

**UNITED CHURCH SCHOOLS  
TRUST (LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2005



Company no 2780748

Registered charity no 1016538

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## FINANCIAL STATEMENTS

For the year ended 31 August 2005

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Company registration number: 2780748

Registered office: Church Schools House  
Titchmarsh  
Kettering  
Northants  
NN14 3DA

Directors: The Rt Rev and Rt Hon the Lord Carey of Clifton (Chairman)  
J H W Beardwell TD MA FSI (Deputy Chairman)  
Air Chief Marshal Sir Michael Graydon GCB CBE ADS FRACS (Deputy Chairman)  
P J Anscombe  
D C Barnes FCA  
D S Brandon QC  
W R Broadhead  
D P G Cade MA FCA  
J W A Clugston  
Prof M J Clark BA PhD  
Sir Anthony Greener  
D d'Arcy Hughes  
J C Elias BA  
Mrs M Hicks  
I Innes ADIPP ARPS  
The Very Reverend Alec Knight BA  
Mrs J Loudon  
Rt Hon Dame Angela Rumbold DBE  
P B Smith MA  
Reverend Canon S Taylor

Chief Executive: Sir E W Harper CBE

Secretary: J A Nicholson ACA

Bankers: Barclays Bank PLC  
Kettering and Luton

Solicitors: Adrian Christmas  
Peterborough

Auditors: Grant Thornton UK LLP  
Registered Auditors  
Chartered Accountants

**UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)**

**FINANCIAL STATEMENTS**

For the year ended 31 August 2005

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# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## CHAIRMAN'S REPORT

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The charity has completed another very successful year in 2004/05 and I would like to congratulate all the people that contributed during the year.


The financial reports show a continuing healthy position, building upon previous years' results.

The results at both GCSE and A level were very good all round, and exceptional in some cases. Demand for places at all of our schools continues to be high.

Finally, I wish to record my thanks to all the members of the Boards of The Council of the United Church Schools Trust together with the staff working at Central Office for their unstinting support and service throughout the year.



.....  
The Lord Carey of Clifton  
Chairman



7/12/2005

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## THIRTEENTH REPORT OF THE COUNCIL

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The Council presents its report together with financial statements for the year ended 31 August 2005.

### **Constitution and objects**

The United Church Schools Trust (Limited by Guarantee) is registered with the Charity Commissioners (No. 1016538) and is constituted as a company limited by guarantee, governed by Memorandum and Articles of Association.

The charitable company is established for charitable purposes and in accordance with its Memorandum of Association its principal activity is to provide a liberal, practical and general education for children which includes religious instruction in the doctrine and duties of Christianity.

### **Operating and financial review**

The total surplus for the year amounted to £2,279,527 (2004: £563,088 deficit). This surplus is after a grant paid to United Church Schools Foundation Limited of £4,500,000 (2004: £4,000,000). The charitable company is not liable to pay corporation tax and the surplus has therefore been transferred to reserves.

The charitable company operates eleven schools as shown below. In the year pupil numbers at these schools increased by 12% from 5,253 in 2004 to 6,210 in 2005.

The schools operated by the charitable company are as follows:

The Atherley School, Southampton  
Ashford School, Ashford, Kent  
Bramcote Lorne Preparatory School  
Brigg Preparatory School  
Embley Park School  
Friars School  
Guildford High School, Guildford  
Hull Collegiate School, Hull  
Lincoln Minster School, Lincoln  
Sunderland High School, Sunderland  
Surbiton High School, Surbiton

During the year Bramcote Lorne Preparatory School, Brigg Preparatory School, Embley Park School and Friars School joined United Church Schools Trust.

The charitable company is a sponsor of the United Learning Trust which is a subsidiary undertaking of the charitable company. The United Learning Trust's aim is to found and manage a group of City Academies under the government initiative. Manchester Academy opened in September 2003, Lambeth and Northampton Academies opened in September 2004 and Salford Academy opened in September 2005. Paddington Academy in Westminster is due to open in September 2006 and a funding agreement has been signed for an Academy in Barnsley. The charitable company is required to raise up to 10% of the capital building cost for each Academy operated by the United Learning Trust over an agreed period. This is being raised through external fundraising activities and has no impact on the finances of United Church Schools Trust.

