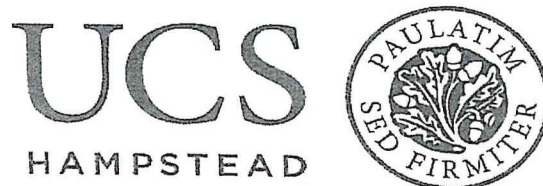


# UNIVERSITY COLLEGE SCHOOL



## ANNUAL REPORT AND FINANCIAL STATEMENTS for the year ended 31 August 2022

Charity Number 312748

**UNIVERSITY COLLEGE SCHOOL**  
**FINANCIAL STATEMENTS**  
**for the year ended 31 August 2022**

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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
S Warsaw, BA, <i>Chair</i>	1			*	*
E A Bingham, OBE, MIPA, MABRP, DBA (resigned 11 December 2021)	1	*		*	*
R Bondy, <i>Vice Chair</i> † (resigned 31 December 2022)	1			*	<i>Chair</i>
N R Gullifer, MA	1		<i>Chair</i>		*
Professor C Tyerman, MA, DPhil (Oxford), (resigned 23 January 2023)	1				
S Grodzinski, QC † § (resigned 24 September 2021)	1				
E Riche, BSc, MBA § (resigned 15 October 2021)	1	*		*	
Dr S Rana, PGCE, BA, MSc PhD (resigned 31 December 2021)	1		*		*
S Soskin	1		*		*
R Datnow, BA, MA, Dip LP (resigned 10 May 2022)	1	*			
S Adams, RIBA, FRSA †	3/1	*			
C Rodrigues, CBE, MBA, MA †	1				*
P Wood, BA, MA, PhD	1		*		
E Ziff, OBE, DL Hon, DBA (appointed 29 September 2021)	1	*			*
A Rao, B(Eng), MBA (appointed 22 October 2021)	1				
Professor L Wei (appointed 3 February 2022)	4				
A Ryker-Gallagher, JD, MBA, § (appointed 17 March 2022)	1	*			
R Gogna, LLB (Hons), § (appointed 28 March 2022)	1				
A Brem, MA, MSc, MBA, § (appointed 28 March 2022)	1	*			
J Cohen, BSc, † § (appointed 30 September 2022)	1	<i>Chair</i>		*	*

† *Old Gower*

§ *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

M J Beard MA, M Ed

The Headmaster of the Junior Branch

L R J Hayward, MA Ed, MA, BA

The Headmistress of the Pre-Prep

Dr Z Dunn PHD, PHQ, B Ed

Director of Finance & Operations and Clerk to the Council

N J Mugridge

Addresses:

The Senior School  
Frognaal  
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 2022**

The Council of Governors of University College School ("UCS") presents its annual report and audited financial statements for the year ended 31 August 2022. 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).

**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 1,280 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 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). We continue to support Equatorial College School, Uganda, with their scholarship/bursary programme, we have relationships with the North Paddington Food Bank, who we collect goods for each term, and with the Children's Literacy Project. Some of our Sixth Form pupils volunteer with the Bloomsbury Football Academy, and we hosted a football boot collection for them to distribute sports shoes to young people in London who would not otherwise be able to afford them.

**Report of Council for the year ended 31 August 2022**

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, including, this year, £5,000 for charities supporting those affected by the war in Ukraine.

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, Tennis, Hockey, 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.

**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 251 pupils (2021: 254) and the Senior School 934 pupils (2021: 923). 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 2022 underpinned the Senior School's position in the premier division of independent day schools.

UCS Pre-Prep provided pre-preparatory education to 98 boys aged 4 to 7 (2021: 96). 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, but reopened for the summer term and remained open for the whole of the 2021-22 academic year. Pupils, parents and staff were very pleased that we were able to return to a normal hot lunch provision in September 2021, albeit initially with the requirement to wear face-coverings when in the lunch queue. We have complied with all government guidance and we remain vigilant.

UCS Facilities was severely affected by various Covid closures, but it was able to remain open for the whole of the 2021-22 financial year and its membership numbers, and commercial activities, have almost fully returned to normal.

The financial impact is discussed under "Financial Review" on page 10.



## Report of Council for the year ended 31 August 2022

## 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.lfac.org.uk](http://www.lfac.org.uk).

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

	2022	2021	2020
Fee assistance	£1,233,000	£1,259,000	£1,143,000
Trips/books/exam fees assistance	£23,000	£1,000	£8,000
Number of bursary awards of 75% or more	50	48	48
Number of bursary awards of up to 75%	21	30	7
Number of full-time equivalent bursaries	56	60	54
Scholarship awards	£336,000	£260,000	£226,000
Number of scholarship awards	56	58	47
Other fee discounts	£218,000	£186,000	£183,000
Number of other fee discounts	18	14	15
Total number of awards	145	150	117
Total number of full-time equivalent awards	83	81	74

During the year the School received £602,000 (2021: £828,000) in donations specifically for bursary support, including £264,000 (2021: £720,000) from Frognal Educational Charitable Trust ("FECT", see Group Structure and Relationships section on page 14). The bursary funds made a net loss of £1,000 on brought forward fixed asset investments (2021: net income of £33,000). From those funds, £409,000 (2021: £863,000) was used to support bursaries made in 2021-22. 100% (2021: 100%) of the donation from FECT was used to support bursaries in the year, representing 21% (2021: 57%) of the total bursary cost. The restricted funds carried forward to support bursaries in future years totalled £7,435,000 (2021 - £313,000) after accounting for the newly consolidated reserves of FECT (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 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 £70,000 (2021: £206,000) of hardship support in respect of this year's fees and agreed extended payment terms with a number of other families.

