

Companies House

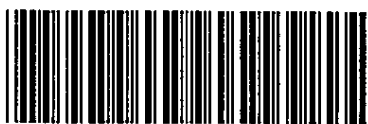
**UNITED CHURCH SCHOOLS
TRUST (LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2007

WEDNESDAY



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COMPANIES HOUSE

Company no 2780748

Registered charity no 1016538

Company registration number	2780748
Registered office	Chapel Street Titchmarsh Northamptonshire 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 Prof M J Clark BA PhD Sir A Greener CBE D d'Arcy Hughes I Innes ADIPP ARPS Mrs J Loudon Rt Hon Dame Angela Rumbold DBE P B Smith MA Reverend Canon S Taylor Dr R Townsend G Walter Ms L Keat P Massey T Moffatt
Chief Executive	Sir E W Harper CBE MA
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 2007

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UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

THIRTEENTH REPORT OF THE BOARD

The Board presents its report together with financial statements for the year ended 31 August 2007

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

Members of the Board

The present membership of the Board 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	
		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 J Anscombe			
D C Barnes		*	*
D S Brandon			
W R Broadhead			
Prof M J Clark			
Sir A Greener CBE			*
D d'Arcy Hughes			
Rt Hon Dame Angela Rumbold			*
P B Smith			
Rev Canon S Taylor			
Dr R Townsend			
G Walter			
Ms L Keat	25 September 2007		
P Massey	25 September 2007		
T Moffatt	25 September 2007		

Members of the Board

The following members have retired from the Board

Member	Date of resignation or retirement
D P G Cade	31 August 2007
I Innes	31 August 2007
Mrs J Loudon	31 August 2007
J S Golob	25 April 2007

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

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

THIRTEENTH REPORT OF THE BOARD

Appointment of members

The Board 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 Board. Following this, they shall be eligible for re-election annually upon the proposal of the Chairman.

The training and induction provided for new members is dependant upon their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new members are given tours of the group's schools and academies and the chance to meet with staff and students. They are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as members. Induction tends to be done informally and is tailored specifically to the individual.

Statement of members' (collectively known as the Board) responsibilities

The members (who are also directors of United Church Schools Trust (Limited by Guarantee) for the purposes of company law) are responsible for preparing the Members' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the members to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the members are required to

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- state whether applicable 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 charitable company will continue in business

The members are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the members are aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The members are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Governance of the charitable company

During the year the members held four meetings and the Executive Committee met four times reporting its meetings directly to the members.

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

THIRTEENTH REPORT OF THE BOARD

Chief Executive

The Trustees delegate the day to day responsibility of the running of the charitable company to Sir Ewan Harper CBE MA who is the Chief Executive

Organisation and objectives

Founded in 1883 the charitable company manages the operation of a group of Independent Schools to provide education for students of different abilities between the ages of 2 and 18. In 2001 it created a subsidiary charity, The United Learning Trust, to extend its work into some of the most deprived inner city areas through the City Academy programme. At 31 August 2007 United Church Schools Trust had sponsored 9 open Academies through United Learning Trust, with 4 more opened in September 2007. The main objectives of the schools are summarised below

- to raise the standard of educational achievement of all students
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
- to improve the effectiveness of the Schools by keeping the curriculum and organisational structure under continual review
- to provide value for money for the funds expended
- to comply with all appropriate statutory and curriculum requirements
- to maintain close links with industry and commerce
- to conduct its business in accordance with the highest standards of integrity, probity and openness

Operating and financial review

The total surplus for the year amounted to £1,735,000 (2006 £2,738,000). The charitable company is not liable to pay corporation tax and the surplus has therefore been transferred to reserves.

The schools operated by the charitable company are as follows

Ashford School
Ashford Friars Preparatory School
Bramcote Lorne Preparatory School
Brigg Preparatory School
Guildford High School
Hampshire Collegiate School
Hull Collegiate School
Lincoln Minster School
Sunderland High School
Surbiton High School

The examination results at A Level were a 99.46 pass rate (2006 99.55%). At GCSE 94.33 of students achieved five or more A* - C grades (2006 94.09%). This was in line with the charitable company's expectations at the start of the year.

To ensure that standards are continually raised the charitable company operates a programme of observation of lessons, is visited by inspectors, undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value. The charitable company also participates in national programmes looking at added value through the key stages.

