

UNIVERSITY COLLEGE SCHOOL



ANNUAL REPORT AND FINANCIAL STATEMENTS for the year ended 31 August 2023

Charity Number 312748

UNIVERSITY COLLEGE SCHOOL
FINANCIAL STATEMENTS
for the year ended 31 August 2023

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UNIVERSITY COLLEGE SCHOOL
GOVERNORS, OFFICERS AND ADVISERS

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 Warshaw, BA, Chair	1			*	Chair
R Bondy, Vice Chair † (resigned 31 December 2022)	1			*	Chair
N R Gullifer, MA	1		Chair		*
Professor C Tyerman, MA, DPhil (Oxford), (resigned 23 January 2023)	1				
S Soskin	1		*		*
S Adams, RIBA, FRSA †	1	*			
C Rodrigues, CBE, MBA, MA †	1	*			
P Wood, BA, MA, PhD	1		*		
E Ziff, OBE, DL Hon, DBA	1	*		*	*
A Rao, B(Eng), MBA	1		*		
Professor W Li	2		*		
A Ryker-Gallagher, JD, MBA, §	1				
R Gogna, LLB (Hons), §	1				
A Brem, MA, MSc, MBA, §	1	*			
J Cohen, BSc, † § (appointed 30 September 2022)	1	Chair		*	*
R Donner (appointed 29 September 2023)	1				

† Old Gower
§ Parent of a pupil at University College School, Hampstead

1 Co-opted by Council
2 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

Chief Operating Officer and Clerk to the Council	V Heeley BSc, FCA
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Addresses:	The Senior School Frogna London NW3 6XH	The Junior Branch 11 Holly Hill London NW3 6QN	The Pre-Prep 36 College Crescent London NW3 5LF
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The day-to-day running of the schools is delegated to the respective Heads and the Chief Operating Officer.

**UNIVERSITY COLLEGE SCHOOL
GOVERNORS, OFFICERS AND ADVISERS (continued)****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 Blenheim House New Market Road Bury St Edmunds Suffolk IP33 3SB	
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	

UNIVERSITY COLLEGE SCHOOL

Report of Council for the year ended 31 August 2023

The Council of Governors of University College School (“UCS”) presents its annual report and audited financial statements for the year ended 31 August 2023. 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.

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.

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.

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Report of Council for the year ended 31 August 2023

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). A long-standing pupil-led initiative is the annual collection for the North Paddington Food Bank, and the Children’s Literacy Project. Some of our Sixth Form pupils volunteer with the Bloomsbury Football Academy, and, together with our Parents’ Guild, 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. Our Sixth Formers also volunteer in a range of local primary schools and undertake tasks including literacy and numeracy support as well as running sports sessions. In 2022-23 Middle School pupils offered Dance and Playwriting workshops to local primary school children as well as weekly numeracy and literacy mentoring before school over Zoom.

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 produced £24,733 for various local and national charities (2022 - £30,881).

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.

Staff also offer their support to the community, including a number of staff acting as governors at state maintained schools across London and its environs.

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 (2022: 251) and the Senior School 951 pupils (2022: 934). 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

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improve academic standards and its placement of leavers to world-class universities, which in 2023 underpinned the Senior School's position in the premier division of independent day schools.

UCS Pre-Prep provided pre-preparatory education to 96 boys aged 4 to 7 (2022: 98). The Pre-Prep has access to the UCS playing fields at Ranulf Road and to our other facilities at the Frognal and Holly Hill sites.

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.

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

	2023	2022	2021
Fee assistance	£1,366,000	£1,233,000	£1,259,000
Trips/books/exam fees assistance	£26,000	£23,000	£1,000
Number of bursary awards of 75% or more	52	50	48
Number of bursary awards of up to 75%	10	21	30
Number of full-time equivalent bursaries	56	56	60
Scholarship awards	£377,000	£336,000	£260,000
Number of scholarship awards	56	56	58
Other fee discounts	£201,000	£218,000	£186,000
Number of other fee discounts	16	18	14
Total number of awards	134	145	150
Total number of full-time equivalent awards	78	83	81

During the year the School received £669,000 (2022: £602,000) in donations specifically for bursary support. The bursary funds made a net loss of £33,000 on brought forward fixed asset investments (2022: net loss of £1,000). From those funds, £316,000 (2022: £409,000) was used to support bursaries made in 2022-23. The restricted funds carried forward to support bursaries in future years totalled £2,737,000 (Combined 2022 - £2,415,000) after accounting for the reserves of FECT, consolidated in 2022 (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.

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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 £63,000 (2022: £70,000) of hardship support in respect of this year's fees and agreed extended payment terms with a number of other families.

Volunteers

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

Achievements and Performance

Partnerships

The academic year 2022-23 was a very busy year for the team of partnerships coordinators, who ran a wide range of in-person events to and from partnership schools.

In line with our Statement of Partnerships Rationale, Principles and Aims, we continue to look for new ways in which our pupils could benefit from events with partner schools. A key principle is that of a common need between two schools and as such we talk regularly with partner schools about possible opportunities. For example, Westminster Academy has expressed a keen interest in setting up a new art project and this is something we are currently exploring further.

The UCS partnership coordinators have had to build relationships with a number of newly-appointed partnerships leads in our partner schools over the past year. This is essential in ensuring that our programme can thrive in the long-term; staff turnover in partner schools is widely understood to be one of the most significant threats to enduring partnerships.

Key events included:

- A panel interview for prospective medics and a practice interview for those applying for Science, Technology, Engineering and Maths (STEM) subjects at either Oxford or Cambridge. Some 78 pupils from UCS, LAE Stratford, Michaela Community School, UCL Academy and Westminster Academy were hosted for the medics interview evening.
- A few weeks later, the STEM Oxbridge event welcomed 59 students from the same schools. Here, each pupil was offered a similar half-hour interview, but focusing on their chosen subject. From Geology to Maths and Computer Science, pupils were afforded the experience of meeting their interviewer there and then, simulating that real-life scenario, and received feedback to help set them up for the real thing.
- In the Spring Term, an exciting collaborative project took place under the leadership of teachers in the UCS Art and Drama Departments. Pupils from LAE Stratford were invited to attend and participate in a workshop based around building narrative, in response to the Mohammed Sami exhibition at the Camden Arts Centre.
- The Head of Dance at UCS, worked with pupils at another of our partnership primary schools, Argyle Primary School, alongside our Remove (Year 10) pupils on some Dance lessons. UCS pupils visited Argyle to teach certain choreography and skills that they had been working on at UCS.
- We held our second Nobel Laureate Lecture Series event in the early stages of the Autumn Term. These events are designed to stretch Sixth Form pupils' learning beyond their lessons

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and to engage with super-curricular knowledge at a higher and more creative level. 150 pupils from our partner schools attended.