Restricted fund income for the year includes donations and investment income of £4,200,124 (2004: £579,347) in respect of the sponsorship fund for the United Learning Trust. Payments and accrued expenses for this fund amounted to £1,029,907 (2004: £1,059,292) during the year leaving a surplus of £2,920,141 (2004: £250,017 deficit) at 31 August 2005.

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## THIRTEENTH REPORT OF THE COUNCIL

### Operating and financial review (continued)

The value of restricted funds to be utilised in future years is £266,441 (2004: £258,013) for prize and scholarship funds.

Unrestricted funds amount to £3,585,453 (2004: £4,727,871) and designated funds amount to £243,300 (2004: £Nil).

The assets are held in pursuance of the charitable company's objectives.

### Funding

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

### Connected charities

There is a relationship between United Church Schools Trust (Limited by Guarantee) and other charities as set out in note 29.

### Members of the Council

The present membership of the Council is set out below. All members served throughout the year apart from those whose date of appointment is noted.

Member	Date of appointment	Sub-committees on which the members serve		
		Finance	Salaries	Executive
Rt Rev and Rt Hon the Lord Carey of Clifton (Chairman)				*
J H W Beardwell (Deputy Chairman)		*	*	*
Air Chief Marshal Sir Michael Graydon (Deputy Chairman)		*		*
P Anscombe	9 March 2005			
D C Barnes		*	*	*
D S Brandon				
W R Broadhead		*		
D P G Cade		*		
J W A Clugston	27 October 2004			
Prof M J Clark				
D d'Arcy Hughes	27 October 2004			
Sir Anthony Greener	29 June 2005			
Mrs M Hicks				
I Innes				
Very Rev A Knight				
Mrs J Loudon				
Rt Hon Dame Angela Rumbold				
P B Smith				
Rev Canon S Taylor				

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## THIRTEENTH REPORT OF THE COUNCIL

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### Members of the Council

The following members have retired from the Council.

Member	Date of resignation
J C Elias	6 January 2005
T D Overton	10 April 2005

Each member of the Council holds one share in United Church Schools Foundation Limited.

### Appointment of members

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

### Members' (collectively known as the Council) responsibilities for the financial statements

United Kingdom company law requires the members to prepare financial statements for each financial year which give a true and fair view of the financial activities of the charitable company and of its financial position at the end of the year. In preparing those financial statements, the members should follow best practice and:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable accounting standards and statements of recommended practice have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which enable them to ascertain their financial position and to ensure that the financial statements comply with the Companies Act 1985, the Charities Act 1993 and regulations thereunder. They are also responsible for safeguarding the assets of the charitable company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Reserves

It is the policy of the charitable company to hold reserves in its unrestricted funds which have not yet been committed or designated for any particular purpose. The members have set aside these reserves in order to protect the future operations of the charitable company from the effects of any unforeseen variations in its income streams as part of a policy of good financial management practice. The members have set the level of these reserves after undertaking a thorough assessment of the charitable company's needs and have concluded that a level of six weeks expenditure is prudent. At 31 August 2005 the amount of these reserves in the unrestricted funds amounted to £264,103. There were cash reserves of £8,555,518 at 31 August 2005.

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## THIRTEENTH REPORT OF THE COUNCIL

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### Investment policy

The charitable company's cash reserves are used to set off against borrowings in other group companies to *minimise interest charges to the group*.

Cash balances are invested with the Central Board of Finance of the Church of England.

### Risk assessment

During the year under review, the Members have formally identified and documented, the major risks to which the charitable company is exposed. Those risks have been reviewed, both by the finance committee and the full board, and risk management strategies have been implemented.

### Employee involvement

The charitable company has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the charitable company.

### Disabled employees

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the charitable company may continue.

It is the policy of the charitable company that training, career development and promotion opportunities should be available to all employees.

### Auditors

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE MEMBERS



The Lord Carey of Clifton  
Chairman

7/12/2005



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF**

### **UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)**

*We have audited the financial statements of United Church Schools Trust (Limited by Guarantee) for the year ended 31 August 2005 which comprise the principal accounting policies, the statement of financial activities, the balance sheet, the cash flow statement and notes 1 to 30. These financial statements have been prepared under the accounting policies set out therein.*

This report is made solely to the charitable company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the members and auditors**

The members of the Council are also the directors of United Church Schools Trust (Limited by Guarantee) for the purposes of company law. Their responsibilities for preparing the members' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of members' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the members' report is not consistent with the financial statements, if the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding members' remuneration and transactions with the charitable company is not disclosed.

