



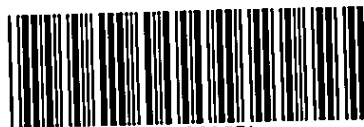
Grant Thornton

REGISTRAR'S
COPY

Financial Statements United Church Schools Trust (limited by guarantee)

For the year ended 31 August 2008

THURSDAY



AGKD2A87

A08

28/05/2009

160

COMPANIES HOUSE

Company No 2780748

Charity Registration No 1016538

Company information

Company registration number: 2780748

Registered office: Chapel Street
Titchmarsh
Northamptonshire
NN14 3DA

Directors: P J Anscombe
D C Barnes FCA
J H W Beardwell TD MA FSI (Deputy Chairman)
D S Brandon QC
W R Broadhead
P Buckler
The Rt Rev and Rt Hon the Lord Carey of Clifton (Chairman)
R Childs
Prof M J Clark BA PhD
D d'Arcy Hughes
Air Chief Marshal Sir Michael Graydon GCB CBE ADS FRACS (Deputy Chairman)
Sir A Greener
Ms L Keat
P Massey
T Moffatt
Rt Hon Dame Angela Rumbold DBE
P B Smith MA
Reverend Canon S Taylor
Dr R Townsend
J M Wooding

Chief Executive: Sir E W Harper CBE MA

Secretary: J A Nicholson ACA

Bankers: Barclays Bank PLC
Kettering and Luton

Solicitors: Roythorne Christmas
Peterborough

Auditor: Grant Thornton UK LLP
Grant Thornton House
Kettering Parkway
Kettering
Northants
NN15 6XR

Index

	PAGE
Report of the Members of the Board	3 - 10
Report of the independent auditor	11 - 12
Principal accounting policies	13 - 15
Statement of financial activities	16 - 17
Balance sheet	18
Cash flow statement	19
Notes to the financial statements	20 - 33

Fourteenth report of the board

The Board presents its report together with financial statements for the year ended 31 August 2008.

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 (hereafter called "members")

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	Audit
P J Anscombe				
D C Barnes		*	*	*
J H W Beardwell (Deputy Chairman)		*	*	
D S Brandon			*	
W R Broadhead				
P Buckler	10 December 2007			
Rt Rev and Rt Hon the Lord Carey of Clifton (Chairman)			*	
R Childs	1 April 2008			
Prof M J Clark				
D d'Arcy Hughes				
Air Chief Marshal Sir Michael Graydon (Deputy Chairman)			*	
Sir A Greener			*	*
Ms L Keat	5 September 2007			
P Massey	5 September 2007			
T Moffatt	5 September 2007			
Rt Hon Dame Angela Rumbold			*	
P B Smith				
Rev Canon S Taylor				
Dr R Townsend			*	
J Wooding	24 June 2008			

The following members have retired from the Board.

Member	Date of resignation or retirement
G Walter	10 December 2007
D Cade	25 September 2007
I Innes	25 September 2007

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

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 groups' 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
- observe the methods and principles in the Charities SORP
- 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 auditor is 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 auditor is 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.

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 2008 United Church Schools Trust had sponsored 13 open Academies through United Learning Trust and 1 more opened in September 2008. The total number of pupils being educated at ULT academies was 12,926 at 1 September 2008. 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 deficit for the year amounted to £457,000 (2007 surplus - £1,735,000). The charitable company is not liable to pay corporation tax and the deficit has therefore been transferred from reserves.

The schools operated by the charitable company are as follows:

Arnold School
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 99.56% pass rate (2007 - 99.46%). At GCSE 97.1% of students achieved five or more A* - C grades (2007 - 94.33%). This was in line with the charitable company's expectations at the start of the year.

Operating and financial review (continued)

On the 1 June 2008 Arnold School, a school in Blackpool, joined UCST and on the 8 August 2008 UCST acquired all of the share capital of Wentworth Milton Mount, a school in Boscombe, Hampshire.

As part of the merger with Arnold School, United Church Schools Trust has agreed to invest £5million in the school's infrastructure, with £3million being invested within 3 years. The first investment has been an upgrading of ICT costing £200,000 which has been included in these accounts. Before investing further a strategic investment review is being carried out.

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.