- The UCAT day is a training day for pupils applying to study Medicine at university. It is run by an external company and provides support specifically for the aptitude test that pupils take as part of their application. As we had done in previous years, we were pleased to invite a group of pupils from LAE Stratford to attend. At UCS, there is a small cohort of prospective medics, so opportunities like this are great for them to mix with fellow students. They can provide different insights and ideas, resulting in more stimulating discussions for all concerned.
- Our partnership relationship with the London Academy of Excellence (LAE), Stratford is a hugely rewarding and important one. One feature of this collaboration are the two exchange visits that take place annually.
- This year saw the early development of a new sports science partnership launched in the Summer Term. The project will seek to connect our Lower Remove (Year 9) pupils with peers at Westminster Academy. Supported by Westminster's Science Department and the PE Department at UCS, the pupils explored possible research ideas.
- The Lund Gallery hosted a range of creative exhibitions including a show titled Breaking Character which showcased artwork produced by the newly formed Lund Gallery Committee and LAE, Stratford.
- 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.
- 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.

Senior School

In the summer of 2023, our exam-year pupils sat the first set of fully-examined A Level and GCSE examinations since the summer of 2019. We were delighted for the leaving sixth form cohort, who had not sat formal GCSEs two years previously, in securing 70% (A*-A) and 90% (A*-B). They were placed very straightforwardly into their onward university destinations.

Economics, Business Management, and Finance continue to be very popular courses - nearly one in five students progressing directly to undergraduate were pursuing courses in this field. STEM subjects also continue to be among the most popular, with students pursuing amongst others Engineering, Chemistry, Biochemistry, Computer Science. Students took up places at Oxbridge, on courses such as Material Science, Medicine, History, and English. One student who had originally missed out on a place at Cambridge in the original cycle was then offered a place, following her results, through readjustment. Other courses of note include Cognitive Science at Edinburgh, Liberal Arts at Bristol, Physics with Theoretical Physics at Imperial, and Natural Sciences at Durham. All of our medical applicants met the conditions of their first-choice universities and have started their undergraduate courses this autumn at universities including Nottingham, Oxford and St Andrews. This is in line with previous years, with UCS medics consistently getting offers at a range of institutions. Our North America university applicants received at least one offer, which continues the successes of previous years. Their destinations include Northeastern, NYU, Columbia, and McGill.

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At GCSE level, the school enjoyed its best ever set of grades compared with any pre-pandemic year, with 73% graded at 9-8 (A*) and 43% grade 9.

Registrations and acceptances continue to reach high levels, with both 11+ and 16+ entry points receiving record-equalling 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 Fee Assistance Consortium, UCS provided fee assistance to the equivalent of 56 full time bursaries (c£1.3m).

Physical developments to the Frognaal 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.

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

The academic year 2022-2023 culminated in a very well attended and magnificent Prize Giving ceremony during the course of which the school celebrated the tremendous achievement of very recently winning the National Science Quiz Championship (an annual, national event which most independent schools compete in). We also reached the finals of the National General Knowledge Quiz championship.

In academic matters, the hard work of focusing joint strategies and teaching techniques in the core subjects generated the headwinds for the termly tracking data to show a two-year average progress quotient of 3.0 in reading and 3.5 in maths in the PIRA (English reading) and PUMA (maths) baseline tests (to explain this data, a year on year progress of 0 means a pupil is making the progress anticipated from their previous baseline). This means that the average JB pupil is working at the 90th percentile in English and maths and 95% are above the 70th percentile.

Pupils benefited from a rich and varied Equality, Diversity and Inclusion programme. As well as cross-curricular projects and work during PSHE and Wellbeing lessons, a variety of inspirational speakers led assemblies about a range of disability and gender issues. Work on a new wellbeing room on the top floor was also completed.

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There was also a fulsome programme of activities (80 per week on offer in a typical term). In drama, the Year 6 boys staged a major production of *Peter Pan*, in which every boy in the year group was fully involved, while Year 5 boys performed a series of sketches from *Holes* in the drama studio in the Spring Term. Year 4 boys engaged in a novel and highly successful mime production, while Year 3 parents were also able to watch their sons perform in a poetry jam.

Music continued to be a major strength of the school with an exceptional level of all-round musicianship on display in our Autumn Concert. In the spring term, individual music concerts were held to showcase the talent of individual musicians, while in the summer term, instrumental groups performed in mini music festivals, including a sensational rock concert.

We ran a full programme of residential trips too, starting with our Year 6 boys going on their annual residential trip to Norfolk. We also launched a rugby and hockey tour to Paris in October, a ski trip to Italy in February and a huge football tour to Spain in March. It was particularly nice to see the return of an art and cultural trip to Nice, France in May as well as a Year 4 language trip to northern France in June and an additional trip of the same nature for Year 6 boys (who missed this trip due to Covid in previous years) in late June.

Charity fundraising also remained a focus for the community. As well as the Community Action initiatives, pupils fundraised for Jeans for Genes, Save the Children, Red Nose Day and engaged in a UCS Readathon, raising a total of £7,245 in the year.

During the summer holiday window all external windows and window frames were revamped and repainted.

UCS Pre-Prep

In the autumn term, pupils experienced a series of workshops, visitors and themed days to promote a rich and broad co-curricular offering, such as World War One day, Odd socks anti bullying day, International and Cultural day and World Book Day as well as visitors speaking about Paddington Foodbank and road safety. The pupils attended trips such as the RAF museum, Natural History Museum, the Museum of Steam and Water, West Hampstead Fire Station. Reception children experienced a local tour of the area, celebrating their emergent writing by posting 'letters' to Mr Beard as well as behind the scenes at Waitrose, including tasting the 'King's Cheese' and most excitingly going inside the chiller and freezer! Year Two were invited to join the Sixth Form for a unique remembrance commemoration service as part of their topic on WW1. Owls visited the school as part of the Reception's *Day and Night* topic and boys enjoyed a STEAM workshop where they made spirograph art designs utilising recycled bicycle parts and pantographs.