**Report of Council for the year ended 31 August 2022****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, career networking, interview practice and general extra-curricular activities. Council remains very appreciative of this valuable support.

**Achievements and Performance****Partnerships and Community**

This year saw the return of a fuller partnerships provision than Covid restrictions over the previous two academic years had allowed. This meant the return of in-person visits to and from partnership schools and the UCS Summer School as well as new initiatives such as the Nobel Laureate Lecture Series. Following the expansion of the Partnerships Team in summer 2021, our partnership work now spans the entire curriculum.

A small number of strategic changes have been made in order to shift the focus of partnership work from an events based programme to a partnership provision that aspires to mirror the elements of the educational provision offered to UCS pupils. The new UCS Partnerships Principles Statement provides a reference point for colleagues within the Partnership Team and beyond. It outlines the principles, parameters, aims and importance of partnership work at UCS and makes explicit use of our Statutes, Ethos and Learning Values. It is used internally to guide the strategic aims of partnerships and as a benchmark of criteria by which proposed partnership activities can be judged for suitability.

**Key events included:**

- The Nobel Lecture Series, focussed on STEM subjects, launched successfully in September and was attended by over 150 people from the full range of our partnership secondary schools.
- Many joint events and meetings between pupils from UCS and LAE Stratford, including: LAE Stratford pupils coming to see the Senior School dramatic production of *The Illusion* and then writing reviews for *The Frogna!*, our in-house magazine; the UCS Performing Arts Co-ordinator running weekly confidence and oracy workshops; Year 12 pupils holding a joint academic enrichment day; UCS Senior Jazz performing at LAE, followed by a lecture given by the UCS Head of Jazz; The UCS Visual Arts Subject Partnership Co-ordinator running a joint Year 12 collaborative arts project which culminated in shows at both schools. In addition, two UCS teachers (one Economics and one Chemistry) were seconded to LAE for one day a week.
- Pupils from Fitzjohn's Primary School coming to see the Lower School dramatic production of *Peter Pan* and then taking part in a joint workshop with UCS pupils in Years 7 and 8.
- Pupils from a wide range of partnership secondary schools attending the UCS Careers Fair.
- The UCS Summer School was held in the first four days of the Senior School's summer holidays in July. This took the form of two academic days at Frogna! and two sports days at our playing fields, and was very well attended and appreciated.
- The Lund Gallery hosting shows on consent and International Women's Day, as well as displaying work by Old Gowers and local artists.
- In the autumn term pupils from Transitus and Sixth respectively undertook community and partnership volunteering placements, including at local primary schools and community-based organisations.
- Three primary school immersion days took place; one in Science, one in Geography (a mock COP26 Conference) and one on Modern Languages.



**Report of Council for the year ended 31 August 2022**

- We have started to build a partnership relationship with Hampstead School, involving communications between respective Heads of Dance, Alumni Relations, and Sixth Form (including senior pupils), the latter focussing on pupil leadership.
- Michaela Community School hosted their Sports Day at UCS' playing fields.
- The UCS Headmaster is a governor at two of our partner schools, LAE and Westminster Academy, and the Principal of Westminster Academy is a governor at UCS.
- In preparation for Oxbridge (STEM and Humanities) and medic interviews, mock interview evenings were held online (to mimic the real interviews) for UCS and partnership schools, helping more than 230 pupils. In addition, a number of LAE aspiring medics attended a UCAT training day at UCS.
- Two in-school collections were held for North Paddington Food Bank. The March collection was specifically in response to demand from the organisation for items for their recently established Baby Bank.
- Twenty Remove pupils took part in weekly remote mentoring sessions for primary school pupils at Richard Cobden School, in maths initially and then extending to English from the summer term.
- Across the Foundation we supported Bloomsbury Football's ReBoot scheme to provide football boots to children who might otherwise not be able to afford them. In total, UCS pupils donated 500 pairs of good-quality football boots and trainers they had outgrown.

**Senior School**

In the summer of 2022, our exam-year pupils achieved the school's best ever A Level and GCSE results of all previously examined cohorts. Sixth Form students secured 45% A\* and 96% A\*-A. This was a fitting acknowledgement of the hard work and resilience of this cohort who had not sat GCSEs two years before. 99% of leavers went to university either immediately or after a gap year, with 87% attending Russell Group universities (including 10% Oxbridge). 6% went to US or Canadian universities.

At GCSE level, the school also enjoyed its best ever set of grades, with 77% 9-7 (A\*-A) and 53% 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 56 full time bursaries (c£1.3m).

Physical developments to the Frognal site included masonry work on the Edwardian facades, classroom refurbishments and upgrades to IT infrastructure.

The School continues to offer and encourage a wide range of extra-curricular activities. All pupils participated in weekly physical education and sport, and many represented the School in inter-school fixtures. Main sports are rugby, football, netball, 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.

**Report of Council for the year ended 31 August 2022**

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.

Partnership work with local schools, to mutual benefit for the pupils and staff involved, remains very important to us and we estimate some 2,000 state school pupils were influenced by UCS involvement accordingly. A good deal of community service and fundraising for charity also occurred, involving pupils across the full age range.

**Junior Branch**

After several years of disruption, the academic year 2021-22 was all about getting back to normal. Apart from a limitation on the number of guests allowed in for the Autumn Concert and the enforced cancellation of the Winter Fair due to Covid's resurgence, the rest of the year was able to run very much along pre-Covid lines.

In academic matters, the end of blended learning prompted a shift away from an ICT-reliant curriculum, a move which was very well received by parents, children and teachers alike. Handwritten work in exercise books in pencil became the norm once again and pupils were able to cut down quite significantly on the amount of screen time they were exposed to each day. A programme of curriculum reform in Maths and English was spearheaded by the new Deputy Head Academic and the Assistant Head, alongside improvements in the type and use of tracking data, all in conjunction with the Senior School.

