildings of University College School are not considered to be material to the financial statements and are carried at nil value. Subsequent purchases, developments and major improvements have been capitalised at their historic cost.

The costs of maintenance and refurbishment are written off as incurred.

Depreciation is calculated so as to write off the cost of fixed assets, less estimated residual values where applicable, on a straight-line basis over the expected useful lives of the assets concerned. The principal depreciation policies are:

Freehold land - is not depreciated

Freehold buildings - 8 to 25 years

Short leasehold land and buildings - 25 years, or if shorter, the period of the lease

Plant and equipment - 3 to 25 years

The School has an equity interest in a residential property, which was co-purchased with a member of staff as part of an historic recruitment and retention policy which has now ended. The School's share of that property is capitalised at historic cost. The property cost is not depreciated but is subject to an annual impairment review.

Immaterial individual purchases of equipment and computers (costing less than £1,000) are not capitalised, but instead charged as expenditure in the year in which the acquisitions are made.

Investments

Investments in subsidiaries are stated at cost.

Other investments are restated to fair value at each balance sheet date. Realised and unrealised gains are included in the SoFA as "Net gains on investments".

Stock

Stock is stated at the lower of cost and net realisable value. It comprises games kit, books, stationery, catering and cleaning items.

Financial Instruments

The Group has elected to apply the provisions of Section 11 and 12 of FRS 102 in full to all of its financial instruments. The Group only has basic financial instruments.

Notes to the financial statements for the year ended 31 August 2021 (continued)**1 Accounting policies (continued)**

The Group holds the following financial assets and liabilities:

Assets:

Fixed Asset investments

Short term debtors and accrued income

Short term (<1 year) treasury deposits, all with Barclays Bank plc. Deposits with a maturity date of less than 3 months after the balance sheet date are included as cash at bank and in hand in the balance sheet, and as cash and cash equivalents in the statement of cash flows. Deposits with a maturity date of more than 3 months after the balance sheet date are included as bank term deposits in the balance sheet.

Liabilities:

Bank loans

Short term creditors

Financial assets are recognised when the Group becomes contractually entitled to receive cash or other financial assets from a third party.

Financial liabilities are recognised when the Group incurs a legal or constructive obligation to deliver cash or another financial asset to a third party.

Financial assets and liabilities, both short- and long-term, are initially measured at transaction price and are subsequently measured at amortised cost, except for investments which are measured at fair value.

Liquid Resources

These are cash or investments which can be withdrawn within 3 months.

School Trust Funds

These trust funds represent funds donated to the School for specific purposes. Further details of each fund are disclosed in note 13.

Fund accounting

Unrestricted funds are available to use to further any of the purposes of the Charity. Designated funds are unrestricted funds which the trustees have decided at their discretion to set aside for a specific purpose. Restricted funds are to be used in accordance with specific instructions imposed by the donors. Further details of each fund are disclosed in note 13.

Corporation Tax

The School is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

Critical Accounting Estimates and Judgements

Accounting 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 School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions, will, by definition, seldom equal the actual related results.

Notes to the financial statements for the year ended 31 August 2021 (continued)

2 Income and Endowments and Charitable Activities

	2021	2021	2020	2020
	Unrestricted	Restricted	Unrestricted	Restricted
	£000	£000	£000	£000
Donations and Legacy income	886	109	793	1,060
School fee income comprised:				
Gross Fees	26,125	-	24,565	-
Less: Bursary costs	(1,119)	(142)	(1,009)	(142)
Scholarships	(260)	-	(226)	-
Staff fee remissions	(174)	-	(183)	-
	24,572	(142)	23,147	(142)

3 Charitable activities - other unrestricted income

	2021	2020
	£000	£000
Other educational income comprised:		
Fee insurance receipts	15	13
Registration fees	192	167
Courses and other tuition	10	9
Other	107	45
	324	234
Other ancillary income comprised:		
Refectory receipts and other income	-	14
	-	14
Other income comprised:		
Profit on disposal of fixed assets	28	-
	28	-
Other trading activities comprised:		
UCS Facilities - turnover	978	1,154
UCSIS - turnover	-	440
Other - Coronavirus Job Retention Scheme Grant ("CJRS")*	133	153
Other - UCSIS Deferred Tax	32	12
Other - Commission	1	3
	1,144	1,762

*There were no unfulfilled conditions in respect of the CJRS grant income and this is the only form of government assistance during the year.