We read other information contained in the members' report and consider whether it is consistent with the audited financial statements. This other information comprises only the Chairman's report and the members' report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### **Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the members in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)**

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the charitable company's affairs as at 31 August 2005 and of its incoming resources and application of resources, including its income and expenditure for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Grant Thornton UK LLP*

**GRANT THORNTON UK LLP  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

*12 December 2005*

Northampton

# **UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable accounting standards and follow the recommendations in the Statement of Recommended Practice: Accounting by Charities (the SORP) issued in October 2000. They have been prepared under the historical cost convention except that investments are valued at market value.

### **CONSOLIDATION**

Consolidated financial statements have not been prepared as consolidated accounts for the charitable company's ultimate parent undertaking, United Church Schools Foundation Limited are publicly available from the charitable company's registered office and incorporate the charitable company and its subsidiary undertakings.

The principal accounting policies of the charitable company have remained unchanged from the previous year and are set out below.

### **INCOME**

#### **Fees**

Fees are the total amount receivable by the charitable company for services provided.

#### **Donations and gifts**

All monetary donations and gifts are included in full in the statement of financial activities when receivable.

#### **Investment income**

*Investment income, including associated income tax recoveries, is recognised when receivable.*

### **EXPENDITURE**

Expenditure, which is charged on an accruals basis, is allocated between:

- expenditure incurred directly to the fulfilment of the charitable company's objectives;
- expenditure incurred directly in the effort to raise voluntary contributions (fundraising and publicity); and
- expenditure incurred in the management and administration of the charitable company.

### **FUND ACCOUNTING**

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund, together with a fair allocation of overheads and support costs.

Unrestricted funds are donations and other incoming resources received or generated for expenditure on the general objectives of the charitable company.

Designated funds are unrestricted funds which have been designated for specific purposes by the Council.

# **UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

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

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets held for the charitable company's use, excluding freehold land, by equal annual instalments over their expected useful lives.

The periods generally applicable are:

Freehold buildings	50 years
Computer equipment	3 years
Fixtures and fittings	10 years
Motor vehicles	4 years
Leasehold improvements	Term of the lease

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

### **INVESTMENTS**

Assets held for investment purposes are valued at market value at the balance sheet date.

Traded securities are valued at the mid-point quotation in the Stock Exchange Daily List.

Net gains and losses arising on revaluations and disposals during the year are included in the statement of financial activities.

### **GOODWILL**

Goodwill representing the excess of the fair values of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its useful economic life.

### **STOCKS**

Stocks are stated at the lower of cost and net realisable value.

### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. *The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the statement of financial activities over the period of the lease.*

All other leases are regarded as operating leases and the total payments made under them are charged to the statement of financial activities on a straight line basis over the lease term.

### **DEFERRED INCOME**

Fees billed in advance for future accounting periods are not recognised as part of incoming resources until the related service is provided.

## **UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **RETIREMENT BENEFITS**

The charitable company makes contributions to a number of defined contribution pension plans for non-teaching staff.

The pension costs charged in the year represent the amount of the contributions payable to the schemes in respect of the accounting period.

The charitable company also makes contributions to the teachers' superannuation scheme (operated by the Teachers' Pension Agency) in respect of all full-time and some part-time teachers but is unable to identify its share of the underlying assets and liabilities. The pension costs charged in the year represent the amount of the contributions payable to the scheme in respect of the accounting period.