Over the summer term, the boys celebrated the King's Coronation with a Crown making day and by writing Regal Riddles. They were given a commemorative badge and had red, white and blue snacks prepared by the cooking club to resemble the Union Jack. They raised money for Comic Relief through their swimathon and on Funny Friday where they prepared their best House jokes to share and entertain the Vice Master. The Year Two children also raised money for Fairtrade by hosting a coffee morning and selling the treats made in Food Technology lessons to their parents.

The winter performance of *Puss in Boots* was a real success this year showcasing the dance curriculum and the impact of Year Two having had specialist dance lessons since they joined the Pre-Prep. The

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summer production of King Arthur successfully showcased the boy's developing acting skills and historical knowledge.

Charity was another focus in the year. The school community raised £5,000 at the very well attended Autumn Quiz in September for the Marcus Rashford Foundation and subsequently raised an additional £1,359 for NSPCC and £508 at the Macmillan Coffee morning and £126 during Jeans for Genes day. This Christmas, the boys collected and wrapped presents for the foodbank where they sent over 100 parcels which were distributed to those using the foodbank over December. Year Two also wrote to the residents of a local care home to send festival and seasonal wishes.

At the start of the Spring term, the Year 2 boys held a coffee morning for Fairtrade, as part of their PSHE curriculum and raised over £161. They held a pyjama dress up day and School Council decided to support Beyond -a mental health charity- and raised £100. Through linking charity directly with the curriculum, pupils in the Pre-Prep gain a stronger understanding of how their kindness and generosity supports and helps others, making charitable giving more meaningful for them.

Year 7 and Year 8 boys continue to read to the Reception pupils during their lunchtimes. A significant number of those boys attended the Pre-Prep themselves and they have fed back that they really enjoy these sessions. In addition, each Friday some sixth-formers attend the Pre-Prep and the allotment to support the Pre-Prep boys in activities such as reading, food technology and music.

Work continues on the NACE curriculum project, where this year we focused on extending our dinosaur learning power (askaraptor) to explore metacognition for our age group of pupils. Staff have developed strategies in the classroom and ways to promote toolkits at this age, using one of our mottos: *"You know you are learning when your brain is burning."* The school will aim for accreditation from the National Association for More Able children in Education, in Autumn 2023.

The Pre-Prep successfully gained reaccreditation for the Wellbeing Award for Schools (WAS). This involved a day inspection of the school's processes, procedures and policies as well as interviews with staff, parents and pupils to highlight the work the school does in promoting and supporting mental health and wellbeing in the school. The report noted, "UCS Pre-prep is a fantastic school which is passionately committed to supporting the EWMH of its community. Leaders and staff understand the need to evolve and critique their own practice and adapt provision to the needs of each child." We were asked to become a case study for other schools.

The School Council worked to support some playground changes such as helping to design the new play equipment that will be in the school in Autumn 2023.

Financial Review

Council budget on the basis of making annual surpluses in order to provide the funds to enable us to maintain and improve the buildings from which we operate and the services we provide. However, the inflationary pressures arising from the political and economic environment provided a significant challenge to the School's finances this year. A consolidated net expenditure of £64,000 (Combined 2022 – net income £1,554,000) was reported.

Consolidated income for the year was £31,161,000 (Combined 2022 - £30,006,000). The primary variance relates to a reduction in donations and legacy income of £876,000; and following the cessation of activities, no income was generated in our international subsidiary, UCS International Services Limited ("UCSIS") (compared to £500,000 in 2022). Conversely, an additional £2,035,000 was generated in fee

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income (fees were increased by 6.8% on 1st September 2022) and there was an increase in turnover (£2,065,000 for 2023 compared to £1,745,000 for 2022) for our commercial arm, UCS Facilities.

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 8.7% on 1 September 2023.

UCS Facilities, which generates external income from running our sports facilities and hiring out our school buildings, reported its best ever results. Its profits increased to £1,026,000 (2022: £870,000). The sports side is now a relatively mature business and we expect any future growth to come mainly from external lettings.

Expenditure on charitable activities increased by £2,529,000 (9.4%) to £29,296,000. An analysis is provided in note 5. This was primarily driven by inflationary increases across teaching budgets, food, support resources and energy.

Capital expenditure totalled £1,137,000 (see note 7). Significant items were: funds spent on the Planning Performance Agreement with Camden Council in relation to "Project 200", being the proposed development under the Frognal tennis courts (£407,000); the purchase of new/replacement IT equipment (£324,000); the refurbishment of the pavilion at the Hocroft sports ground (£196,000) and the replacement of the fire alarm system and upgrade of the fire panels at the Senior School (£70,000).

Group bank and term deposit balances increased by £3,742,000 to £7,843,000 (2022 - £4,101,000) (see note 15).

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. In the context of the wider economic environment, the Governors are satisfied with the performance of the investment funds during the year, in which the value of the portfolio fell slightly from £6,951,000 to £6,829,000.

The portfolio includes the funds transferred from FECT in June 2022 which are held with the intention to generate returns to support the provision of bursaries. In addition, the FECT merged assets include land at Osterley, which generates annual rental income.

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 £34,032,000 (Combined 2022 - £34,437,000). Of that amount, £22,981,000 (2022 - £23,949,000) is invested in fixed assets (net, after related loans), leaving £11,051,000 (2022 - £10,488,000) of free reserves.

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Restricted funds amounted to £3,463,000 (Combined 2022 - £3,122,000), primarily held for the provision of means-tested bursary support to pupils, as well as for scholarships, prizes, the development of school facilities and other educational purposes.

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 £9.8m (2022 - £8.9m). Our policy is, therefore, to maintain 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 number of prudent five-year income and cash flow forecasts covering the period to 31 August 2029. These are based on the principal assumption that there continues to be challenging inflationary pressure on salaries and overheads and compensating increases in income. Also modelled are a change in government and the introduction of VAT on school fees and possible loss of tax benefits associated with charitable status. It is expected that the former item would have a short-term impact on pupil numbers and hardship support required for families, but that demand remains high and pupil numbers recover to current levels. On the basis of these forecasts 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 is implementing its plan for the 2020-25 period. This plan is consistent with the Foundation's guiding ethos and aims as set out in the Objectives.