4 Investments - gross income

	2021	2021	2020	2020
	Unrestricted	Restricted	Unrestricted	Restricted
	£000	£000	£000	£000
Bank interest receivable	4	-	19	-
Dividends	-	38	-	38
	4	38	19	38

Notes to the financial statements for the year ended 31 August 2021 (continued)

5 Expenditure

	Staff costs £000	Other costs £000	2021 £000	2020 £000
Raising funds (unrestricted expenditure):				
UCS Facilities	448	234	682	722
UCSIS	-	167	167	503
Loan interest and bank charges	-	128	128	182
Costs of generating voluntary income	119	63	182	141
Financing costs arising from Advance Fee Scheme	-	26	26	30

	Teaching Activities			2021	2020
	Ages 11-18 £000	Ages 7-10 £000	Ages 4-6 £000	£000	£000
Charitable activities:					
Teachers' payroll and pensions costs	9,826	2,070	1,019	12,915	12,536
Other teaching costs	1,025	251	84	1,360	1,261
Teaching support staff payroll and pensions costs	726	200	76	1,002	1,016
Teaching costs	11,577	2,521	1,179	15,277	14,813
Staff and pupil welfare - payroll costs	562	109	-	671	567
Staff and pupil welfare - non-payroll costs	579	86	20	685	523
Staff and pupil welfare costs	1,141	195	20	1,356	1,090
Property running costs - payroll costs	660	182	69	911	878
Property running costs - non-payroll costs	1,959	215	145	2,319	1,983
Property running costs	2,619	397	214	3,230	2,861
Administrative support - payroll costs	1,035	285	191	1,511	1,417
Administrative support - non-payroll costs	679	25	7	711	745
Administrative support costs	1,714	310	198	2,222	2,162
Grants, awards and prizes	103	2	-	105	63
Governance costs	33	9	-	42	39
Depreciation	2,450	95	69	2,614	2,704
Total Charitable Expenditure	19,637	3,529	1,680	24,846	23,732

Spending on grants, awards and prizes is further analysed between restricted and unrestricted funds below:

2021 Unrestricted £000	2021 Restricted £000	2020 Unrestricted £000	2020 Restricted £000
15	90	4	59

Notes to the financial statements for the year ended 31 August 2021 (continued)

5 Expenditure (continued)

Comparatives for 2020

	Teaching Activities			2020 £000
	Ages 11-18 £000	Ages 7-10 £000	Ages 4-6 £000	
Charitable activities:				
Teachers' payroll and pensions costs	9,512	2,058	966	12,536
Other teaching costs	933	241	87	1,261
Teaching support staff payroll and pensions costs	731	206	79	1,016
Teaching costs	11,176	2,505	1,132	14,813
Staff and pupil welfare - payroll costs	465	102	-	567
Staff and pupil welfare - non-payroll costs	428	80	15	523
Staff and pupil welfare costs	893	182	15	1,090
Property running costs - payroll costs	632	178	68	878
Property running costs - non-payroll costs	1,585	250	148	1,983
Property running costs	2,217	428	216	2,861
Administrative support - payroll costs	956	269	192	1,417
Administrative support - non-payroll costs	704	29	12	745
Administrative support costs	1,660	298	204	2,162
Grants, awards and prizes	60	3	-	63
Governance costs	30	9	-	39
Depreciation	2,510	120	74	2,704
Goodwill amortisation	-	-	-	-
Total Charitable Expenditure	18,546	3,545	1,641	23,732

The above tables analyse expenditure between the Senior School (ages 11-18), the Junior Branch (ages 7-10) and the Pre-Prep (ages 4-6).

Directly incurred costs have been attributed to the relevant school. Property running costs - non-payroll costs include £80,000 (2020 - £80,000) in respect of rent paid under an operating lease.

Shared costs have been apportioned across the schools based on average pupil numbers of 923 (2020 - 905) for the Senior School, 254 (2020 - 255) for the Junior Branch and 96 (2020 - 98) for the Pre-Prep.

Net income on the Statement of Financial Activities includes:	2021 £000	2020 £000
Audit fees - included in Governance costs	35	32
Audit fees - for UCS Facilities, included in costs of raising funds	5	5
Audit fees - for UCSIS, included in costs of raising funds	4	4
Other fees to auditors	7	6
Lease payments recognised as an expense - included in property running costs	80	80
Profit on disposal of fixed assets	(28)	-

All expenditure identified above is unrestricted except for £90,000 (2020 - £60,000) of grants, awards and prizes which were paid by the Prize Fund, Retired Masters Fund and the CILT Fund.