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2005

	Note	Continuing £	Acquisitions £	Total unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
<b>Income</b>							
<b>Incoming resources</b>							
Fees	1	39,982,825	4,206,275	44,189,100	-	44,189,100	36,593,192
Donations and gifts		-	-	-	4,158,010	4,158,010	579,557
Other education related income		1,109,400	35,530	1,144,930	-	1,144,930	378,449
Rents and lettings		18,572	51,926	70,498	-	70,498	15,704
Investment income	2	86,372	-	86,372	69,874	156,246	120,309
Grants received from DFES		1,443,584	-	1,443,584	-	1,443,584	1,559,895
<b>Total incoming resources</b>		<b>42,640,753</b>	<b>4,293,731</b>	<b>46,934,484</b>	<b>4,227,884</b>	<b>51,162,368</b>	<b>39,247,106</b>
<b>Expenditure</b>							
<b>Resources expended</b>							
Cost of generating funds:		35,976	-	35,976	-	35,976	50,159
Fundraising and publicity							
Charitable expenditure:							
Grant		4,500,000	-	4,500,000	-	4,500,000	4,000,000
Educational establishment costs		38,636,408	4,004,762	42,641,170	1,049,239	43,690,409	35,720,413
Management and administration		30,097	-	30,097	-	30,097	39,622
Assets transferred to other charities	24	-	626,359	626,359	-	626,359	-
<b>Total resources expended</b>	3	<b>43,166,505</b>	<b>4,631,121</b>	<b>47,797,626</b>	<b>1,049,239</b>	<b>48,846,865</b>	<b>39,760,035</b>
<b>Total resources expended</b>		<b>43,202,481</b>	<b>4,631,121</b>	<b>47,833,602</b>	<b>1,049,239</b>	<b>48,882,841</b>	<b>39,810,194</b>

The accompanying accounting policies and notes form an integral part of these financial statements.

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## STATEMENT OF FINANCIAL ACTIVITIES

For the year ended 31 August 2005

Note	Continuing £	Acquisitions £	Total unrestricted funds £	Restricted funds £	Total 2005 £	Total 2004 £
Net (outgoing)/incoming resources for the year and (deficit)/surplus of income over expenditure and net movements in funds	(561,728)	(337,390)	(899,118)	3,178,645	2,279,527	(563,088)
Total funds brought forward at 1 September 2004	4,727,871	-	4,727,871	7,937	4,735,808	5,298,896
Total funds carried forward at 31 August 2005	<u>4,166,143</u>	<u>(337,390)</u>	<u>3,828,753</u>	<u>3,186,582</u>	<u>7,015,335</u>	<u>4,735,808</u>


The accompanying accounting policies and notes form an integral part of these financial statements.

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

BALANCE SHEET AT 31 AUGUST 2005

	Note	2005 £	2004 £
<b>Fixed assets</b>			
Tangible assets	9	1,904,683	3,763,323
Intangible assets	10	1,416,667	1,541,667
Investments	11	<u>73,744</u>	<u>89,744</u>
		<b>3,395,094</b>	<b>5,394,734</b>
<b>Current assets</b>			
Assets held for sale	12	2,526,389	-
Stocks	13	100,099	97,386
Debtors	14	2,772,816	1,554,589
Cash at bank and in hand		<u>8,555,518</u>	<u>5,781,224</u>
		<b>13,954,822</b>	<b>7,433,199</b>
<b>Creditors: amounts falling due within one year</b>	15	<u>10,323,387</u>	<u>8,076,202</u>
<b>Net current assets/(liabilities)</b>		<b>3,631,435</b>	<b>(643,003)</b>
<b>Total assets less current liabilities</b>		<b>7,026,529</b>	<b>4,751,731</b>
<b>Creditors: amounts falling due after more than one year</b>	16	11,194	15,923
		<u>7,015,335</u>	<u>4,735,808</u>
<b>Income funds</b>			
Restricted funds	19	3,186,582	7,937
Unrestricted funds	18	3,585,453	4,727,871
Designated funds	18	243,300	-
	20	<u>7,015,335</u>	<u>4,735,808</u>

The financial statements were approved by the Members of the Council on 7/12/2005.

  
 .....  
 The Lord Carey of Clifton  
 Chairman

The accompanying accounting policies and notes form an integral part of these financial statements.



# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## CASH FLOW STATEMENT

For the year ended 31 August 2005

	Note	2005 £	2004 £
<b>Net cash inflow from operating activities</b>	21	<b>3,919,386</b>	<b>844,049</b>
<b>Capital expenditure and financial investment</b>			
Purchase of tangible fixed assets		(993,389)	(3,095,478)
Purchase of intangible fixed assets		-	(1,625,000)
Purchase of investments		-	(246)
Sale of investments		<u>16,000</u>	<u>-</u>
<b>Net cash outflow from investing activities</b>		<b>(977,389)</b>	<b>(4,720,724)</b>
<b>Financing</b>			
Capital element of hire purchase contracts		<u>(167,703)</u>	<u>(348,509)</u>
<b>Net cash outflow from financing</b>	22	<b>(167,703)</b>	<b>(348,509)</b>
<b>Increase/(decrease) in cash</b>	22	<b><u>2,774,294</u></b>	<b><u>(4,225,184)</u></b>

The accompanying accounting policies and notes form an integral part of these financial statements.