To achieve these aims, the Foundation:

- Has an ongoing development plan for educational and pastoral provision, new buildings, playing areas and facilities. Accordingly, a planning application has recently been submitted to develop the Frognaal site. This development, "Project 200", will provide a new wellbeing centre for pupils, a Lower School Hub, an upgrade to the performing arts facilities and enhance the catering facilities.
- Provides opportunities for consultation with staff, parents and pupils.
- Seeks able 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.

UNIVERSITY COLLEGE SCHOOL

Report of Council for the year ended 31 August 2023

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 the 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 (2022 – 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 fourteen members.

Thirteen 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.

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 from its sub-committees, the Heads, the Chief Operating Officer and the Director of Development, and

UNIVERSITY COLLEGE SCHOOL

Report of Council for the year ended 31 August 2023

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.

The Headmaster chairs the Foundation Cabinet, which comprises the Chief Operating Officer, the Vice Master, the Headmaster of the Junior Branch and the Headmistress of UCS Pre-Prep. The Cabinet directs the strategic development for the UCS Foundation and seeks to enhance the consistency, impact and efficiency of approach to our provision for UCS pupils, parents and staff. Day-to-day running of the schools is delegated to the respective head teacher. The Headmaster delegates the chair of other meetings covering a range of School activities to members of the Senior Leadership Teams, 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. Last year it was decided to withdraw from these activities.

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.

The formal merger of Frogna Educational Charitable Trust (FECT) (Charity Number 286466) and University College School completed on 20th October 2022. As set out in Note 24, this represented a group reconstruction which has been accounted for using merger accounting, and the comparatives have been aggregated and presented as though UCS and FECT were always part of the same reporting charity.

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
- 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.

UNIVERSITY COLLEGE SCHOOL

Report of Council for the year ended 31 August 2023

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, which includes managing the risks associated with ongoing membership of the Teachers' Pension Scheme. Accordingly, following the announcement of an increase to employer contributions (refer to Note 6), Council will look at the opportunities to minimise the financial impact in 2023/24.

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 Chief Operating Officer) 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.

UNIVERSITY COLLEGE SCHOOL

Report of Council for the year ended 31 August 2023

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:

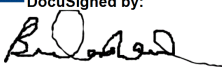
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed 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 21 March 2024 and signed on its behalf by:

DocuSigned by:

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S Warshaw

UNIVERSITY COLLEGE SCHOOL**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 2023 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 2023 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.

UNIVERSITY COLLEGE SCHOOL

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.

UNIVERSITY COLLEGE SCHOOL

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 inspecting any correspondence with local tax authorities and evaluating any advice received from external tax 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.

UNIVERSITY COLLEGE SCHOOL

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

Use of our report

This report is made solely to the charity's trustees as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinion we have formed.

RSM UK Audit LLP
Statutory Auditor
Chartered Accountants
Blenheim House
Bury St Edmunds
Suffolk
IP33 3SB

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

UNIVERSITY COLLEGE SCHOOL
Consolidated Statement of Financial Activities
for the year ended 31 August 2023

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	Notes	Unrestricted Funds £000	Restricted Funds £000	Total Funds 2023 £000	Combined Funds 2022 £000
Income and endowments					
Donations and legacies	2	50	730	780	1,656
Charitable activities:					
School fees	2	27,853	(315)	27,538	25,503
Other educational income	3	258	-	258	224
Other ancillary income	3	2	-	2	2
Other trading activities:					
UCS Facilities - turnover	3	2,065	-	2,065	1,745
UCSIS - income	3	-	-	-	500
Other	3	2	-	2	3
Investments - gross income	4	461	55	516	373
Total income		30,691	470	31,161	30,006
Expenditure					
Raising funds:	5				
UCS Facilities		1,014	-	1,014	850
UCSIS		230	-	230	235
Loan interest and bank charges		26	-	26	73
Costs of generating voluntary income		205	-	205	222
Financing costs arising from Advance Fee Scheme		20	-	20	19
Charitable activities	5	29,264	32	29,296	26,767
Investments - management fees		7	2	9	11
Total expenditure		30,766	34	30,800	28,177
Net loss on investments	8	(330)	(95)	(425)	(275)
Net (expenditure)/income		(405)	341	(64)	1,554
Reconciliation of funds:					
Total funds brought forward		34,437	3,122	37,559	36,005
Total funds carried forward	13	34,032	3,463	37,495	37,559

UNIVERSITY COLLEGE SCHOOL

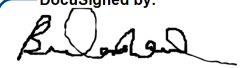
Balance Sheets as at 31 August 2023

22

	Notes	Group 2023 £000	Combined 2022 £000	Charity 2023 £000	Combined 2022 £000
Fixed assets					
Tangible Assets	7	24,636	25,966	24,525	25,830
Investments	8	7,899	8,051	7,899	8,051
Total fixed assets		32,535	34,017	32,424	33,881
Current assets					
Stocks		278	272	84	81
Debtors	10	2,068	2,183	2,498	2,797
Bank term deposits		2,000	4,000	2,000	4,000
Cash at bank and in hand		7,843	4,101	7,576	3,507
Total current assets		12,189	10,556	12,158	10,385
Liabilities					
Creditors: Amounts falling due within one year	11	(6,047)	(5,913)	(5,905)	(5,684)
Net current assets		6,142	4,643	6,253	4,701
Creditors: Amounts falling due after more than one year	12	(1,182)	(1,101)	(1,182)	(1,101)
Total net assets		37,495	37,559	37,495	37,481
The funds of the Group/Charity					
Restricted income funds	13	3,463	3,122	3,463	3,122
Unrestricted funds		11,051	10,488	11,051	10,410
Fixed assets fund		22,981	23,949	22,981	23,949
Total unrestricted funds	13	34,032	34,437	34,032	34,359
Total Group/Charity funds		37,495	37,559	37,495	37,481

The accounting policies and notes on pages 24 to 40 form part of these financial statements.