With the exception of our annual ski trip to Italy, our full programme of trips and visits, concerts, plays and sporting fixtures was relaunched. In drama, pupils in lower years performed poems and speeches, which their parents were invited to watch, while Year 5 boys produced Black Box productions of various sketches and Year 6 pupils put on a major production of Animal Farm. Every boy in the school was fully involved in all of these performances.

Music continued to be a major strength of the school with an exceptional level of all-round musicianship on display in our Autumn Concert and again in our individual music concerts in the spring term and music festivals in the summer term.

We ran a full programme of residential trips throughout the year starting with Year 6 to Norfolk, rugby and hockey tours to Wales, a football tour to Spain and another residential trip to Wales. All this was in addition to a regular programme of day trips.

Our pupils reached the grand finals of the National Maths Quiz, National Science Quiz and the National General Knowledge Quiz and thanks to the hard work of all our sustainability groups, our school won the accolade of an Eco Schools Green Flag with Distinction.

Applications for places at 7+ entry remained very high. There were 173 applications in the window just closed for entry in September 2023. When the 30+ Pre-Prep boys (who do not register or sit assessments) are factored in, the overall number is very close to an all-time high.



**Report of Council for the year ended 31 August 2022**

During the summer holiday window a new boiler system was installed. Work was also carried out to allow pupil access to the rear of the building and a new Wellbeing Room was completed.

One member of staff left at the end of the academic year and one relocated to the Senior School.

**UCS Pre-Prep**

The Pre-Prep welcomed visitors, inspiring the children and supporting their learning across topics from the Great Fire of London, World War One, Black History Month, Medieval Britain to Antarctic Exploration. We had puppeteers, illustrators, photographers, authors and film makers, but the most exciting visitors for the boys were the hatching ducklings, the grey partridges, and Dudley, our wellbeing dog.

The children have benefitted from an array of activities to deepen their knowledge and skills across the curriculum and have thoroughly enjoyed trips to the Water and Steam Museum, Camley Reservoir, the Roald Dahl Museum and even behind the scenes at Waitrose, to name a few.

The performances of Cinderella (December) and The Tempest (June) were very well attended and showcased the increased level of ability in dance and music, with some spectacular moments in Cinderella, including solos. It was also noted by many that the iambic pentameter was well delivered in The Tempest.

A lovely initiative began last year, between boys in Year 7 and Reception, with story sharing in the senior school AKO Centre each week. Boys in Year 7 gave up some of their lunchtime to read to the Reception boys. A significant number of those boys attended the Pre-Prep themselves and they have fed back that they really enjoy these sessions. They are continuing this year.

The sixth-formers continue to attend the Pre-Prep each Friday and help with reading, food technology and music. They also visit the allotment and help the Reception boys with their outdoor learning.

The curriculum focus is linked to challenge and our NACE (National Association for More Able Children in Education) project, where boys are focusing on different ways to demonstrate using the learning dinosaur, *Thinkadocus*. This enables them to unpick metacognition, develop their questioning and to learn about desirable difficulty, such as challenge in the context of brain burn.

The Pre-Prep is preparing for the Wellbeing Award for Schools which is a reaccreditation process to highlight the work the school does in promoting and supporting mental health and wellbeing in the school. Wellbeing champions have taken on new roles and now nominate boys in assembly who have demonstrated "Team Rex" learning values (such as collaboration) as well as those who are chosen for the courtesy and consideration badge. This peer review has been very successful in strengthening kindness and empathy for others. Wellbeing Champions promoted the new wellbeing dog: Dudley, the sleepy pug!

The School Council worked to support some playground changes such as the new Minpin gate mural and more living walls. The Eco Warriors helped gain our second green flag (with distinction) and promoted this in their classes.

**Report of Council for the year ended 31 August 2022****Financial Review**

We continued to respond supportively to the Covid crisis by providing fee relief totalling £70,000 (2021: £206,000) to families suffering temporary hardship, and by agreeing deferred payment terms for a number of other families.

Consolidated net income in the year excluding that arising from the consolidation of FECT was £1,712,000 (2021 - £1,033,000), 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.

Total income for the year included restricted income of £6,712,000 arising on the consolidation of FECT, a previously connected but independent charity. As explained under Group Structure and Relationships on page 14, FECT has been consolidated with effect from 30 June 2022. The £6,712,000 represents the net assets of FECT as at 30 June 2022. In addition, FECT made a loss of £47,000 (which included a donation of £264,000 to University College School) between 1 July and 31 August 2022 which has been included in these accounts as: restricted income: a surplus of £217,000; unrestricted income: a reduction of £264,000 (representing the intra-group donation which is required to be reversed out on consolidation). The total restricted income relating to FECT, of £6,929,000, is included within the "Income" total of £7,280,000 included in "Restricted funds - Group" in note 13.

Consolidated income for the year was £36,485,000 (2021 - £26,963,000). The principal increases were: the £6,712,000 consolidation of FECT (explained above); an additional £1,073,000 in fee income (fees were increased by 3.8% (4.8% at the Pre-Prep) on 1<sup>st</sup> September 2021); a return to a full year's turnover (£1,745,000 for 2022, £978,000 for 2021) for our commercial arm, UCS Facilities, as Covid closures ended; an increase in donations and legacy income of £661,000, and the recognition of £500,000 of deferred income by our international subsidiary, UCS International Services Limited ("UCSIS").

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. Fees were raised by 6.8% (5.8% at the Junior Branch) on 1 September 2022.