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2005

### 1 FEES AND DEFICIT ON ORDINARY ACTIVITIES

The fees and deficit on ordinary activities are attributable to the operation of Schools under the charitable company's objects.

### 2 INVESTMENT INCOME

Investment income comprises income from:

	2005 £	2004 £
Listed investments	-	2,726
Bank deposits	86,372	96,117
Other interest	69,874	21,466
	<u>156,246</u>	<u>120,309</u>

### 3 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	Total 2005 £	Total 2004 £
<b>Cost of generating funds</b>					
Fundraising and publicity	17,008	-	18,968	35,976	50,159
<b>Charitable expenditure</b>					
Grant	-	-	4,500,000	4,500,000	4,000,000
Educational establishment costs	29,275,482	709,969	13,704,958	43,690,409	35,720,413
Management and administration	1,472	-	28,625	30,097	39,622
Assets transferred to other charities in connection with School mergers	-	-	626,359	626,359	-
<b>Total</b>	<u>29,293,962</u>	<u>709,969</u>	<u>18,878,910</u>	<u>48,882,841</u>	<u>39,810,194</u>

Other costs:

	2005 £	2004 £
Education costs	1,787,458	1,339,812
Catering costs	2,247,195	1,707,058
Premises and service costs	4,173,290	3,629,960
Marketing costs	429,745	384,931
Financial expenses	153,674	94,345
Other overheads	3,517,605	2,497,207
Grant to United Church Schools Foundation Limited	4,500,000	4,000,000
City Academies costs	1,443,584	1,559,895
Net assets transferred to other charities in connection with School mergers	626,359	-
	<u>18,878,910</u>	<u>15,213,208</u>

**UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2005

**3 ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)**

Total resources expended include:

	2005 £	2004 £
Auditors' remuneration		
Audit services	10,251	9,664
Depreciation:		
Tangible fixed assets, owned	580,428	504,903
Tangible fixed assets, held under hire purchase contracts	129,541	270,086
Goodwill amortisation	125,000	83,333
Operating lease rentals	1,224,129	1,345,676

**4 NET INTEREST**

	2005 £	2004 £
On bank overdrafts	(7,100)	(51,866)
Finance charges in respect of hire purchase contracts	(18,357)	(28,819)
	(25,457)	(80,685)
Other interest receivable and similar income:		
Bank deposits	86,372	96,117
	60,915	15,432

**5 EMPLOYEES**

Staff costs during the year were as follows:

	2005 £	2004 £
Wages and salaries	24,825,381	20,191,944
Social security costs	1,977,485	1,574,896
Other pension costs	2,491,096	2,055,157
	29,293,962	23,821,997

The average number of employees during the year was 1,198 (2004: 909).

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2005

### 5 EMPLOYEES (CONTINUED)

The emoluments of higher-paid employees fell within the following ranges:

	2005	2004
£50,001 to £60,000	10	9
£60,001 to £70,000	2	2
£70,001 to £80,000	2	5
£80,001 to £90,000	2	2
£90,001 to £100,000	2	-
£120,001 to £130,000	1	1
£160,001 to £170,000	-	1
£170,001 to £180,000	1	-

During the year the following amounts were paid to higher paid employees as shown above:

	2005 £	2004 £
Pension contributions to defined contribution and teachers' pension schemes	<u>207,431</u>	<u>180,465</u>

During the year, 3 higher paid employees (2004: 3) participated in defined contribution schemes and 17 (2004: 15) participated in the teachers' pension scheme (operated by the Teachers' Pension Agency).

### 6 DIRECTORS

There was no remuneration payable in respect of Members of the Council for the year ended 31 August 2005 or 31 August 2004.

### 7 PAYMENTS TO MEMBERS

No member or person with a family or business connection with a Member of the Council, received remuneration in the year, directly or indirectly, from the charitable company.

Expense reimbursements paid to all 19 Members of the Council during the year amounted to £10,893 (2004: £7,832) and all related to travel and subsistence costs.