Notes to the financial statements for the year ended 31 August 2021 (continued)

6 Staff costs

	2021 £000	2020 £000
The costs of employing staff in the year are analysed below:		
Wages and salaries	13,489	12,984
Social security costs	1,441	1,402
Employer pension contributions	2,657	2,578
	17,587	16,964
The average number of employees in the year was:	2021	2020
Teaching staff - Senior School	142	136
Junior Branch	30	31
Pre-Prep	22	23
Support staff	157	170
UCS Facilities	45	47
	396	407

The above employee numbers include as "1" any person with a contract of employment on 31 August, regardless of their start-date, and regardless of their full-time-equivalent status. Any employees who left before 31 August are included proportionately, for instance someone leaving on 28 February would be included in the calculation as "0.5". Teaching staff are mostly employed on full-time contracts. A significant proportion of non-teaching staff are employed on part-time contracts or, in the case of UCS Facilities, on zero-hours contracts.

The number of employees in the Group whose annualised emoluments (excluding pension costs) exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	32	32
£70,001 - £80,000	16	14
£80,001 - £90,000	2	3
£90,001 - £100,000	2	3
£100,001 - £110,000	2	1
£110,001 - £120,000	1	-
£170,001 - £180,000	1	1

Key management personnel

The trustees have delegated day-to-day management of the operations of the schools to the Headmaster, who is assisted by his senior leadership team. The senior leadership team comprises the Heads of the Junior Branch and the Pre-Prep, the Vice-Master and the Director of Finance & Operations. Total remuneration and benefits received by the Headmaster and the senior leadership team (together "key management personnel") was £922,000 (2020 - £1,034,000).

The School has taken out professional liability and indemnity insurance covering any losses arising from negligent acts committed by trustees and employees. That insurance also covers the personal liabilities of trustees and employees in respect of those negligent acts, or omissions, provided they acted in good faith. The cost for the year is not separately identifiable from the Group's other insurance premiums.

Pension costs

The number of higher-paid staff to whom retirement benefits are accruing under money purchase and defined benefit schemes were 5 and 50 respectively (2020 - 5 and 48). Contributions in the year in respect of defined benefit schemes for these employees were £872,000 (2020 - £832,000), and contributions to money purchase schemes were £57,000 (2020 - £57,000).

Total employer contributions in the year ended 31 August 2021 amounted to £455,000 in respect of money purchase schemes (2020 - £442,000).

Notes to the financial statements for the year ended 31 August 2021 (continued)

6 Staff costs (continued)

Teachers' Pension Scheme England and Wales ("TPS")

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,158,000 (2020: £2,089,000) and at the year-end £262,000 (2020 - nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the cost cap mechanism review is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Notes to the financial statements for the year ended 31 August 2021 (continued)

7 Tangible fixed assets - Group

	Freehold Property £000	Short Leasehold Property £000	Co-owned Property £000	Plant and Equipment £000	Total £000
Cost at 1 September 2020	54,865	943	65	5,519	61,392
Additions	1,078	-	-	559	1,637
Disposals	(5,939)	-	-	(459)	(6,398)
Cost at 31 August 2021	50,004	943	65	5,619	56,631
Depreciation at 1 September 2020	28,899	650	-	3,240	32,789
Charge for year	1,788	47	-	836	2,671
Disposals	(5,939)	-	-	(459)	(6,398)
Depreciation at 31 August 2021	24,748	697	-	3,617	29,062
Net Book Value at 31 August 2021	25,256	246	65	2,002	27,569
<i>Net Book Value at 1 September 2020</i>	<i>25,966</i>	<i>293</i>	<i>65</i>	<i>2,279</i>	<i>28,603</i>

Tangible fixed assets - Charity

	Freehold Property £000	Short Leasehold Property £000	Co-owned Property £000	Plant and Equipment £000	Total £000
Cost at 1 September 2020	54,865	370	65	5,122	60,422
Additions	1,078	-	-	558	1,636
Disposals	(5,939)	-	-	(459)	(6,398)
Cost at 31 August 2021	50,004	370	65	5,221	55,660
Depreciation at 1 September 2020	28,899	77	-	3,018	31,994
Charge for year	1,788	47	-	780	2,615
Disposals	(5,939)	-	-	(459)	(6,398)
Depreciation at 31 August 2021	24,748	124	-	3,339	28,211
Net Book Value at 31 August 2021	25,256	246	65	1,882	27,449
<i>Net Book Value at 1 September 2020</i>	<i>25,966</i>	<i>293</i>	<i>65</i>	<i>2,104</i>	<i>28,428</i>

The original school land and buildings are listed properties which were transferred to the school in 1905 by The University College (London) Transfer Act at a cost of £100,000. Such land and buildings are now carried at nil value. All other fixed assets are valued at historical cost.