UCS Facilities, which generates external income from running our sports facilities and hiring out our school buildings, recovered strongly once Covid closures ended. Its profits increased to a more normal £870,000 (2021: £329,000, 2020: £445,000, 2019: £813,000). 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 £1,916,000 (7.7%) to £26,762,000. An analysis is provided in note 5. The figures for 2022 and 2021 are not strictly comparable as a result of the closure of our operations over the spring term in 2021.

Total funds of the Group increased by £8,424,000 in the year (2021 - £1,033,000), after gains on investments of £105,000 (2021 - a £103,000), and after consolidating for the first time the net assets of FECT (see notes 1 and 23).



**Report of Council for the year ended 31 August 2022**

Capital expenditure totalled £955,000 (see note 7). Significant items were: the purchase of new/replacement IT equipment (£410,000), the replacement of the boilers at the Junior Branch (£130,000) and upgrading two toilet blocks at the Senior School (£111,000).

Group bank and term deposit balances fell by £321,000 to £8,101,000 (2021 - £8,422,000), after the early repayment of the outstanding balance (£1,513,000) on the Bank of Ireland loan (see note 11 and 12).

As detailed in note 13, the UCS Bursary Fund was boosted by the consolidation of the net assets of FECT from 30 June 2022 (£6,712,000) plus the net surplus (£217,000, after reversing the £264,000 donation to UCS) achieved by FECT in the two months to 31 August 2022.

**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 £1,120,000 to £6,951,000 (including £5,634,000 arising from the first-time consolidation of FECT).

**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 £29,417,000 (2021 - £28,102,000). Of that amount, £23,949,000 (2021 - £23,990,000) is invested in fixed assets (net, after related loans), leaving £5,468,000 (2021 - £4,112,000) 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 £8.9m (2021 - £8.7m). 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 2024. The principal assumptions are: (1) no further change in pupil numbers; (2) challenging inflation pressures in salaries and overheads; and (3) compensating increases in income. 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.

### **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 Leadership 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 2022****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".

**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 (2021 – 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 thirteen members.

Twelve current members are Co-opted Members appointed by resolution of Council (one was previously a nominee of Camden Council), and one is the nominee of University College, London. 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 Heads' 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.

**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

**Report of Council for the year ended 31 August 2022**

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.

Frogna Educational Charitable Trust (Charity Number 286466) has long been regarded by Council as connected with the School. The trustees of FECT have considered the relationship of this charity with the School and had previously resolved that, in spite of the association, FECT was independent, and as a result Council was of the opinion that it would be inappropriate to consolidate FECT into its financial statements. Following the resignation of three FECT trustees at the start of July 2022, the remaining FECT trustees (all also trustees of University College School) determined that FECT was no longer independent of University College School and that it would be in the best interests of FECT for it to merge with University College School. The results of FECT have been consolidated into these accounts with effect from 30<sup>th</sup> June 2022. The formal merger of FECT and University College School completed on 20<sup>th</sup> October 2022.

**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 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



**Report of Council for the year ended 31 August 2022**

- 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 student safety and welfare, school safety, online safety, cyber security, employing and retaining inspirational, properly qualified and vetted staff, and financial stability.

Council recognises 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 2022****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 9 March 2023 and signed on its behalf by:



S Warshaw

**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 2022 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 2022 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 16, 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 audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to performing tests of detail on a sample of revenue items and 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**

RSM UK Audit LLP

Statutory Auditor

Chartered Accountants

The Pinnacle

170 Midsummer Boulevard

Milton Keynes

Bucks

MK9 1BP

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

**10 March 2023**

UNIVERSITY COLLEGE SCHOOL  
Consolidated Statement of Financial Activities  
for the year ended 31 August 2022

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	Notes	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2022 £000	Total Funds 2021 £000
<b>Income and endowments</b>					
Donations and legacies	2	1,315	341	1,656	995
Charitable activities:					
School fees	2	25,648	(145)	25,503	24,430
Other educational income	3	224	-	224	324
Other ancillary income	3	2	-	2	-
Other income	3	-	-	-	28
Other trading activities:					
UCS Facilities - turnover	3	1,745	-	1,745	978
UCSIS - turnover	3	500	-	500	-
Other	3	3	17	20	166
Investments - gross income	4	27	96	123	42
Other Income - FECT	4	-	6,712	6,712	-
<b>Total income</b>		<b>29,464</b>	<b>7,021</b>	<b>36,485</b>	<b>26,963</b>
<b>Expenditure</b>					
Raising funds:	5				
UCS Facilities		850	-	850	682
UCSIS		236	-	236	167
Loan interest and bank charges		73	-	73	128
Costs of generating voluntary income		222	-	222	182
Financing costs arising from Advance Fee Scheme		19	-	19	26
Charitable activities	5	26,749	13	26,762	24,846
Investments - management fees		-	4	4	2
<b>Total expenditure</b>		<b>28,149</b>	<b>17</b>	<b>28,166</b>	<b>26,033</b>
Net gains on investments	8	-	105	105	103
<b>Net income</b>		<b>1,315</b>	<b>7,109</b>	<b>8,424</b>	<b>1,033</b>
<b>Reconciliation of funds:</b>					
Total funds brought forward		28,102	1,033	29,135	28,102
<b>Total funds carried forward</b>	<b>13</b>	<b>29,417</b>	<b>8,142</b>	<b>37,559</b>	<b>29,135</b>

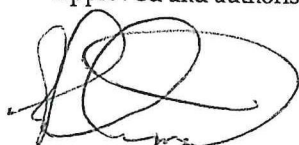
UNIVERSITY COLLEGE SCHOOL  
Balance Sheets as at 31 August 2022