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

THIRTEENTH REPORT OF THE BOARD

Operating and financial review (continued)

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. Academies opened to date are

Manchester Academy	September 2003
Lambeth Academy	September 2004
Northampton Academy	September 2004
Salford Academy	September 2005
Barnsley Academy	September 2006
Paddington Academy	September 2006
Sheffield Park Academy	September 2006
Sheffield Springs Academy	September 2006
Walthamstow Academy	September 2006
North Oxfordshire Academy	September 2007
Swindon Academy	September 2007
Stockport Academy	September 2007

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 detrimental impact to the finances of United Church Schools Trust.

Restricted fund income for the year includes donations and investment income of £3,505,000 (2006: £2,125,000) in respect of the sponsorship fund for the United Learning Trust. In addition, £81,000 (2006: £161,000) was transferred to sponsorship fund from unrestricted funds. Payments and accrued expenses for this fund amounted to £843,000 (2006: £4,072,000) during the year leaving a surplus of £3,877,000 (2006: £1,134,000) at 31 August 2007.

The value of restricted funds to be utilised in future years is £290,000 (2006: £280,000) for prize and scholarship funds and other donated funds.

Unrestricted funds amount to £7,228,000 (2006: £8,125,000) and designated funds amount to £93,000 (2006: £214,000).

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

Plans for future periods

The charitable company aims to continue to increase the number of pupils educated at its schools. To be able to do this it will train its staff in proven teaching techniques so that those pupils are given the best opportunities to reach their full potential.

The Hull Grammar School site was successfully sold in the year. As with all surpluses generated, the proceeds have been used for the charitable company's objects.

The charitable company will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students obtain jobs or a place in higher education once they leave school.

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.

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

FOURTEENTH REPORT OF THE BOARD

Connected charities

There is a relationship between United Church Schools Trust (Limited by Guarantee) and other charities as set out in note 31

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 2007 there were cash reserves of £15,061,000 (2006 £10,017,000). Reserves as defined by The Charity SORP amount to £5,432,000.

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 Barclays Bank.

During the year the investment strategy produced returns in line with the charitable company's expectations and market rates.

Grant making policy

The charitable company continued to operate its scheme of means tested financial assistance and its separate scheme of scholarships. During the year £2.54m (2006 £2.49m) was granted to pupils attending the charitable company's schools under these schemes.

Risk assessment

During the year under review, the members and senior executives have formally identified, and documented, the major risks to which the charitable company is exposed. Those risks have been reviewed by the risk assessment committee and risk management strategies have been implemented. Risk management is embedded in the day to day processes of the charitable company and its subsidiaries. Principal risk areas for the group are the protection of pupils, employees and of assets and systems and procedures to minimise these are constantly being reviewed and updated.

Economic downturn

The charitable company is reliant upon the parents paying its school fees promptly. An economic downturn could have a direct impact on parents' ability to pay those fees.

Senior management and the Members therefore aim to keep abreast of economic conditions both in the UK and abroad. Overheads are carefully monitored to ensure that resources are used effectively.

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

THIRTEENTH REPORT OF THE BOARD

Salary costs

A large proportion of the charitable company's costs relate to staff salaries which are relatively fixed each year. There is a risk that a significant drop in revenue may lead to an inability to cover such costs.

Management closely monitor all costs against budgets on a monthly basis. Variance analysis is undertaken to consider the impact of varying income when the budgets are being prepared.

Competition

The markets in which the charitable company's schools operate are highly competitive. Consequently the schools constantly review their processes to ensure that their pupils receive a first class education that helps them to perform to their full ability in all aspects of school life.

Financial risk management objectives and policies

Financial risk management is managed by the Central Office Finance Department who act as the charitable company's Treasury function ensuring that surplus funds are deposited so as to maximise interest receivable. In addition it uses the group's facilities in the most efficient manner. Those facilities are designed to ensure that the group has sufficient available funds for day to day operation and for planned expansion and capital expenditure. The principal credit risk for the charitable company arises from its debtors. Strict payment terms are enforced by the charitable company's credit controller and debt collection is outsourced as necessary to a collection agency.

Environmental policy

During the year the charitable company enlisted the assistance of the Carbon Trust to advise how the schools could reduce the amount of energy they use.

A number of initiatives relating to the school buildings have been highlighted and are being investigated. These include:

- Replace inefficient lighting with modern luminaries
- Undertake a good housekeeping campaign to eliminate the wastage of energy

Employee involvement

Regular meetings are held with staff in our schools to brief them on major issues and discuss local issues.