Approved and authorised for issue by the Council on 21 March 2024, and signed on its behalf by:

DocuSigned by:

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 S Warshaw

UNIVERSITY COLLEGE SCHOOL
Consolidated Statement of Cash Flows
for the year ended 31 August 2023

23

	Notes	Total Funds 2023 £000	Total Funds 2023 £000	Total Funds 2022 £000	Total Funds 2022 £000
Cash flows from operating activities:					
Net cash provided by operating activities			2,636		2,024
Cash flows from investing activities:					
Dividends and interest		516		373	
Purchase of property, plant and equipment		(1,137)		(955)	
Purchase of investments		(273)		(250)	
Net cash used in investing activities		(894)	(894)	(832)	(832)
Cash flows from financing activities:					
Repayments of borrowing		-		(1,513)	
Decrease/(Increase) in bank deposits (more than 3 months to maturity)		2,000		(4,000)	
Net cash provided/(used in) by financing activities		2,000	2,000	(5,513)	(5,513)
Change in cash and cash equivalents in the year			3,742		(4,321)
Cash and cash equivalents at the beginning of the year			4,101		8,422
Cash and cash equivalents at the end of the year			7,843		4,101

Reconciliation of net income to net cash flow from operating activities

Net (expenditure)/income for the year as per the Statement of Financial Activities		(64)		1,554
Adjustments for:				
Depreciation charges		2,467		2,558
Losses on investments		425		275
Dividends and interest		(516)		(373)
Increase in stocks		(6)		(161)
Decrease/(Increase) in debtors		115		(1,134)
Increase/(Decrease) in creditors		215		(695)
Net cash provided by operating activities		2,636		2,024

Analysis of cash and cash equivalents

Cash in hand		7,843		4,101
Total cash and cash equivalents	15	7,843		4,101

Analysis of net debt

	At 1 September 2022 £000	Cash Flows £000	At 31 August 2023 £000
Cash	4,101	3,742	7,843
Bank deposits	4,000	(2,000)	2,000
	8,101	1,742	9,843
Loans falling due after more than one year	(65)	-	(65)
	8,036	1,742	9,778

UNIVERSITY COLLEGE SCHOOL**Notes to the financial statements for the year ended 31 August 2023****1 Accounting policies****Abbreviations**

The following abbreviations are used in these financial statements:

The Group - University College School and its subsidiary undertakings, Frognal Educational Charitable Trust,

UCS International Services Limited and UCS Facilities

The School and the Charity - University College School

UCSIS - UCS International Services Limited

FECT - Frognal Educational Charitable Trust

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

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

SoFA - Statement of Financial Activities

VAT - Value Added Tax

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

Basis of preparation and assessment of going concern

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

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

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

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

Going concern

Council has prepared a number of prudent five-year income and cash flow forecasts covering the period to 31 August 2029. These are based on the principal assumption that there continues to be challenging inflationary pressure on salaries and overheads and compensating increases in income. Also modelled are a change in government and the introduction of VAT on school fees and possible loss of tax benefits associated with charitable status. It is expected that the former item would have a short-term impact on pupil numbers and hardship support required for families, but that demand remains high and pupil numbers recover to current levels. On the basis of these forecasts 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.

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 2023.

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 wholly controlled subsidiary of University College School transferred its assets and liabilities to UCS on 20 October 2022. The previously reported comparative amounts for UCS have been combined with FECT using merger accounting principles for comparison. Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy note.

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.

UNIVERSITY COLLEGE SCHOOL**Notes to the financial statements for the year ended 31 August 2023 (continued)****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.

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, 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.

UNIVERSITY COLLEGE SCHOOL**Notes to the financial statements for the year ended 31 August 2023 (continued)****1 Accounting policies (continued)****Operating leases**

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

Pension schemes

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

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

Tangible fixed assets

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

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

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

Freehold land - is not depreciated

Freehold buildings - 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 held as an investment 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.

UNIVERSITY COLLEGE SCHOOL**Notes to the financial statements for the year ended 31 August 2023 (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.

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Notes to the financial statements for the year ended 31 August 2023 (continued)

2 Income and Endowments and Charitable Activities

	2023 Unrestricted £000	2023 Restricted £000	2023 Total £000	2022 Unrestricted £000	2022 Restricted £000	2022 Total £000
Donations and Legacy income	50	730	780	1,315	341	1,656
School fee income comprised:						
Gross Fees	29,508	-	29,508	27,313	-	27,313
Less: Bursary costs	(1,077)	(315)	(1,392)	(1,111)	(145)	(1,256)
Scholarships	(377)	-	(377)	(336)	-	(336)
Staff fee remissions	(201)	-	(201)	(218)	-	(218)
	27,853	(315)	27,538	25,648	(145)	25,503

3 Charitable activities - other unrestricted income

	2023 £000	2022 £000
Other educational income comprised:		
Fee insurance receipts	15	17
Registration fees	180	174
Courses and other tuition	24	19
Other	39	14
	258	224
Other ancillary income comprised:		
Refectory receipts and other income	2	2
	2	2
Other trading activities comprised:		
UCS Facilities - Turnover	2,065	1,745
UCSIS - Income	-	500
Other - Commission	2	3
	2,067	2,248

4 Investments - gross income

	2023 Unrestricted £000	2023 Restricted £000	Combined 2022 Unrestricted £000	Combined 2022 Restricted £000
Bank interest receivable	206	-	27	-
Property Rent	82	-	-	-
Dividends	173	55	250	96
	461	55	277	96

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Notes to the financial statements for the year ended 31 August 2023 (continued)

5 Expenditure

	Staff costs £000	Other costs £000	2023 £000	2022 £000
Raising funds (unrestricted expenditure):				
UCS Facilities	510	504	1,014	850
UCSIS	222	8	230	235
Loan interest and bank charges	-	26	26	73
Costs of generating voluntary income	137	68	205	222
Financing costs arising from Advance Fee Scheme	-	20	20	19