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
Accrington Moorhead Academy	September 2008

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 £923,000 (2007 - £3,505,000) in respect of the sponsorship fund for the United Learning Trust. In addition, £222,000 (2007 - £81,000) was transferred to sponsorship fund from unrestricted funds. Payments and accrued expenses for this fund amounted to £671,000 (2007 - £843,000) during the year leaving a surplus of £4,351,000 (2007 - £3,877,000) at 31 August 2008.

The value of restricted funds to be utilised in future years is £312,000 (2007 - £290,000) for prize and scholarship funds and other donated funds.

Unrestricted funds amount to £6,200,000 (2007 - £7,228,000) and designated funds amount to £168,000 (2007 - £93,000).

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. This will be through organic growth and through mergers with other schools.

It will train its staff in proven teaching techniques so that all of the pupils in its schools are given the best opportunities to reach their full potential and will continue its efforts to ensure its students obtain jobs or a place in higher education, as they choose, once they leave school.

On 4 November 2008 the charitable company announced that it would merge its schools at Brigg and Gamston (Bramcote Lorne) with those at Hull and Lincoln respectively with effect from 1 January 2009.

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.

The charitable company is the sponsor of, and works very closely with, United Learning Trust in managing a group of City Academies under the government initiative. 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 by external fundraising.

Through interaction in all of the schools and academies, the two charitable companies work together to give pupils in these academies every opportunity to succeed during their education. This involves such activities as group meetings at every level to share best practice and the sharing of educational resources over the Group's wide area computer network.

Connected charities

There is a relationship between United Church Schools Trust (Limited by Guarantee) and other charities as set out in note 28.

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 2008 there were cash reserves of £14,033,000 (2007 - £15,061,000). Reserves as defined by The Charity SORP amount to £3,755,000 (2007 - £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 £2.74m (2007 - £2.54m) was granted to pupils attending the charitable company's schools under these schemes. This equated to 4.6% of fees received (2007 - 4.6%).

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.

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 recommendations from the Carbon Trust reports highlighted last year were implemented throughout the estate:

- The use of low energy light bulbs
- Installation of systems to switch off inactive ICT
- Installation of software that monitors boilers

A number of other initiatives relating to the school buildings have been highlighted and continue to be investigated. These include:

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

Equal opportunities

The Governors recognise that equal opportunities should be an integral part of good practice within the workplace. The charitable company aims to establish equal opportunities in all areas of its activities, including creating a working environment in which the contribution and needs of all people are fully valued.

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.

UCST also has 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.

In September 2008, UCST put in place a National Recognition Agreement with the main trading unions.

Regular joint meetings of the Joint Negotiating Committee (JNC) will be held with the group where matters of mutual interest are discussed and agreed on.

The union members of JNC will report back to their members through locally appointed representatives.

Disabled employees

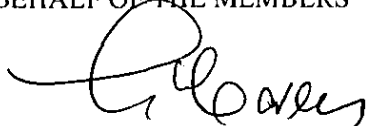
Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to retrain them in order that their employment with the charitable company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



The Lord Carcy of Clifton
Chairman

11 December 2008



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 2008 which comprise the principal accounting policies, the statement of financial activities, the balance sheet, the cash flow statement and notes 1 to 29. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 Trustees 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.



Report of the independent auditor to the members of United Church Schools Trust (limited by guarantee)

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.

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 2008 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 2008.

GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS

Kettering
5 January 2009

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.

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.

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 fixed assets and depreciation (continued)

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.

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.

Statement of financial activities (incorporating income and expenditure account)

	Note	Continuing £'000	Acquisition £'000	Total unrestricted funds £'000	Restricted funds £'000	Total 2008 £'000	Total 2007 £'000
Incoming resources							
Incoming resources from generated funds							
Voluntary income	5	100	-	100	935	1,035	3,696
Investment income	2	35	-	35	-	35	49
Incoming resources from charitable activities							
School fees receivable	1	54,610	1,527	56,137	-	56,137	51,333
Other educational related income	3	2,820	96	2,916	-	2,916	2,126
Project management grants from DCSF	4	-	-	-	1,596	1,596	2,974
Rents and lettings		15	4	19	-	19	41
Surplus on sale of land and buildings		-	-	-	-	-	3,324
Total incoming resources		57,580	1,627	59,207	2,531	61,738	63,543
Resources expended							
Costs of generating funds							
Fundraising for voluntary income		127	-	127	-	127	127
Charitable activities							
Schools operating costs and project management		51,085	1,600	52,685	1,596	54,281	52,721
Grants payable		7,000	-	7,000	683	7,683	8,926
		58,085	1,600	59,685	2,279	61,964	61,647