Each school also ensures that all staff are kept fully briefed through a variety of mechanisms, including notice boards, newsletters and the school Intranet. In addition, staff have the ability to access the UCST website for more information.

All new staff joining the group are fully inducted and this year we ran two induction programmes, lasting two days, for all teachers new to UCST.

All UCST Heads meet on a regular basis to share knowledge and best practice.

We also have in place an extensive programme of training and development courses available to both teaching and support staff. This includes a Masters Degree with Warwick University and a Teacher Leader programme from Sheffield Hallam.

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

THIRTEENTH REPORT OF THE BOARD

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.

Auditor

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

ON BEHALF OF THE MEMBERS



Sir Michael Graydon
Deputy Chairman

10 DECEMBER 2007

REPORT OF THE INDEPENDENT AUDITOR 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 2007 which comprise the principal accounting policies, the statement of financial activities, the balance sheet, the cash flow statement and notes 1 to 32. 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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of members and auditor

The responsibilities of the members (who are also the directors of United Church Schools Trust (Limited by Guarantee) for the purposes of company law) for preparing the Members' Report and the financial statements in accordance with applicable laws and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) 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 International Standards on Auditing (UK and Ireland).

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 whether the information given in the Members' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, 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 the Members' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) 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 AUDITOR TO THE MEMBERS OF
UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)**

Opinion

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 August 2007 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Members Report is consistent with the financial statements for the year ended 31 August 2007

Grant Thornton UK LLP

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

Northampton *18 December 2007*

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain investments, in accordance with the Companies Act 1985 and applicable UK accounting standards (United Kingdom Generally Accepted Accounting Practice). The financial statements also follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities (the SORP 2005) issued in March 2005.

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

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.

INCOMING RESOURCES

All incoming resources are included in the statement of financial activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies apply to categories of income:

Grants and donations receivable

All donations and other receipts from fundraising are reported gross and on a receivable basis. The related costs are reported in fundraising for voluntary income.

Investment income

This is accounted for when receivable and includes related tax recoverable.

School fees receivable and other educational related income

Fees are the total amount receivable by the charitable company for educational and related services provided. When fees are invoiced in advance for a future period their recognition is deferred and the balance included in accruals and deferred income.

Project management grants from Department for Children, Schools and Families

Grants are recognised in the statement of financial activities when the conditions for receipt have been satisfied.

Rents and lettings

Rents and lettings are recognised in the statement of financial activities as the related service is provided.

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

PRINCIPAL ACCOUNTING POLICIES

RESOURCES EXPENDED

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

Grants

Grants are recognised in the statement of financial activities when a constructive obligation exists.

Schools operating costs and project management

These include

School operating costs - all expenditure directly relating to the operation of the charitable company's 10 schools and associated central administration office costs.

Project management - all costs incurred directly relating to the project management of setting up new City Academies for the Department for Children, Schools and Families.

Allocation of costs

In accordance with the Charities SORP, expenditure has been analysed between the cost of generating funds, the charitable company's charitable activities and governance. Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned. Central staff costs are allocated on the basis of time spent on each activity.

Governance costs

Governance costs include the costs attributable to the charitable company's compliance with constitutional and statutory requirements, including audit, Members' meetings and reimbursed expenses.

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

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

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 unless there are indications of impairment, when it is written off

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

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

PRINCIPAL ACCOUNTING POLICIES

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 (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2007

	Note	Total unrestricted funds £'000	Restricted funds £'000	Total 2007 £'000	Total 2006 £'000
Incoming resources					
Incoming resources from generated funds					
Voluntary income	5	108	3,588	3,696	2,450
Investment income	2	49	-	49	8
Incoming resources from charitable activities					
School fees receivable	1	51,333	-	51,333	49,543
Other educational related income	3	2,126	-	2,126	1,189
Project management grants from DCSF	4	-	2,974	2,974	4,179
Rents and lettings		41	-	41	51
Surplus on sale of land and buildings		3,324	-	3,324	-
Total incoming resources		56,981	6,562	63,543	57,420
Resources expended					
Costs of generating funds					
Fundraising for voluntary income		127	-	127	121
Charitable activities					
Schools operating costs and project management		49,747	2,974	52,721	50,238
Grants payable		8,000	926	8,926	4,291
		57,747	3,900	61,647	54,529
Governance costs		34	-	34	32
Total resources expended	6	57,908	3,900	61,808	54,682
Net (outgoing)/incoming resources before transfers		(927)	2,662	1,735	2,738
Transfers between funds		(91)	91	-	-
Net movement in funds		(1,018)	2,753	1,735	2,738
Total funds brought forward at 1 September 2006		8,339	1,414	9,753	7,015
Funds carried forward at 31 August 2007		7,321	4,167	11,488	9,753