	Teaching Activities			2023 £000	2022 £000
	Ages 11-18 £000	Ages 7-10 £000	Ages 4-6 £000		
Charitable activities:					
Teachers' payroll and pensions costs	10,920	2,161	1,143	14,224	13,778
Other teaching costs	1,629	329	104	2,062	1,798
Teaching support staff payroll and pensions costs	870	230	88	1,188	1,000
Teaching costs	13,419	2,720	1,335	17,474	16,576
Staff and pupil welfare - payroll costs	901	150	-	1,051	833
Staff and pupil welfare - non-payroll costs	802	125	28	955	829
Staff and pupil welfare costs	1,703	275	28	2,006	1,662
Property running costs - payroll costs	782	206	79	1,067	968
Property running costs - non-payroll costs	2,982	348	239	3,569	2,438
Property running costs	3,764	554	318	4,636	3,406
Administrative support - payroll costs	1,227	324	124	1,675	1,562
Administrative support - non-payroll costs	963	34	8	1,005	981
Administrative support costs	2,190	358	132	2,680	2,543
Grants, awards and prizes	49	4	-	53	25
Governance costs	25	7	-	32	45
Depreciation	2,326	50	39	2,415	2,510
Total Charitable Expenditure	23,476	3,968	1,852	29,296	26,767

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

2023 Unrestricted £000	2023 Restricted £000	2022 Unrestricted £000	2022 Restricted £000
21	32	12	13

UNIVERSITY COLLEGE SCHOOL

Notes to the financial statements for the year ended 31 August 2023 (continued)

5 Expenditure (continued)

<i>Comparatives for 2022</i>	<i>Teaching Activities</i>			2022
	<i>Ages 11-18</i>	<i>Ages 7-10</i>	<i>Ages 4-6</i>	
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Charitable activities:				
Teachers' payroll and pensions costs	10,594	2,091	1,093	13,778
Other teaching costs	1,438	265	95	1,798
Teaching support staff payroll and pensions costs	728	196	76	1,000
Teaching costs	12,760	2,552	1,264	16,576
Staff and pupil welfare - payroll costs	699	134	-	833
Staff and pupil welfare - non-payroll costs	691	113	25	829
Staff and pupil welfare costs	1,390	247	25	1,662
Property running costs - payroll costs	705	189	74	968
Property running costs - non-payroll costs	2,014	255	169	2,438
Property running costs	2,719	444	243	3,406
Administrative support - payroll costs	1,101	296	165	1,562
Administrative support - non-payroll costs	957	18	6	981
Administrative support costs	2,058	314	171	2,543
Grants, awards and prizes	23	2	-	25
Governance costs	35	10	-	45
Depreciation	2,375	78	57	2,510
Total Charitable Expenditure	21,360	3,647	1,760	26,767

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 £130,000 (2022 - £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 951 (2022 - 934) for the Senior School, 251 (2022 - 251) for the Junior Branch and 96 (2022 - 98) for the Pre-Prep.

	2023	2022
	£000	£000
Net income on the Statement of Financial Activities includes:		
Audit fees - included in Governance costs	38	39
Audit fees - for UCS Facilities, included in costs of raising funds	6	5
Audit fees - for UCSIS, included in costs of raising funds	5	5
Other fees to auditors	7	7
Lease payments recognised as an expense - included in property running costs	130	80

All expenditure identified above is unrestricted except for £32,000 (2022 - £13,000) of awards and prizes which were paid by the Prize Fund and Retired Masters Fund.

UNIVERSITY COLLEGE SCHOOL

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Notes to the financial statements for the year ended 31 August 2023 (continued)

6 Staff costs

	2023 £000	2022 £000
The costs of employing staff in the year are analysed below:		
Wages and salaries	14,618	13,811
Social security costs	1,649	1,597
Employer pension contributions	2,856	2,746
	19,123	18,154

The total amount of termination payments made to departing staff was £156,000 (2022 - nil). These amounts are included within expenditure on charitable activities in note 5.

	2023	2022
The average number of employees in the year was:		
Teaching staff - Senior School	133	141
Junior Branch	27	29
Pre-Prep	14	20
Support staff	149	146
UCS Facilities	50	42
	373	378

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:

	2023	2022
£60,001 - £70,000	51	44
£70,001 - £80,000	19	17
£80,001 - £90,000	7	2
£90,001 - £100,000	4	4
£100,001 - £110,000	-	1
£110,001 - £120,000	1	2
£170,001 - £180,000	1	-
£190,001 - £200,000	1	1

Key management personnel

The trustees have delegated day-to-day management of the operations of the schools to the Headmaster, who is assisted by his senior leadership team. The senior leadership team comprises the Heads of the Junior Branch and the Pre-Prep, the Vice-Master and the Chief Operating Officer. Total remuneration and benefits received by the Headmaster and the senior leadership team (together "key management personnel") was £909,000 (2022 - £943,000).

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 7 and 77 respectively (2022 - 6 and 64). Contributions in the year in respect of defined benefit schemes for these employees were £1,319,000 (2022 - £1,105,000), and contributions to money purchase schemes were £41,000 (2022 - £67,000).

Total employer contributions in the year ended 31 August 2023 amounted to £532,000 in respect of money purchase schemes (2022 - £472,000). Note that this includes employee contributions made via a salary sacrifice arrangement.

UNIVERSITY COLLEGE SCHOOL

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Notes to the financial statements for the year ended 31 August 2023 (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 £2,287,000 (2022 - £2,218,000) and at the year-end £280,000 (2022 - £275,000) 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 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

UNIVERSITY COLLEGE SCHOOL

Notes to the financial statements for the year ended 31 August 2023 (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 2022	44,237	943	65	5,943	51,188
Additions	659	-	-	478	1,137
Cost at 31 August 2023	44,896	943	65	6,421	52,325
Depreciation at 1 September 2022	20,488	744	-	3,990	25,222
Charge for year	1,592	34	-	841	2,467
Depreciation at 31 August 2023	22,080	778	-	4,831	27,689
Net Book Value at 31 August 2023	22,816	165	65	1,590	24,636
<i>Net Book Value at 1 September 2022</i>	<i>23,749</i>	<i>199</i>	<i>65</i>	<i>1,953</i>	<i>25,966</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 2022	44,237	370	65	5,480	50,152
Additions	659	-	-	451	1,110
Cost at 31 August 2023	44,896	370	65	5,931	51,262
Depreciation at 1 September 2022	20,488	171	-	3,663	24,322
Charge for year	1,592	34	-	789	2,415
Depreciation at 31 August 2023	22,080	205	-	4,452	26,737
Net Book Value at 31 August 2023	22,816	165	65	1,479	24,525
<i>Net Book Value at 1 September 2022</i>	<i>23,749</i>	<i>199</i>	<i>65</i>	<i>1,817</i>	<i>25,830</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