8 Fixed Asset Investments - Group

	2021 £000	2020 £000
Fair value at 1 September	980	949
Additions at cost	37	37
Net realised and unrealised gains/(losses) in year	103	(6)
Fair value at 31 August	1,120	980
Cost as at 31 August	990	948

Notes to the financial statements for the year ended 31 August 2021 (continued)

8 Fixed Asset Investments - Charity

	Other investments (at market value) £000	Total £000
Balance at 1 September 2020	980	980
Additions at cost	37	37
Net realised and unrealised gains in year	103	103
Balance at 31 August 2021	1,120	1,120

Realised and unrealised gains and losses are taken to the SoFA in the year in which they arise.

Analysis of Other Investments held at 31 August 2021 - Group and Charity

Investments comprising more than 5% of total other investments:

	2021 £000	2020 £000
Schroder Charity Multi Asset Fund	989	891
Cash	102	60

Other investments by asset class:

	2021 £000	2020 £000
UK Equities	96	95
Overseas Equities	611	510
Bonds	86	80
Multi-asset funds	17	30
Other	183	182
Cash	127	83
	1,120	980

9 Subsidiaries

UCS International Services Limited (company registration number - 12288444)

The principal activity of the company is the licensing of the UCS brand to companies overseas who wish to establish UCS-branded schools.

The trading results and net assets of UCS International Services for the period, as extracted from the audited financial statements, are summarised below:

	2021 £000	2020 £000
Charitable activities	-	452
Total income	-	452
Raising funds	(167)	(503)
	(167)	(51)
Donation to University College School	-	-
Net expenditure	(167)	(51)
Total assets	546	931
Total liabilities	(732)	(982)
Net liabilities	(186)	(51)

Notes to the financial statements for the year ended 31 August 2021 (continued)

9 Subsidiaries (continued)

UCS Facilities (company registration number - 05926954)

UCS Facilities organises and manages the commercial activity associated with University College School.

The trading results and net assets of UCS Facilities for the year, as extracted from the audited financial statements, are summarised below:

	2021	2020
	£000	£000
Turnover	978	1,154
Cost of sales	(520)	(533)
Administrative expenses	(129)	(176)
Profit	329	445
Distribution to UCS	(329)	(445)
Retained Profit	-	-
Total assets	329	365
Total liabilities	(329)	(365)
Net assets	-	-

10 Debtors

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
School fees	24	76	24	76
Loans to staff	216	209	216	209
Prepayments and accrued income	600	1,002	591	1,002
FECT	-	675	-	675
UCSIS	-	-	223	171
UCS Facilities	-	-	673	644
Other debtors	209	1,048	76	101
	1,049	3,010	1,803	2,878

11 Creditors: amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Trade creditors	1,169	1,861	1,134	1,525
Bank of Ireland loan	877	877	877	877
Fees in advance (note 12)	534	662	534	662
Taxation and social security	368	364	368	364
Refundable deposits	1,471	1,469	1,471	1,469
Accruals	729	930	211	419
Other creditors	2,156	1,324	2,122	1,287
	7,304	7,487	6,717	6,603

The Bank of Ireland loan was originally taken out in 2006 to part-fund new art and design, and modern languages buildings. The loan is repayable at £877,000 per year. This loan was repaid in full on 8 October 2021. Interest is charged at 5.7%. The loan is secured on the school's premises at Redington Road and Ranulf Road. The school's property at Redington Road is carried at its depreciated historic cost of £21,000. The School's playing grounds at Ranulf Road are carried at their depreciated historic cost of £10,445,000 (including all spending on the Kantor Centre and the pitch drainage project).

Pension contributions due but not paid as at 31 August 2021 were £45,000 (2020 - £42,000) and are included in other creditors.