All the above results are derived from continuing activities

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 2007

	Note	£'000	2007 £'000	£'000	2006 £'000
Fixed assets					
Tangible assets	12		1,796		1,866
Intangible assets	13		-		1,292
Investments	14		73		73
			<u>1,869</u>		<u>3,231</u>
Current assets					
Assets held for sale	15	-		2,556	
Stocks	16	80		111	
Debtors	17	3,770		3,760	
Cash at bank and in hand		<u>15,061</u>		<u>10,017</u>	
			<u>18,911</u>	<u>16,444</u>	
Creditors amounts falling due within one year	18	<u>9,292</u>		<u>9,917</u>	
Net current assets			<u>9,619</u>		<u>6,527</u>
Total assets less current liabilities			<u>11,488</u>		<u>9,758</u>
Creditors: amounts falling due after more than one year	19		-		5
			<u>11,488</u>		<u>9,753</u>
Income funds					
Restricted funds	22		4,167		1,414
Unrestricted funds	21		7,228		8,125
Designated funds	21		93		214
	23		<u>11,488</u>		<u>9,753</u>

The financial statements were approved by the Members of the Council on 12 DECEMBER 2007



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)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

	Note	£'000	2007 £'000	£'000	2006 £'000
Net cash (outflow)/inflow from operating activities	24		(68)		2,354
Returns on investments and servicing of finance					
Interest received		49		8	
Interest paid		(3)		(7)	
Interest element of finance lease rentals		(1)		(12)	
Net cash inflow/(outflow) from returns on investments and servicing of finance			45		(11)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(804)		(835)	
Sale of tangible fixed assets		5,880		-	
Net cash inflow/(outflow) from investing activities			5,076		(835)
Financing					
Capital element of hire purchase contracts		(9)		(47)	
Net cash outflow from financing	25		(9)		(47)
Increase in cash	25		<u>5,044</u>		<u>1,461</u>

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 2007

1 FEES AND SURPLUS ON ORDINARY ACTIVITIES

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

	2007 £'000	2006 £'000
Gross fee income receivable	54,770	52,149
Scholarships, bursaries and reduced fees	(4,348)	(4,292)
	<u>50,422</u>	<u>47,857</u>
Catering income	911	1,686
	<u>51,333</u>	<u>49,543</u>
Net fee income receivable		

2 INVESTMENT INCOME

Investment income comprises income from

	2007 £'000	2006 £'000
Bank deposits	<u>49</u>	<u>8</u>

3 OTHER EDUCATIONAL RELATED INCOME

	2007 £'000	2006 £'000
Accounting services to other schools and academies	1,557	676
Income from school fees insurance schemes	81	78
Pupil registration fees	107	102
Charges for additional classes	194	129
Catering credit	-	60
Other miscellaneous school income	187	144
	<u>2,126</u>	<u>1,189</u>

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

4 PROJECT MANAGEMENT GRANTS FROM DCSF

The charitable company has been appointed by the Department for Children, Schools and Families to project-manage the setting up of new City Academies opening in September 2006 and in subsequent years. The grants received from the Department for Children, Schools and Families are in reimbursement of costs incurred by the charitable company in connection with these projects.

5 VOLUNTARY INCOME

	2007 £'000	2006 £'000
City Academy sponsorship	3,505	2,125
Other sponsorship and donations received	172	311
Grants received for bursaries	19	14
	<u>3,696</u>	<u>2,450</u>