### 8 CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	Unrestricted Funds £	Restricted Funds £	Total 2005 £	Total 2004 £
Net movement in funds for the year	(899,118)	3,178,645	2,279,527	(563,088)
Add: Net decrease/(increase) in tangible fixed assets	1,858,640	-	1,858,640	(2,320,489)
Net movement in funds available for future activities	<u>959,522</u>	<u>3,178,645</u>	<u>4,138,167</u>	<u>(2,883,577)</u>

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2005

### 9 TANGIBLE FIXED ASSETS

	Total £	Freehold land and buildings £	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Motor vehicles £
<b>Cost</b>						
At 1 September 2004	8,548,519	2,512,713	15,015	1,232,099	4,647,148	141,544
Additions	993,389	22,009	-	161,831	809,549	-
Transfer from other charities	384,329	-	-	270,512	42,096	71,721
Transfer to assets held for sale	(2,534,722)	(2,534,722)	-	-	-	-
At 31 August 2005	7,391,515	-	15,015	1,664,442	5,498,793	213,265
<b>Depreciation</b>						
At 1 September 2004	4,785,196	8,333	5,631	784,757	3,876,010	110,465
Provided in the year	709,969	-	1,877	122,252	556,217	29,623
Transfer to assets held for sale	(8,333)	(8,333)	-	-	-	-
At 31 August 2005	5,486,832	-	7,508	907,009	4,432,227	140,088
<b>Net book amount at 31 August 2005</b>	<b>1,904,683</b>	<b>-</b>	<b>7,507</b>	<b>757,433</b>	<b>1,066,566</b>	<b>73,177</b>
<b>Net book amount at 31 August 2004</b>	<b>3,763,323</b>	<b>2,504,380</b>	<b>9,384</b>	<b>447,342</b>	<b>771,138</b>	<b>31,079</b>

**UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 August 2005

**9 TANGIBLE FIXED ASSETS (CONTINUED)**

All tangible fixed assets were used for charitable purposes.

The figures stated above include assets held under hire purchase contracts as follows:

	<b>Computer equipment £</b>	<b>Motor vehicles £</b>	<b>Fixtures and fittings £</b>
Net book amount at 31 August 2005	<u>229,295</u>	<u>20,398</u>	<u>82,758</u>
Net book amount at 31 August 2004	<u>343,942</u>	<u>8,498</u>	<u>-</u>
Depreciation provided in the year	<u>114,738</u>	<u>13,445</u>	<u>1,358</u>

**10 INTANGIBLE FIXED ASSETS**

	<b>Purchased goodwill £</b>
Cost	
At 1 September 2004	1,625,000
Additions	-
At 31 August 2005	<u>1,625,000</u>
Amortisation	
At 1 September 2004	83,333
Provided in the year	125,000
At 31 August 2005	<u>208,333</u>
Net book amount at 31 August 2005	<u>1,416,667</u>
Net book amount at 31 August 2004	<u>1,541,667</u>

The goodwill of Hull Grammar School was purchased from Nord Anglia Plc. Hull Grammar School has been merged with Hull High School (which was already owned by the charitable company), to create a new enlarged school known as Hull Collegiate School. The goodwill is being amortised over 13 years, which is the number of years during which former Hull Grammar School pupils will continue to be at the new school.

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2005

### 11 FIXED ASSET INVESTMENTS

	Bank balances £	Listed investments £	Total £
Cost or valuation			
At 1 September 2004	15,999	73,745	89,744
Disposals	(15,999)	(1)	(16,000)
At 31 August 2005	-	73,744	73,744

Listed investments are stated at their mid market value as at the balance sheet date. If the investments had not been revalued, they would have been included on the historical cost basis at the following amounts:

	Listed Investments £
Cost and net book amount at 31 August 2005	50,674
Cost and net book amount at 31 August 2004	50,674

At 31 August 2005, the company held more than 20% of the following:

	Class of share capital held	Proportion held Directly	Indirectly	Nature of Business
United Learning Trust (Limited by Guarantee)	-	75%	-	Education
ULT Projects Limited	Ordinary £1	-	100%	Property development

The aggregate amount of the capital and reserves and surplus for the period ended 31 August 2005 of the subsidiaries were as follows:

	Capital and reserves £	Surplus for the period £
United Learning Trust (Limited by Guarantee)	76,692,631	34,002,375
ULT Projects Limited	1,391	1,109