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	Notes	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
<b>Fixed assets</b>					
Tangible Assets	7	25,966	27,569	25,830	27,449
Investments	8	8,051	1,120	1,116	1,120
<b>Total fixed assets</b>		<b>34,017</b>	<b>28,689</b>	<b>26,946</b>	<b>28,569</b>
<b>Current assets</b>					
Stocks		272	111	81	39
Debtors	10	2,183	1,049	2,984	1,803
Bank term deposits (more than 3 months to maturity)		4,000	-	4,000	-
Cash at bank and in hand		4,101	8,422	3,507	7,459
<b>Total current assets</b>		<b>10,556</b>	<b>9,582</b>	<b>10,572</b>	<b>9,301</b>
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	11	(5,913)	(7,304)	(5,670)	(6,717)
<b>Net current assets</b>		<b>4,643</b>	<b>2,278</b>	<b>4,902</b>	<b>2,584</b>
Creditors: Amounts falling due after more than one year	12	(1,101)	(1,832)	(1,032)	(1,832)
<b>Total net assets</b>		<b>37,559</b>	<b>29,135</b>	<b>30,816</b>	<b>29,321</b>
<b>The funds of the Group/Charity</b>					
Restricted income funds	13	8,142	1,033	1,213	1,033
Unrestricted funds		5,468	4,112	5,654	4,298
Fixed assets fund		23,949	23,990	23,949	23,990
<b>Total unrestricted funds</b>	13	<b>29,417</b>	<b>28,102</b>	<b>29,603</b>	<b>28,288</b>
<b>Total Group/Charity funds</b>		<b>37,559</b>	<b>29,135</b>	<b>30,816</b>	<b>29,321</b>

The accounting policies and notes on pages 24 to 39 form part of these financial statements.

Approved and authorised for issue by the Council on 9 March 2023, and signed on its behalf by:



S Warshaw

UNIVERSITY COLLEGE SCHOOL  
Consolidated Statement of Cash Flows  
for the year ended 31 August 2022

23

Notes	Total Funds 2022 £000	Total Funds 2022 £000	Total Funds 2021 £000	Total Funds 2021 £000
<b>Cash flows from operating activities:</b>				
Net cash provided by operating activities		2,116		5,377
<b>Cash flows from investing activities:</b>				
Dividends and interest	123		42	
Proceeds from the sale of property, plant and equipment	-		28	
Purchase of property, plant and equipment	(955)		(1,637)	
Purchase of investments	(92)		(37)	
Net cash used in investing activities	(924)	(924)	(1,604)	(1,604)
<b>Cash flows from financing activities:</b>				
Repayments of borrowing	(1,513)		(877)	
(Increase)/Decrease in bank deposits (more than 3 months to maturity)	(4,000)		1,000	
Net cash (used in)/provided by financing activities	(5,513)	(5,513)	123	123
Change in cash and cash equivalents in the year		(4,321)		3,896
Cash and cash equivalents at the beginning of the year		8,422		4,526
Cash and cash equivalents at the end of the year		4,101		8,422

**Reconciliation of net income to net cash flow from operating activities**

Net income for the year as per the Statement of Financial Activities	8,424	1,033
<b>Adjustments for:</b>		
Depreciation charges	2,558	2,671
Gains on investments	(105)	(103)
Dividends and interest	(123)	(42)
Profit on the disposal of fixed assets	-	(28)
(Increase)/Decrease in stocks	(161)	17
(Increase)/Decrease in debtors	(1,134)	1,961
Decrease in creditors	(631)	(132)
FECT investment assets transfer	(6,712)	-
Net cash provided by operating activities	2,116	5,377

**Analysis of cash and cash equivalents**

Cash in hand	4,101	8,422
Total cash and cash equivalents	4,101	8,422

**Analysis of net debt**

	At 1 September 2021 £000	Cash Flows £000	At 31 August 2022 £000
Cash	8,422	(4,321)	4,101
Bank deposits	-	4,000	4,000
	8,422	(321)	8,101
Loans falling due within one year	(877)	877	-
Loans falling due after more than one year	(701)	636	(65)
	6,844	1,192	8,036



**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 - Frogmal 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 2022.

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.

FECT, a connected charity, has been deemed to be controlled by UCS from 30 June and has therefore been consolidated in the group accounts from that date. Post year-end FECT transferred its assets and liabilities to UCS on 20 October 2022.

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 four 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 21.

**1 Accounting policies (continued)****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.

**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 - 10 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.

**Investment property**

Freehold land and buildings are held as an investment and are included at market value. The trustees review the carrying value annually.

**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 2022 (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 2022 (continued)

## 2 Income and Endowments and Charitable Activities

	2022	2022	2021	2021
	Unrestricted	Restricted	Unrestricted	Restricted
	£000	£000	£000	£000
Donations and Legacy income	1,315	341	886	109
School fee income comprised:				
Gross Fees	27,313	-	26,125	-
Less: Bursary costs	(1,111)	(145)	(1,119)	(142)
Scholarships	(336)	-	(260)	-
Staff fee remissions	(218)	-	(174)	-
	25,648	(145)	24,572	(142)

## 3 Charitable activities - other unrestricted income

	2022	2021
	£000	£000
Other educational income comprised:		
Fee insurance receipts	17	15
Registration fees	174	192
Courses and other tuition	19	10
Other	14	107
	224	324
Other ancillary income comprised:		
Refectory receipts and other income	2	-
	2	-
Other income comprised:		
Profit on disposal of fixed assets	-	28
	-	28
Other trading activities comprised:		
UCS Facilities - Turnover	1,745	978
UCSIS - Turnover	500	-
Other - Coronavirus Job Retention Scheme Grant ("CJRS")*	-	133
Other - UCSIS Deferred Tax	-	32
Other - Rental income	17	-
Other - Commission	3	1
	20	166

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

## 4 Investments - gross income

	2022	2022	2021	2021
	Unrestricted	Restricted	Unrestricted	Restricted
	£000	£000	£000	£000
Bank interest receivable	27	-	4	-
Dividends	-	96	-	38
	27	96	4	38

## Other Income - FECT

As noted in the Report of Council (page 10), total income for the year includes £6,712,000 arising on the consolidation of FECT, a previously connected but independent charity. As explained under Group Structure and Relationships on page 14, FECT has been consolidated with effect from 30 June 2022. The £6,712,000 income in the SoFA represents the net assets of FECT as at 30 June 2022.