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

6 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £'000	Other costs £'000	Depreciation and amortisation £'000	Total 2007 £'000	Total 2006 £'000
Cost of generating funds					
Fundraising for voluntary income	63	64	-	127	121
Charitable activities					
Schools operating costs					
Education costs	28,226	2,202	-	30,428	29,573
Catering	-	2,589	-	2,589	2,324
Premises and services	1,917	4,618	-	6,535	6,821
Administration	2,838	2,720	-	5,558	5,006
Marketing	67	501	-	568	554
Other costs	781	1,122	-	1,903	811
Depreciation and amortisation	-	-	2,166	2,166	970
	33,829	13,752	2,166	49,747	46,059
Project management for DCSF	738	2,236	-	2,974	4,179
	34,567	15,988	2,166	52,721	50,238
Grants payable					
Sponsorship grants to United Learning Trust	-	844	-	844	4,072
Grant to United Church Schools Foundation Limited	-	8,070	-	8,070	150
Other grants	-	12	-	12	69
	-	8,926	-	8,926	4,291
Governance costs					
Company secretarial costs	2	-	-	2	2
Audit fees	-	8	-	8	9
Members' meeting and travel expenses	-	24	-	24	21
	2	32	-	34	32
	34,632	25,010	2,166	61,808	54,682

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

6 ANALYSIS OF TOTAL RESOURCES EXPENDED (CONTINUED)

Total resources expended include

	2007 £'000	2006 £'000
Auditors' remuneration		
Audit services	7	19
Depreciation		
Tangible fixed assets, owned	866	836
Tangible fixed assets, held under hire purchase contracts	8	9
Goodwill amortisation	1,292	125
Operating lease rentals	1,564	1,817

7 NET INTEREST

	2007 £'000	2006 £'000
On bank overdrafts	(3)	(7)
Finance charges in respect of hire purchase contracts	(1)	(12)
	(4)	(19)
Other interest receivable and similar income		
Bank deposits	49	8
	45	(11)

8 EMPLOYEES

Staff costs during the year were as follows

	2007 £'000	2006 £'000
Wages and salaries	29,377	28,365
Social security costs	2,327	2,271
Other pension costs	2,928	2,766
	34,632	33,402

The average number of employees during the year was 1,331 (2006 1,336)

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

8 EMPLOYEES (CONTINUED)

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

	2007	2006
£60,001 to £70,000	7	4
£70,001 to £80,000	4	3
£80,001 to £90,000	-	2
£90,001 to £100,000	2	1
£100,001 to £110,000	1	3
£110,001 to £120,000	2	1
£120,001 to £130,000	1	1
£130,001 to £140,000	1	-
£150,001 to £160,000	1	-
£180,001 to £190,000	-	1
£190,001 to £200,000	1	-

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

	2007 £'000	2006 £'000
Pension contributions to defined contribution and teachers' pension schemes	232	198

During the year, 6 higher paid employees (2006 5) participated in defined contribution schemes and 13 (2006 11) participated in the teachers' pension scheme (operated by the Teachers' Pension Agency)

9 DIRECTORS

There was no remuneration payable in respect of directors' membership of the Council for the year ended 31 August 2007 or 31 August 2006

10 PAYMENTS TO MEMBERS

The following fees for professional services were paid to members of the Council during the year, all of which were approved in advance by Council

	2007 £'000	2006 £'000
D C Barnes	15	13
P B Smith	-	2
Rt Hon Dame Angela Rumbold	17	16
	32	31

Expense reimbursements paid to all 19 members of the Council during the year amounted to £10,779 (2006 £7,379) and all related to travel and subsistence costs

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

11 CHANGES IN RESOURCES AVAILABLE FOR CHARITY USE

	Unrestricted Funds £'000	Restricted Funds £'000	Total 2007 £'000	Total 2006 £'000
Net movement in funds for the year	(1,018)	2,753	1,735	2,738
Net decrease in tangible fixed assets	70	-	70	39
Net movement in funds available for future activities	<u>(948)</u>	<u>2,753</u>	<u>1,805</u>	<u>2,777</u>

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

12 TANGIBLE FIXED ASSETS

	Total £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000
Cost					
At 1 September 2006	8,197	15	2,052	5,895	235
Additions	804	-	162	591	51
At 31 August 2007	<u>9,001</u>	<u>15</u>	<u>2,214</u>	<u>6,486</u>	<u>286</u>
Depreciation					
At 1 September 2006	6,331	9	1,037	5,114	171
Provided in the year	874	2	152	686	34
At 31 August 2007	<u>7,205</u>	<u>11</u>	<u>1,189</u>	<u>5,800</u>	<u>205</u>
Net book amount at 31 August 2007	<u>1,796</u>	<u>4</u>	<u>1,025</u>	<u>686</u>	<u>81</u>
Net book amount at 31 August 2006	<u>1,866</u>	<u>6</u>	<u>1,015</u>	<u>781</u>	<u>64</u>