	2023 £000	2022 £000
Fair value at 1 September	8,051	8,076
Additions at cost	273	250
Net realised and unrealised gains/(loss) in year	(425)	(275)
Fair value at 31 August	7,899	8,051
Cost as at 31 August	7,702	7,524

UNIVERSITY COLLEGE SCHOOL

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Notes to the financial statements for the year ended 31 August 2023 (continued)

8 Fixed Asset Investments - Charity

	Property	Other investments (at market value)	Total
	£000	£000	£000
Balance at 1 September 2022	1,100	6,951	8,051
Additions at cost	-	273	273
Net realised and unrealised loss in year	(30)	(395)	(425)
Balance at 31 August 2023	1,070	6,829	7,899

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

The investment property comprises 12.61 acres of Metropolitan Open Land, with buildings, at Osterly in the London Borough of Harrow which is rented out to a third party at an open-market rent. This property was valued at 1.07m by Gerald Eve, Chartered Surveyors as at 7th November 2023. Therefore the trustees decided to revise the property value as per the valuation.

Analysis of Fixed Asset Investments held at 31 August 2023 - Charity

Investments by asset class:	2023	combined 2022
	£000	£000
Property	1,070	1,100
UK Equities	228	589
Overseas Equities	4,039	3,716
Bonds	813	492
Multi-asset funds	1,009	108
Other	256	1,370
Cash	484	676
	7,899	8,051

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:

	2023	2022
	£000	£000
Turnover	-	500
Total income	-	500
Administrative expenses & tax	(230)	(236)
	(230)	264
Donation to University College School	-	-
Net expenditure	(230)	264
Total assets	28	291
Total liabilities	(180)	(213)
Net (liabilities)/assets	(152)	78

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Notes to the financial statements for the year ended 31 August 2023 (continued)

9 Subsidiaries (continued)

UCS Facilities (company registration number - 05926954)

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

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

	2023	2022
	£000	£000
Turnover	2,065	1,745
Cost of sales	(725)	(625)
Administrative expenses	(314)	(250)
Profit	1,026	870
Distribution to UCS	(1,026)	(870)
Retained Profit	-	-
Total assets	701	752
Total liabilities	(701)	(752)
Net assets	-	-

10 Debtors

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade debtors	125	114	-	-
School fees	70	36	70	36
Loans to staff	215	200	215	200
Prepayments and accrued income	962	549	959	541
UCSIS	-	-	21	189
UCS Facilities	-	-	565	548
Other debtors	696	1,284	668	1,284
	2,068	2,183	2,498	2,798

11 Creditors: amounts falling due within one year

	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£000	£000	£000	£000
Trade creditors	1,495	1,282	1,442	1,150
Fees in advance (note 12)	378	539	378	539
Taxation and social security	444	409	444	409
Refundable deposits	1,373	1,351	1,373	1,351
Accruals	267	334	247	306
Other creditors	2,090	1,998	2,021	1,929
	6,047	5,913	5,905	5,684

Pension contributions due but not paid as at 31 August 2023 were £280,000 (2022 - £44,000) and are included in other creditors.

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Notes to the financial statements for the year ended 31 August 2023 (continued)

12 Creditors: amounts falling due after more than one year

	Group 2023 £000	Group 2022 £000	Charity 2023 £000	Charity 2022 £000
Co-ownership loan	65	65	65	65
Other creditors	69	69	69	69
Fees in advance	1,048	967	1,048	967
	1,182	1,101	1,182	1,101

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:

	2023 £000	2022 £000
After 5 years	65	65
	65	65

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:

	2023 £000	2022 £000
After 5 years	303	141
Within 2 to 5 years	486	507
Within 1 to 2 years	259	319
	1,048	967
Within 1 year	378	539
	1,426	1,506

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

	£000
Balance at 1 September 2022	1,506
New contracts	376
Amounts accrued to contracts	20
	1,902
Amounts credited to termly fee invoices	(476)
Balance at 31 August 2023	1,426

UNIVERSITY COLLEGE SCHOOL

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Notes to the financial statements for the year ended 31 August 2023 (continued)

13 Funds

Unrestricted funds - Group

	Balance at 1 September 2022 Combined £000	Income £000	Realised and unrealised gains/(losses) £000	Expenditure £000	Transfers £000	Balance at 31 August 2023 £000
Accumulated Fund	10,488	30,691	(330)	(30,766)	968	11,051
Fixed Assets Fund	23,949				(968)	22,981
Total Fund	34,437	30,691	(330)	(30,766)	-	34,032

The balance on the Fixed Assets Fund of the Group at 31 August 2023 is represented by the net book value of tangible freehold, leasehold and co-ownership fixed assets (£23,046,000, 2022 - £24,014,000), less the co-ownership loan. (£65,000, 2022 - £65,000)

Unrestricted funds - Charity

	Balance at 1 September 2022 Combined £000	Income £000	Realised and unrealised gains/(losses) £000	Expenditure £000	Transfers £000	Balance at 31 August 2023 £000
Accumulated Fund	10,410	30,691	(330)	(30,688)	968	11,051
Fixed Assets Fund	23,949				(968)	22,981
Total Fund	34,359	30,691	(330)	(30,688)	-	34,032

Restricted funds - Group

	Balance at 1 September 2022 Combined £000	Income £000	Realised and unrealised gains/(losses) £000	Expenditure £000	Balance at 31 August 2023 £000
School Trust Funds					
Prize Fund	507	8	(14)	(6)	495
Bursary Fund	2,415	399	(76)	(1)	2,737
Retired Masters' Fund	160	3	(5)	(6)	152
Kenneth Durham Memorial Fund	1				1
Project K1	25	-	-	-	25
Project 200	2	40	-	-	42
Eldar Tuvey Economic Research Grant	12	-	-	(1)	11
Hocroft pavilion	-	5	-	-	5
Sport field sprinklers	-	15	-	(20)	(5)
Total Group Trust Funds	3,122	470	(95)	(34)	3,463

Restricted funds - Charity

	Balance at 1 September 2022 Combined £000	Income £000	Realised and unrealised gains/(losses) £000	Expenditure £000	Balance at 31 August 2023 £000
School Trust Funds					
Prize Fund	507	8	(14)	(6)	495
Bursary Fund	2,415	399	(76)	(1)	2,737
Retired Masters' Fund	160	3	(5)	(6)	152
Kenneth Durham Memorial Fund	1				1
Project K1	25	-	-	-	25
Project 200	2	40	-	-	42
Eldar Tuvey Economic Research Grant	12	-	-	(1)	11
Hocroft pavilion	-	5	-	-	5
Sport field sprinklers	-	15	-	(20)	(5)
Total Charity Trust Funds	3,122	470	(95)	(34)	3,463

UNIVERSITY COLLEGE SCHOOL

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Notes to the financial statements for the year ended 31 August 2023 (continued)

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.