Notes to the financial statements for the year ended 31 August 2021 (continued)

12 Creditors: amounts falling due after more than one year

	Group 2021 £000	Group 2020 £000	Charity 2021 £000	Charity 2020 £000
Co-ownership loan	65	65	65	65
Bank of Ireland loan	636	1,513	636	1,513
Fees in advance	1,131	1,080	1,131	1,080
	1,832	2,658	1,832	2,658

The co-ownership loan of £65,000 is secured on the School's interest in a domestic property and is not repayable for 20 years or, if earlier, at the time of the disposal of the property. Interest is payable at a variable rate of 1.5% above the base rate of The Royal Bank of Scotland plc. The School's share (38.46%) of the co-ownership property is carried at its historic cost of £65,000.

The Trustees have considered the values of the secured properties and consider them to be in excess of the outstanding loan amounts.

Bank loans in total are repayable over periods as shown below:

	2021 £000	2020 £000
After 5 years	65	65
Within 2 to 5 years	-	636
Within 1 to 2 years	636	877
	701	1,578
Within 1 year	877	877
	1,578	2,455

The Bank of Ireland loan is normally disclosed as amounts payable within one year (being £877,000, the normal capital repayment for the following year) and amounts payable after more than one year (the balance).

Advance Fees Scheme

Parents may enter into a contract to pay to the School the equivalent of between 3 and 30 terms' tuition fees in advance. These advance payments can be returned in certain circumstances. Assuming pupils remain in the School, these advance fees will be applied as follows:

	2021 £000	2020 £000
After 5 years	276	224
Within 2 to 5 years	548	448
Within 1 to 2 years	307	408
	1,131	1,080
Within 1 year	534	662
	1,665	1,742

These balances represent the accrued liabilities under the contracts. The movements during the year were:

	£000
Balance at 1 September 2020	1,742
New contracts	582
Amounts accrued to contracts	26
	2,350
Amounts credited to termly fee invoices	(685)
Balance at 31 August 2021	1,665

Notes to the financial statements for the year ended 31 August 2021 (continued)

13 Funds

Unrestricted funds - Group

	Accumulated	Fixed	Total
	Fund	Assets	
	£000	£000	£000
Balance at 1 September 2020	1,434	23,870	25,304
Surplus for the year	1,017	-	1,017
Transferred from restricted funds	1,781	-	1,781
Transfer to Fixed Assets Fund	(120)	120	-
Balance at 31 August 2021	4,112	23,990	28,102

The balance on the Fixed Assets Fund of the Group at 31 August 2021 is represented by the net book value of tangible freehold, leasehold and co-ownership fixed assets (£25,568,000, 2020 - £26,325,000), less the co-ownership loan (£65,000, 2020: £65,000) and the remaining balance on the Bank of Ireland loan (£1,513,000, 2020 - £2,390,000)

Unrestricted funds - Charity

	Accumulated	Fixed	Total
	Fund	Assets	
	£000	£000	£000
Balance at 1 September 2020	1,485	23,870	25,355
Surplus for the year	1,152	-	1,152
Transferred from restricted funds	1,781	-	1,781
Transfer to Fixed Assets Fund	(120)	120	-
Balance at 31 August 2021	4,298	23,990	28,288

Restricted funds - Group and Charity

	Balance at 1 September 2020	Transfer of funds	Income	Realised and unrealised gains	Expenditure	Balance at 31 August 2021
	£000	£000	£000	£000	£000	£000
School Trust Funds						
Prize Fund	519		20	55	(81)	513
Bursary Fund	315		108	33	(143)	313
Retired Masters' Fund	156		6	16	(8)	170
CILT Fund	2		-	-	(2)	-
Project K1	25		-	-	-	25
Sixth Form Project	1,781	(1,781)	-	-	-	-
Eldar Tuvey Economic Research Grant	-		12			12
Total School Trust Funds	2,798	(1,781)	146	104	(234)	1,033

The Restricted Funds are for the following purposes:

The Prize Fund provides prizes for pupils at the School.

The Bursary Fund provides means-tested bursary support to pupils attending the School.

The Retired Masters' Fund provides benefits to former long-serving members of staff.

The CILT (Centre for Innovation and Learning in Teaching) Fund received funds which have been primarily used to pay for the redevelopment and modernisation of the library at the senior school. That project was substantially completed in 2019.

Project K1 is a fund to pay for a creative space next to the Lund Theatre.

The Sixth Form Project fund has raised money to contribute towards the cost of the expansion and modernisation of the Sixth Form space. That project was completed in January 2021. The balance on the fund (£1,781,000) was transferred to unrestricted reserves on 31 August 2021.

The Eldar Tuvey Economic Research Grant funds individual students or student research teams on current economic issues.