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

12 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

	Computer equipment £'000	Motor vehicles £'000	Fixtures and fittings £'000
Net book amount at 31 August 2007	<u>7</u>	<u>8</u>	<u>6</u>
Net book amount at 31 August 2006	<u>9</u>	<u>14</u>	<u>6</u>
Depreciation provided in the year	<u>2</u>	<u>6</u>	<u>-</u>

13 INTANGIBLE FIXED ASSETS

	Purchased goodwill £'000
Cost	
At 1 September 2006	1,625
Additions	-
At 31 August 2007	<u>1,625</u>
Amortisation	
At 1 September 2006	333
Provided in the year	1,292
At 31 August 2007	<u>1,625</u>
Net book amount at 31 August 2007	<u>-</u>
Net book amount at 31 August 2006	<u>1,292</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 now considered not to have any value and has therefore been written off in the year.

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

14 FIXED ASSET INVESTMENTS

	Bank balances £'000	Listed investments £'000	Total £'000
Cost or valuation At 1 September 2006 and 31 August 2007	-	73	73

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 £'000
Cost and net book amount at 31 August 2007	51
Cost and net book amount at 31 August 2006	51

At 31 August 2007, 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 2007 of the subsidiaries were as follows

	Capital and reserves £'000	Surplus for the period £'000
United Learning Trust (Limited by Guarantee)	180,383	66,045
ULT Projects Limited	-	(2)

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

15 ASSETS HELD FOR RESALE

	2007 £'000	2006 £'000
Freehold land and buildings	-	2,556

16 STOCKS

	2007 £'000	2006 £'000
Goods for resale	80	111

17 DEBTORS

	2007 £'000	2006 £'000
Trade debtors	1,187	2,057
Amounts owed by group undertakings	343	12
Amounts owed by connected charity	5	8
Other debtors	71	187
Prepayments and accrued income	2,164	1,496
	<u>3,770</u>	<u>3,760</u>

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2007 £'000	2006 £'000
Trade creditors	972	1,669
Amounts owed to group undertakings	7	405
Social security and other taxes	770	785
Other creditors	628	516
Accruals and deferred income	6,910	6,533
Amounts due under hire purchase contracts	5	9
	<u>9,292</u>	<u>9,917</u>

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

19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2007 £'000	2006 £'000
Amounts due under hire purchase contracts	-	5

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 2007

20 BORROWINGS

Borrowings are repayable as follows

	2007 £'000	2006 £'000
Hire purchase contracts		
Within one year	5	9
After one and within two years	-	5
	<u>5</u>	<u>14</u>

21 UNRESTRICTED FUNDS

	At 1 September 2006 £'000	Movement in resources Incoming resources £'000	Expenditure £'000	Transfers to restricted funds £'000	At 31 August 2007 £'000
Unrestricted funds	8,125	56,981	(57,787)	(91)	7,228
Designated funds	214	-	(121)	-	93
	<u>8,339</u>	<u>56,981</u>	<u>(57,908)</u>	<u>(91)</u>	<u>7,321</u>

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

22 RESTRICTED FUNDS

	At 1 September 2006 £'000	Movement in resources Incoming resources £'000	Expenditure £'000	Transfers from unrestricted funds £'000	At 31 August 2007 £'000
Prize and scholarship funds	271	11	(11)	10	281
Sponsorship fund	1,134	3,505	(843)	81	3,877
Other donated funds	9	72	(72)	-	9
DCSF project management fund	-	2,974	(2,974)	-	-
	<u>1,414</u>	<u>6,562</u>	<u>(3,900)</u>	<u>91</u>	<u>4,167</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.

Other donated funds included a number of individual donations towards specific building and other projects within the group.

The DCSF project management fund is described in Note 4.