## Notes to the financial statements for the year ended 31 August 2022 (continued)

## 5 Expenditure

	Staff costs £000	Other costs £000	2022 £000	2021 £000
Raising funds (unrestricted expenditure):				
UCS Facilities	424	426	850	682
UCSIS	-	236	236	167
Loan interest and bank charges	-	73	73	128
Costs of generating voluntary income	161	61	222	182
Financing costs arising from Advance Fee Scheme	-	19	19	26

	Teaching Activities			2022 £000	2021 £000
	Ages 11-18 £000	Ages 7-10 £000	Ages 4-6 £000		
Charitable activities:					
Teachers' payroll and pensions costs	10,594	2,091	1,093	13,778	12,915
Other teaching costs	1,438	265	95	1,798	1,360
Teaching support staff payroll and pensions costs	728	196	76	1,000	1,002
Teaching costs	12,760	2,552	1,264	16,576	15,277
Staff and pupil welfare - payroll costs	699	134	-	833	671
Staff and pupil welfare - non-payroll costs	691	113	25	829	685
Staff and pupil welfare costs	1,390	247	25	1,662	1,356
Property running costs - payroll costs	705	189	74	968	911
Property running costs - non-payroll costs	2,014	255	169	2,438	2,319
Property running costs	2,719	444	243	3,406	3,230
Administrative support - payroll costs	1,101	296	165	1,562	1,511
Administrative support - non-payroll costs	957	18	6	981	711
Administrative support costs	2,058	314	171	2,543	2,222
Grants, awards and prizes	23	2	-	25	105
Governance costs	32	8	-	40	42
Depreciation	2,375	78	57	2,510	2,614
Total Charitable Expenditure	21,357	3,645	1,760	26,762	24,846

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

2022 Unrestricted £000	2022 Restricted £000	2021 Unrestricted £000	2021 Restricted £000
12	13	15	90

## Notes to the financial statements for the year ended 31 August 2022 (continued)

## 5 Expenditure (continued)

## Comparatives for 2021

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

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 (2021 - £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 934 (2021 - 923) for the Senior School, 251 (2021 - 254) for the Junior Branch and 98 (2021 - 96) for the Pre-Prep.

Net income on the Statement of Financial Activities includes:	2022 £000	2021 £000
Audit fees - included in Governance costs	39	35
Audit fees - for UCS Facilities, included in costs of raising funds	5	5
Audit fees - for UCSIS, included in costs of raising funds	5	4
Other fees to auditors	7	7
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 £13,000 (2021 - £90,000) of awards and prizes which were paid by the Prize Fund and Retired Masters Fund.



## Notes to the financial statements for the year ended 31 August 2022 (continued)

## 6 Staff costs

	2022 £000	2021 £000
The costs of employing staff in the year are analysed below:		
Wages and salaries	14,437	13,489
Social security costs	1,597	1,441
Employer pension contributions	2,746	2,657
	<b>18,780</b>	<b>17,587</b>
The average number of employees in the year was:	<u>2022</u>	<u>2021</u>
Teaching staff - Senior School	141	142
Junior Branch	29	30
Pre-Prep	20	22
Support staff	146	157
UCS Facilities	42	45
	<b>378</b>	<b>396</b>

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:

	2022	2021
£60,001 - £70,000	44	32
£70,001 - £80,000	17	16
£80,001 - £90,000	2	2
£90,001 - £100,000	4	2
£100,001 - £110,000	1	2
£110,001 - £120,000	2	1
£170,001 - £180,000	-	1
£190,001 - £200,000	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 £943,000 (2021 - £922,000).

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 6 and 64 respectively (2021 - 5 and 50). Contributions in the year in respect of defined benefit schemes for these employees were £1,105,000 (2021 - £872,000), and contributions to money purchase schemes were £67,000 (2021 - £57,000).

Total employer contributions in the year ended 31 August 2022 amounted to £472,000 in respect of money purchase schemes (2021 - £455,000). Note that this includes employee contributions made via a salary sacrifice arrangement.

## Notes to the financial statements for the year ended 31 August 2022 (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 £2,218,000 (2021: £2,158,000) and at the year-end £275,000 (2021 - £262,000) 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 employee 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 the 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 judgement 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 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 2022 (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 2021	44,065	943	65	5,160	50,233
Additions	172	-	-	783	955
Cost at 31 August 2022	44,237	943	65	5,943	51,188
Depreciation at 1 September 2021	18,809	697	-	3,158	22,664
Charge for year	1,679	47	-	832	2,558
Depreciation at 31 August 2022	20,488	744	-	3,990	25,222
<b>Net Book Value at 31 August 2022</b>	<b>23,749</b>	<b>199</b>	<b>65</b>	<b>1,953</b>	<b>25,966</b>
<i>Net Book Value at 1 September 2021</i>	<i>25,256</i>	<i>246</i>	<i>65</i>	<i>2,002</i>	<i>27,569</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 2021	44,065	370	65	4,762	49,262
Additions	172	-	-	718	890
Cost at 31 August 2022	44,237	370	65	5,480	50,152
Depreciation at 1 September 2021	18,809	124	-	2,880	21,813
Charge for year	1,679	47	-	783	2,509
Depreciation at 31 August 2022	20,488	171	-	3,663	24,322
<b>Net Book Value at 31 August 2022</b>	<b>23,749</b>	<b>199</b>	<b>65</b>	<b>1,817</b>	<b>25,830</b>
<i>Net Book Value at 1 September 2021</i>	<i>25,256</i>	<i>246</i>	<i>65</i>	<i>1,882</i>	<i>27,449</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