Notes to the financial statements for the year ended 31 August 2021 (continued)

14 Capital commitments - Group and Charity

As at 31 August 2021 the Group had no capital commitments. (2020 - £1.2m relating to the sixth form centre)

15 Cash and Cash Equivalents

	Balance at 1 September 2020 £000	Cash flow £000	Balance at 31 August 2021 £000
Cash at Bank and in hand	4,526	3,896	8,422
	4,526	3,896	8,422

16 Analysis of net assets between funds - Group

Net assets are held for the restricted and unrestricted funds as follows:

	Tangible fixed assets £000	Investments and goodwill £000	Net current assets/ (liabilities) £000	Long-term liabilities £000	2021 Total £000	2020 Total £000
Restricted Funds						
School Trust Funds	-	1,120	(87)	-	1,033	2,798
Unrestricted Funds						
Accumulated Fund	2,001	-	3,242	(1,131)	4,112	1,434
Fixed Assets Fund	25,568	-	(877)	(701)	23,990	23,870
	27,569	1,120	2,278	(1,832)	29,135	28,102

Analysis of net assets between funds - Charity

	Tangible fixed assets £000	Investments and goodwill £000	Net current assets/ (liabilities) £000	Long-term liabilities £000	2021 Total £000	2020 Total £000
Restricted Funds						
School Trust Funds	-	1,120	(87)	-	1,033	2,798
Unrestricted Funds						
Accumulated Fund	1,881	-	3,548	(1,131)	4,298	1,485
Fixed Assets Fund	25,568	-	(877)	(701)	23,990	23,870
	27,449	1,120	2,584	(1,832)	29,321	28,153

17 Connected charities

FECT made a donation of £720,000 (2020 - £742,000) towards the cost of the School's bursary support during the year.
FECT owed £1 (2020 - £675,000) to the Group at the year end.

18 Related Party Transactions

UCS International Services was incorporated on 29th October 2019. It is wholly owned by UCS.

UCS Facilities is wholly owned by UCS.

The activities and financial results of UCS International Services Limited and UCS Facilities are explained in the Report of Council and in note 9. The balances outstanding at the year end are disclosed in notes 10 and 11.

Staff loans are provided to key management personnel on the same basis as other staff members. All staff are entitled to apply for a £10,000 10-year interest-free loan to help them buy a property. Two key management personnel have loans outstanding (2020: 2). No new loans were provided in the year. The amount outstanding at the year-end was £8,916 (2020 - £10,916).

A trustee of University College School made a donation of £10,000 to UCS during the year (2020 - £10,000).

19 Trustees' expenses and remuneration

No trustees claimed expenses during the year (2020 - £374). No trustees received remuneration during the year (2020 - nil).

20 Taxation

University College School is a registered charity and as such is entitled to certain tax exemptions on income, profits from investments and surpluses on any trading activities carried on in furtherance of its primary charitable objectives, provided that its profits and surpluses are applied solely for charitable purposes.

UCS Facilities distributes profits to University College School under Gift Aid and incurs no tax liability as a result (2020 - nil).

UCSIS made a loss during the year resulting in a deferred tax asset of £32,000 (2020: £12,000).

21 Other financial commitments

At the year end, the Group had total commitments under non-cancellable operating leases of £1,257,000, as set out below:

	2021	2020
	£000	£000
Payable within 1 year	80	80
Payable within 2 to 5 years	320	320
Payable in more than 5 years	857	937
	1,257	1,337

The operating lease is in respect of school buildings used by the Group.

22 Contingent liabilities

There is a cross guarantee in favour of HM Revenue and Customs in respect of the Charity's membership of the University College School VAT group. At 31 August 2021 the amount of VAT payable to HMRC in respect of the fourth quarter of 2020-21 was £2,350 (2020 - £33,925 due from HMRC) which was settled on 12th October 2021.

23 Financial Instruments

The carrying amount of the Group's financial instruments at fair value at 31 August were:

	2021	2020
	£000	£000
<u>Financial Assets</u>		
Fixed asset investments measured at current fair value	1,120	980

24 Post Balance Sheet Events

Council agreed in its meeting of 18th November 2021 to change the legal status of University College School to a company limited by guarantee. This change is expected to take place in this financial year. There will be no change to the charitable status of University College School.

The trustees of FECT agreed in their meeting of 8th December 2021 to merge the assets of FECT into University College School. This merger is expected to take place in the current financial year.