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2005

### 12 ASSETS HELD FOR RESALE

	2005 £	2004 £
Freehold land and buildings	<u>2,526,389</u>	<u>-</u>

### 13 STOCKS

	2005 £	2004 £
Goods for resale	<u>100,099</u>	<u>97,386</u>

### 14 DEBTORS

	2005 £	2004 £
Trade debtors	1,329,482	589,047
Amounts owed by group undertakings	212,144	226,002
Amounts owed by connected charity	46,900	3,033
Other debtors	35,090	47,471
Prepayments and accrued income	1,149,200	689,036
	<u>2,772,816</u>	<u>1,554,589</u>

### 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade creditors	2,259,698	622,123
Amounts owed to group undertakings	1,217,662	700,568
Social security and other taxes	705,542	570,248
Other creditors	291,514	745,177
Accruals and deferred income	5,799,633	5,225,774
Amounts due under hire purchase contracts	49,338	212,312
	<u>10,323,387</u>	<u>8,076,202</u>

Amounts due under hire purchase contracts are secured on the assets to which they relate.

### 16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005 £	2004 £
Amounts due under hire purchase contracts	<u>11,194</u>	<u>15,923</u>

Amounts due under hire purchase contracts are secured on the assets to which they relate.



# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2005

### 17 BORROWINGS

Borrowings are repayable as follows:

	2005 £	2004 £
Hire purchase contracts:		
Within one year	49,338	212,312
After one and within two years	11,194	15,923
	<u>60,532</u>	<u>228,235</u>

### 18 UNRESTRICTED FUNDS

	At 1 September 2004 £	Movement in resources		At 31 August 2005 £
		Incoming resources £	Expenditure £	
Unrestricted funds	4,727,871	46,691,184	(47,833,602)	3,585,453
Designated funds	-	243,300	-	243,300
	<u>4,727,871</u>	<u>46,934,484</u>	<u>(47,833,602)</u>	<u>3,828,753</u>

Designated funds are accumulated surpluses from prior years available for use by the school that generated the funds.

### 19 RESTRICTED FUNDS

	At 1 September 2004 £	Movement in resources		At 31 August 2005 £
		Incoming resources £	Expenditure £	
Prize and scholarship funds	258,013	27,760	(19,332)	266,441
Sponsorship fund	(250,076)	4,200,124	(1,029,907)	2,920,141
	<u>7,937</u>	<u>4,227,884</u>	<u>(1,049,239)</u>	<u>3,186,582</u>

The prize and scholarship funds have been donated over a number of years. The funds are utilised to give prizes and scholarships to pupils who attend the schools operated by the charitable company.

The sponsorship fund has been formed to gather together the external donations received towards the charitable company's support for the City Academies of the United Learning Trust.

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2005

### 20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Total £
Tangible fixed assets	1,904,683	-	1,904,683
Intangible fixed assets	1,416,667	-	1,416,667
Investments	-	73,744	73,744
Current assets	9,624,322	4,330,500	13,954,822
Creditors: amounts falling due within one year	(9,105,725)	(1,217,662)	(10,323,387)
Creditors: amounts falling due after more than one year	(11,194)	-	(11,194)
	<u>3,828,753</u>	<u>3,186,582</u>	<u>7,015,335</u>
Unrealised gains included above			
Investments	-	23,071	23,071

### 21 RECONCILIATION OF CHANGES IN RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005 £	2004 £
Changes in resources before revaluations	2,279,527	(563,088)
Depreciation	709,969	774,989
Amortisation of goodwill	125,000	83,333
(Increase)/decrease in stocks	(2,713)	1,509
Increase in debtors	(1,218,228)	(280,505)
Increase in creditors	1,399,472	827,811
Assets transferred to other charities	626,359	-
	<u>3,919,386</u>	<u>844,049</u>
Net cash inflow from operating activities		

### 22 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005 £	2004 £
Increase/(decrease) in cash	2,774,294	(4,225,184)
Cash outflow from financing	167,703	348,509
	<u>2,941,997</u>	<u>(3,876,675)</u>
Change in net funds resulting from cash flows		
Inception of hire purchase contracts	-	-
	<u>2,941,997</u>	<u>(3,876,675)</u>
Movement in net funds in the year		
Net funds at 1 September 2004	5,552,989	9,429,664
	<u>8,494,986</u>	<u>5,552,989</u>
Net funds at 31 August 2005		

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2005

### 23 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2004 £	Cash flows £	At 31 August 2005 £
Cash at bank and in hand	5,781,224	2,774,294	8,555,518
Hire purchase contracts	(228,235)	167,703	(60,532)
	<u>5,552,989</u>	<u>2,941,997</u>	<u>8,494,986</u>

### 24 ASSETS TRANSFERRED TO OTHER CHARITIES

During the year four schools joined the group headed by United Church Schools Foundation Limited.