Hocroft pavilion fund is for the refurbishment of the old building.

Sport field sprinkler fund used for the installation of the new sprinkler system on the grounds.

14 Capital commitments - Group and Charity

As at 31 August 2023 the Group had no capital commitments. (2022 - nil)

15 Cash and Cash Equivalents

	Balance at 1 September 2022 £000	Cash flow £000	Balance at 31 August 2023 £000
Cash at Bank and in hand	4,101	3,742	7,843
Bank term deposits (less than 3 months to maturity)	-	-	-
	4,101	3,742	7,843

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 £000	Net current assets £000	Long-term liabilities £000	2023 Total £000	<i>Combined 2022 Total £000</i>
Restricted Funds						
School Trust Funds	-	1,909	1,554	-	3,463	3,122
Unrestricted Funds						
Accumulated Fund	1,590	5,990	4,588	(1,117)	11,051	10,488
Fixed Assets Fund	23,046	-	-	(65)	22,981	23,949
	24,636	7,899	6,142	(1,182)	37,495	37,559

Analysis of net assets between funds - Charity

	Tangible fixed assets £000	Investments £000	Net current assets £000	Long-term liabilities £000	2023 Total £000	<i>Combined 2022 Total £000</i>
Restricted Funds						
School Trust Funds	-	1,909	1,554	-	3,463	3,122
Unrestricted Funds						
Accumulated Fund	1,479	5,990	4,699	(1,117)	11,051	10,410
Fixed Assets Fund	23,046	-	-	(65)	22,981	23,949
	24,525	7,899	6,253	(1,182)	37,495	37,481

UNIVERSITY COLLEGE SCHOOL**Notes to the financial statements for the year ended 31 August 2023 (continued)****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 (2022: 2). There were no new loans were provided in the year. The amount outstanding at the year-end was £4,915 (2022 - £6,916).

Four trustees of University College School made a donation of £19,000 to UCS during the year (2022 - £20,000).

18 Trustees' expenses and remuneration

Travelling expenses totalling £1,081 were claimed by three trustees during the year (2022 - £964). No trustees received remuneration during the year (2022 - 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 (2022 - nil).

UCSIS made a loss during the year resulting in a corporation tax refund of £18,000 (2022: Tax liability £18,000).

20 Other financial commitments

At the year end, the Group had total commitments under non-cancellable operating leases of £1,508,000, as set out below:

	2023	2022
	£000	£000
Payable within 1 year	110	80
Payable within 2 to 5 years	440	320
Payable in more than 5 years	958	777
	1,508	1,177

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 2023 the amount of VAT payable to HMRC in respect of the fourth quarter of 2022-23 was £6,901 (2022 - £7,125 due from HMRC) which was settled on 11 October 2023.

22 Financial Instruments

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

	Group & Charity 2023 £000	Group & Charity 2022 £000
<u>Financial Assets</u>		
Fixed asset investments measured at current fair value	6,829	6,951

23 Post Balance Sheet Events

Council re-agreed in its meeting of 5 December 2023 to change the legal status of University College School to a company limited by guarantee. This change is expected to take place in the 2023/24 financial year. There will be no change to the charitable status of University College School.

UNIVERSITY COLLEGE SCHOOL

Notes to the financial statements for the year ended 31 August 2023 (continued)

24 Merger with Frogna Educational Charitable Trust

In June 2022 UCS gained control and in the previous year was consolidated from that date. In October 2022 there was a group reconstruction in which the assets and liabilities of FECT were transferred to UCS in accordance with the asset transfer agreement. This group reconstruction has been accounted for using merger accounting and the comparatives have been aggregated and presented as though UCS and FECT were always part of the same reporting charity.

Analysis of principal SOFA components for the current reporting period

	UCS Pre-Merger	FECT Pre-Merger	UCS Post-Merger	Combined Total
	£000	£000	£000	£000
Total Income	2,388	12	26,713	29,113
Total expenditure	(2,565)	(5)	(27,130)	(29,700)
Net Income/(expenditure)	(177)	7	(417)	(587)
Other gains/(losses)	83	-	(507)	(424)
Net movement in funds	(94)	7	(924)	(1,011)

Analysis of principal SOFA components for the previous reporting period

	UCS Per signed Accounts	FECT Per signed Accounts	Merger Adjustment	Combined Total
	£000	£000	£000	£000
Total Income	28,611	307	(264)	28,654
Total expenditure	(27,075)	(279)	264	(27,090)
Net Income/(expenditure)	1,536	28	-	1,564
Other gains/(losses)	(41)	(234)	-	(275)
Net movement in funds	1,495	(206)	-	1,289

Analysis of net assets at 31 August 2022

	UCS Per signed Accounts	FECT Per signed Accounts	Merger Adjustment	Combined Total
	£000	£000	£000	£000
Net assets	30,816	6,665	-	37,481
Represented by,				
Unrestricted funds	5,654	4,800	(44)	10,410
Fixed Assets Funds	23,949	-	-	23,949
Restricted funds	1,213	1,865	44	3,122
Total Funds	30,816	6,665	-	37,481

Analysis of net assets at 31 October 2022 - Date of merger

	UCS Per Management Accounts	FECT Per Management Accounts	Merger Adjustment	Combined Total
	£000	£000	£000	£000
Net assets	30,720	6,665	-	37,385
Represented by,				
Unrestricted funds	5,472	4,800	(44)	10,228
Fixed Assets Funds	23,949	-	-	23,949
Restricted funds	1,299	1,865	44	3,208
Total Funds	30,720	6,665	-	37,385