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

23 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Tangible fixed assets	1,796	-	1,796
Intangible fixed assets	-	-	-
Investments	-	73	73
Current assets	14,817	4,094	18,911
Creditors amounts falling due within one year	(9,292)	-	(9,292)
	<u>7,321</u>	<u>4,167</u>	<u>11,488</u>
Unrealised gains included above Investments	-	22	22

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

	2007 £'000	2006 £'000
Changes in resources before revaluations	1,735	2,738
Surplus on sale of fixed assets	(3,324)	-
Net interest (receivable)/payable	(45)	11
Depreciation	874	845
Amortisation of goodwill	1,292	125
Decrease/(increase) in stocks	31	(11)
Increase in debtors	(10)	(988)
Decrease in creditors	(621)	(366)
Net cash (outflow)/inflow from operating activities	<u>(68)</u>	<u>2,354</u>

25 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2007 £'000	2006 £'000
Increase in cash	5,044	1,461
Cash outflow from financing	<u>9</u>	<u>47</u>
Change in net funds resulting from cash flows and movement in net funds in the year	5,053	1,508
Net funds at 1 September 2006	10,003	8,495
Net funds at 31 August 2007	<u>15,056</u>	<u>10,003</u>

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

26 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2006 £'000	Cash flows £'000	At 31 August 2007 £'000
Cash at bank and in hand	10,017	5,044	15,061
Hire purchase contracts	(14)	9	(5)
	<u>10,003</u>	<u>5,053</u>	<u>15,056</u>

27 CAPITAL COMMITMENTS

The charitable company had no capital commitments at 31 August 2007 and 31 August 2006

28 CONTINGENT LIABILITIES

At 31 August 2007 the charitable company was party to a cross-guarantee on bank loans and overdrafts of the parent undertaking totalling £46,528,598 (2006 £55,875,677)

The charitable company has agreed to sponsor Lambeth, Manchester and Northampton Academies up to £6m. This money is being raised from external donations.

At 31 August 2007 £6,000,000 (2006 £5,625,000) had been raised leaving a balance of £Nil (2006 £375,000) to be funded by 31 March 2009

29 RETIREMENT BENEFITS

The charitable company's employees belong to the Teachers' Pension Scheme England and Wales (TPS) for academic staff.

The charitable company also operates defined contribution pension schemes for other staff.

The total pension cost to the charitable company during the year ended 31 August 2007 was £2,927,699 (2006 £2,765,668) of which £2,683,858 (2006 £2,542,408) relates to the TPS and £243,841 (2006 £223,260) relates to defined contribution pension schemes.

Teachers' Pension Scheme (TPS)

Under the definitions set out in Financial Reporting Standard 17, Retirement Benefits, the TPS scheme is classed as a multi-employer pension scheme. The charitable company is unable to identify its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the charitable company has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charitable company has set out below the latest information available for the scheme. The Teachers' Pension Scheme (TPS) is a statutory, contributory, final salary scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. Teachers are able to opt out of the TPS.

Although teachers are employed by the charitable company, their retirement and other superannuation benefits, including annual increases payable under the Pensions (Increase) Acts, are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the TPS, which is an unfunded scheme, teachers' contributions, on a 'pay-as-you-go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act.

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

29 RETIREMENT BENEFITS (CONTINUED)

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pension increases). With effect from 1 April 2001, the Account will be credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Not less than every four years, with a supporting interim valuation in between, the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

Contributions are assessed in two parts. First, a standard contribution is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate will be 19.75% plus a supplementary contribution rate of 0.75%, a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost sharing agreement will also introduce, for the first time from the 2008 valuation, a 14% cap on employer contributions payable.

The pension cost charged in the financial statements for this scheme for the year ended 31 August 2007 was £2,683,858 (2006 £2,542,408) which were the contributions paid for the year.

Included within other creditors is £342,915 (2006 £326,133) in respect of accrued contributions to the Teachers' Superannuation Scheme.

30 LEASING COMMITMENTS

Operating lease payments amounting to £1,700,661 (2006 £1,669,581) are due within one year. The leases to which these amounts relate expire as follows:

	2007		2006	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In one year or less	-	19	-	33
Between one and five years	1,528	118	246	74
In five years or more	36	-	1,316	-
	<u>1,564</u>	<u>137</u>	<u>1,562</u>	<u>107</u>

UNITED CHURCH SCHOOLS TRUST (LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2007

31 TRANSACTIONS WITH RELATED PARTIES

As a wholly-owned subsidiary of United 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

	2007 £'000	2006 £'000
Administration charge receivable from Caterham School	132	89
Amounts owed by Caterham School	5	8
Amounts owed by United Learning Trust	160	(351)
Grants made to United Learning Trust	844	4,072
Grants made to United Church Schools Foundation	8,070	150

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 £1,421,091 (2006 £588,578)

32 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