	2022 £000	2021 £000
Fair value at 1 September	1,120	980
Investments - FECT assets on 1 July 2022	5,634	-
Investment property - FECT on 1 July 2022	1,100	-
Additions at cost	92	37
Net realised and unrealised gains in year	105	103
Fair value at 31 August	8,051	1,120
Cost as at 31 August	7,524	990



## Notes to the financial statements for the year ended 31 August 2022 (continued)

## 8 Fixed Asset Investments - Charity

	Other investments (at market value) £000	Total £000
Balance at 1 September 2021	1,120	1,120
Additions at cost	37	37
Net realised and unrealised gains in year	(41)	(41)
Balance at 31 August 2022	1,116	1,116

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 2022 - Charity

Investments comprising more than 5% of total other investments:

	2022 £000	2021 £000
Schroder Charity Multi Asset Fund	942	989
Cash	151	102

Other investments by asset class:

	2022 £000	2021 £000
UK Equities	88	96
Overseas Equities	557	611
Bonds	74	86
Multi-asset funds	16	17
Other	206	183
Cash	175	127
	1,116	1,120

## 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:

	2022 £000	2021 £000
Turnover	500	-
Total income	500	-
Administrative expenses & tax	(236)	(167)
Donation to University College School	264	(167)
Net expenditure	264	(167)
Total assets	291	546
Total liabilities	(213)	(732)
Net assets/(liabilities)	78	(186)

## Frogna Educational Charitable Trust (charity number - 286466)

The principal activity of the trust is to provide funds to support bursaries at University College School.

	2022 £000	2021 £000
Total income	307	934
Charitable expenditure	(245)	(11)
Donation to University College School	62	923
Net expenditure	(268)	(724)
	(206)	199



## Notes to the financial statements for the year ended 31 August 2022 (continued)

## 9 Subsidiaries (continued)

## Frogna! Educational Charitable Trust (charity number - 286466)

	2022	2021
	£000	£000
Total assets	6,934	6,956
Total liabilities	(269)	(85)
Net assets	6,665	6,871

## 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:

	2022	2021
	£000	£000
Turnover	1,745	978
Cost of sales	(625)	(520)
Administrative expenses	(250)	(129)
Profit	870	329
Distribution to UCS	(870)	(329)
Retained Profit	-	-
Total assets	752	329
Total liabilities	(752)	(329)
Net assets	-	-

## 10 Debtors

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
School fees	36	24	36	24
Loans to staff	200	216	200	216
Prepayments and accrued income	549	600	541	591
UCSIS	-	-	189	223
UCS Facilities	-	-	548	673
FECT	-	-	186	-
Other debtors	1,398	209	1,284	76
	2,183	1,049	2,984	1,803

## 11 Creditors: amounts falling due within one year

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Trade creditors	1,282	1,169	1,150	1,134
Bank of Ireland loan	-	877	-	877
Fees in advance (note 12)	539	534	539	534
Taxation and social security	409	368	409	368
Refundable deposits	1,351	1,471	1,351	1,471
Accruals	334	729	292	211
Other creditors	1,998	2,156	1,929	2,122
	5,913	7,304	5,670	6,717

The Bank of Ireland loan was originally taken out in 2006 to part-fund new art and design, and modern languages buildings. This loan was repaid in full on 8th October 2021. Interest was charged at 5.7%. The loan was 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 pavilion and the pitch drainage project).

Pension contributions due but not paid as at 31 August 2022 were £44,000 (2021 - £45,000) and are included in other creditors.

## Notes to the financial statements for the year ended 31 August 2022 (continued)

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

	Group 2022 £000	Group 2021 £000	Charity 2022 £000	Charity 2021 £000
Co-ownership loan	65	65	65	65
Bank of Ireland loan	-	636	-	636
Other creditors	69	-	-	-
Fees in advance	967	1,131	967	1,131
	<b>1,101</b>	<b>1,832</b>	<b>1,032</b>	<b>1,832</b>

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 value of the secured property and consider it to be in excess of the outstanding loan amount.

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

	2022 £000	2021 £000
After 5 years	65	65
Within 1 to 2 years	-	636
	<b>65</b>	<b>701</b>
Within 1 year	-	877
	<b>65</b>	<b>1,578</b>

The Bank of Ireland loan was repaid in full on 8th October 2021.