The charities which previously owned and operated these schools donated the freehold land and buildings, less related bank borrowings, to United Church Schools Foundation Limited and the operations and the other net assets to United Church Schools Trust.

The assets and liabilities donated were as follows:

	Tangible fixed assets £	Net current assets/ (liabilities) £	Total £
Bramcote Lorne Preparatory School	175,105	(242,687)	(67,582)
Brigg Preparatory School	31,501	(57,237)	(25,736)
Embley Park School	151,842	(714,648)	(562,806)
Friars School	25,881	3,884	29,765
	<u>384,329</u>	<u>(1,010,688)</u>	<u>(626,359)</u>

The net assets of the above schools have been subsumed within the activities of the charitable group, therefore it is not possible to calculate the cash flow contribution of these schools since they were transferred into the charitable group.

These assets are included at book value which approximates to fair value.

### 25 CAPITAL COMMITMENTS

The charitable company had no capital commitments at 31 August 2005 and 31 August 2004.

### 26 CONTINGENT LIABILITIES

At 31 August 2005 the charitable company was party to a cross-guarantee on bank loans and overdrafts of the parent undertaking totalling £24,450,000 (2004: £19,102,244).

# UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2005

### 27 RETIREMENT BENEFITS

The charitable company makes contributions to the Teachers' Pension Scheme (operated by the Teachers' Pension Agency) in respect of teachers.

However, the charitable company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly, no provision can be made for any under or over provision of funding within the scheme as permitted under Financial Reporting Standard No. 17 "Retirement Benefits".

The charitable company also operates defined contribution pension schemes. The assets of the schemes are held separately from those of the charitable company in independently administered funds.

The pension cost charge represents contributions payable by the charitable company to the schemes and amounted to £2,491,096 (2004: £2,055,157).

Included within other creditors is £313,901 (2004: £252,755) in respect of accrued contributions to the Teachers' Superannuation Scheme.

### 28 LEASING COMMITMENTS

Operating lease payments amounting to £1,331,725 (2004: £1,251,781) are due within one year. The leases to which these amounts relate expire as follows:

	2005		2004	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	1,707	12,753	-	12,320
Between one and five years	121,475	94,842	10,480	59,504
In five years or more	1,100,948	-	1,169,477	-
	<u>1,224,130</u>	<u>107,595</u>	<u>1,179,957</u>	<u>71,824</u>

## UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2005

#### 29 TRANSACTIONS WITH RELATED PARTIES

As a wholly-owned subsidiary of United Church Schools Foundation Limited (formerly The Church Schools Foundation Limited), the charitable company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by United Church Schools Foundation Limited.

There is a relationship between United Church Schools Trust (Limited by Guarantee) and Caterham School because the former has the right to nominate Caterham School's "A" trustees.

There is a relationship between United Church Schools Trust and United Learning Trust because United Church Schools Trust controls 75% of United Learning Trust.

The transactions between the related parties were as follows:

	2005 £	2004 £
Administration charge receivable from Caterham School	<u>73,106</u>	<u>70,530</u>
Amounts owed by Caterham School	<u>46,900</u>	<u>3,033</u>
Amounts owed to United Learning Trust	<u>1,217,632</u>	<u>558,692</u>
Grants made to United Learning Trust	<u>1,029,907</u>	<u>1,059,292</u>

United Church Schools Trust performed all of the administrative duties for United Learning Trust during the year and raised a charge based on the number of students in each Academy at the same rate as that charged to schools directly controlled by it. The charge for the year amounted to £387,123 (2004: £169,392).

#### 30 CONTROLLING RELATED PARTY

The Council consider that the ultimate parent undertaking and controlling related party of this charitable company is United Church Schools Foundation Limited.

The largest group of undertakings for which group accounts have been drawn up is that headed by United Church Schools Foundation Limited. Copies of the group accounts can be obtained from Church Schools House, Titchmarsh, Kettering, Northants, NN14 3DA.