**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:

	2022 £000	2021 £000
After 5 years	141	276
Within 2 to 5 years	507	548
Within 1 to 2 years	319	307
	<b>967</b>	<b>1,131</b>
Within 1 year	539	534
	<b>1,506</b>	<b>1,665</b>

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

	£000
Balance at 1 September 2021	1,665
New contracts	380
Amounts accrued to contracts	19
	<b>2,064</b>
Amounts credited to termly fee invoices	(558)
Balance at 31 August 2022	<b>1,506</b>

## 13 Funds

## Unrestricted funds - Group

	Accumulated Fund £000	Fixed Assets Fund £000	Total £000
Balance at 1 September 2021	4,112	23,990	28,102
Surplus for the year	1,315	-	1,315
Transfer to Fixed Assets Fund	41	(41)	-
Balance at 31 August 2022	5,468	23,949	29,417

The balance on the Fixed Assets Fund of the Group at 31 August 2022 is represented by the net book value of tangible freehold, leasehold and co-ownership fixed assets (£25,568,000, 2021 - £25,568,000), less the co-ownership loan (£65,000, 2021: £65,000) and the remaining balance on the Bank of Ireland loan (Nil, 2021 - £1,513,000)

## Unrestricted funds - Charity

	Accumulated Fund £000	Fixed Assets Fund £000	Total £000
Balance at 1 September 2021	4,298	23,990	28,288
Surplus for the year	1,315	-	1,315
Transfer to Fixed Assets Fund	41	(41)	-
Balance at 31 August 2022	5,654	23,949	29,603

## Restricted funds - Group

	Balance at 1 September 2021 £000	Income £000	Realised and unrealised gains £000	Expenditure £000	Balance at 31 August 2022 £000
<b>School Trust Funds</b>					
Prize Fund	513	20	(21)	(5)	507
Bursary Fund	313	7,280	(13)	(145)	7,435
Retired Masters' Fund	170	7	(7)	(9)	161
Project K1	25	-	-	-	25
Project 200	-	2	-	-	2
Eldar Tuvey Economic Research Grant	12	-	-	-	12
<b>Total Group Trust Funds</b>	<b>1,033</b>	<b>7,309</b>	<b>(41)</b>	<b>(159)</b>	<b>8,142</b>

## Restricted funds - Charity

	Balance at 1 September 2021 £000	Income £000	Realised and unrealised gains £000	Expenditure £000	Balance at 31 August 2022 £000
<b>School Trust Funds</b>					
Prize Fund	513	20	(21)	(5)	507
Bursary Fund	313	351	(13)	(145)	506
Retired Masters' Fund	170	7	(7)	(9)	161
Project K1	25	-	-	-	25
Project 200	-	2	-	-	2
Eldar Tuvey Economic Research Grant	12	-	-	-	12
<b>Total Charity Trust Funds</b>	<b>1,033</b>	<b>380</b>	<b>(41)</b>	<b>(159)</b>	<b>1,213</b>

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.

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

Project 200 is a capital expenditure fund to celebrate the 200 years of the school.

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 2022 (continued)

## 14 Capital commitments - Group and Charity

As at 31 August 2022 the Group had no capital commitments. (2021 - nil)

## 15 Cash and Cash Equivalents

	Balance at 1 September 2021 £000	Cash flow £000	Balance at 31 August 2022 £000
Cash at Bank and in hand	8,422	(4,321)	4,101
	<b>8,422</b>	<b>(4,321)</b>	<b>4,101</b>

## 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 £000	Long-term liabilities £000	2022 Total £000	2021 Total £000
<b>Restricted Funds</b>						
School Trust Funds	-	8,051	91	-	<b>8,142</b>	1,033
<b>Unrestricted Funds</b>						
Accumulated Fund	1,952	-	4,552	(1,036)	<b>5,468</b>	4,112
Fixed Assets Fund	24,014	-	-	(65)	<b>23,949</b>	23,990
	<b>25,966</b>	<b>8,051</b>	<b>4,643</b>	<b>(1,101)</b>	<b>37,559</b>	<b>29,135</b>

## Analysis of net assets between funds - Charity

	Tangible fixed assets £000	Investments and goodwill £000	Net current assets £000	Long-term liabilities £000	2022 Total £000	2021 Total £000
<b>Restricted Funds</b>						
School Trust Funds	-	1,116	97	-	<b>1,213</b>	1,033
<b>Unrestricted Funds</b>						
Accumulated Fund	1,816	-	4,805	(967)	<b>5,654</b>	4,298
Fixed Assets Fund	24,014	-	-	(65)	<b>23,949</b>	23,990
	<b>25,830</b>	<b>1,116</b>	<b>4,902</b>	<b>(1,032)</b>	<b>30,816</b>	<b>29,321</b>

**17 Related Party Transactions**

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 (2021: 2). No new loans were provided in the year. The amount outstanding at the year-end was £6,916 (2021 - £8,916).

A trustee of University College School made a donation of £20,000 to UCS during the year (2021 - £10,000).

**18 Trustees' expenses and remuneration**

Travelling expenses totalling £964 were claimed by two trustees during the year (2021 - nil). No trustees received remuneration during the year (2021 - nil).

**19 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 (2021 - nil).

UCSIS made a profit during the year resulting in a corporation tax liability of £18,000 (2021: Deferred tax asset £43,000).

FECT is a registered charity and as such is entitled to certain tax exemptions on income, profits from investments and surpluses on any trading activities. No tax is payable in respect of the year ended 31 August 2022. (2021 - nil)

**20 Other financial commitments**

At the year end, the Group had total commitments under non-cancellable operating leases of £1,177,000, as set out below:

	2022	2021
	£000	£000
Payable within 1 year	80	80
Payable within 2 to 5 years	320	320
Payable in more than 5 years	777	857
	<b>1,177</b>	<b>1,257</b>

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

**21 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 2022 the amount of VAT refundable by HMRC in respect of the fourth quarter of 2021-22 was £ 7,125 (2021 - £2,350 due to HMRC) which was settled on 13 October 2022.

**22 Financial Instruments**

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

	2022	2021
	£000	£000
<u>Financial Assets and Investment property</u>		
Fixed asset investments measured at current fair value	8,051	1,120

**23 Post Balance Sheet Events**

Council agreed in its meeting of 18 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 the 2022/23 financial year. There will be no change to the charitable status of University College School.

FECT donated all of its assets and liabilities to UCS on 20 October 2022.