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

Statement of financial activities (incorporating income and expenditure account)

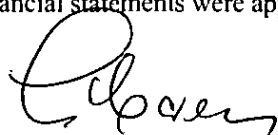
	Note	Continuing £'000	Acquisition £'000	Total unrestricted funds £'000	Restricted funds £'000	Total 2008 £'000	Total 2007 £'000
Governance costs		56	-	56	-	56	34
Assets transferred from other charity		-	60	60	(12)	48	-
Total resources expended	6	58,268	1,660	59,928	2,267	62,195	61,808
Net (outgoing)/incoming resources before transfers		(688)	(33)	(721)	264	(457)	1,735
Transfers between funds		(232)	-	(232)	232	-	-
Net movement in funds		(920)	(33)	(953)	496	(457)	1,735
Total funds brought forward at 1 September 2007		7,321	-	7,321	4,167	11,488	9,753
Funds carried forward at 31 August 2008		6,401	(33)	6,368	4,663	11,031	11,488

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

Balance sheet

	Note	2008 £'000	2007 £'000
Fixed assets			
Tangible assets	12	2,445	1,796
Investments	13	654	73
		<u>3,099</u>	<u>1,869</u>
Current assets			
Stocks	14	80	80
Debtors	15	3,795	3,770
Cash at bank and in hand		<u>14,033</u>	<u>15,061</u>
		17,908	18,911
Creditors: amounts falling due within one year	16	<u>(9,976)</u>	<u>9,292</u>
Net current assets		<u>7,932</u>	<u>9,619</u>
Total assets less current liabilities		<u>11,031</u>	<u>11,488</u>
Income funds			
Restricted funds	19	4,663	4,167
Unrestricted funds	18	6,200	7,228
Designated funds	18	168	93
		<u>11,031</u>	<u>11,488</u>

The financial statements were approved by the members of the Board on 11 December 2008



The Lord Carey of Clifton
Chairman

Cash flow statement

	Note	2008 £'000	2007 £'000
Net cash inflow/(outflow) from operating activities	21	1,170	(68)
Returns on investments and servicing of finance			
Interest received		35	49
Interest paid		(12)	(3)
Interest element of finance lease rentals		-	(1)
Net cash inflow from returns on investments and servicing of finance		23	45
Capital expenditure and financial investment			
Purchase of fixed asset investments		(581)	-
Purchase of tangible fixed assets		(1,651)	(804)
Sale of tangible fixed assets		16	5,880
Net cash (outflow)/inflow from investing activities		(2,216)	5,076
Financing			
Capital element of hire purchase contracts		(5)	(9)
Net cash outflow from financing	23	(5)	(9)
(Decrease)/increase in cash	22	(1,028)	5,044

Notes to the financial statements

1 Rent and (deficit)/surplus on ordinary activities

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

	2008 £'000	2007 £'000
Gross fee income receivable	60,001	54,770
Scholarships, bursaries and reduced fees	(4,878)	(4,348)
	<u>55,123</u>	<u>50,422</u>
Catering income	1,014	911
	<u>56,137</u>	<u>51,333</u>

2 Investment income

Investment income comprises income from:

	2008 £'000	2007 £'000
Bank deposits	<u>35</u>	<u>49</u>

3 Other educational related income

	2008 £'000	2007 £'000
Accounting services to other schools and academies	2,214	1,557
Income from school fees insurance schemes	81	81
Pupil registration fees	115	107
Charges for additional classes	270	194
Other miscellaneous school income	236	187
	<u>2,916</u>	<u>2,126</u>

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. 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

	2008 £'000	2007 £'000
City Academy sponsorship	923	3,505
Other sponsorship and donations received	103	172
Grants received for bursaries	9	19
	<u>1,035</u>	<u>3,696</u>

6 Analysis of total resources expended

	Staff costs £'000	Other costs £'000	Depreciation and amortisation £'000	Total 2008 £'000	Total 2007 £'000
Cost of generating funds					
Fundraising for voluntary income	68	59	-	127	127
Charitable activities					
Schools operating costs					
Education costs	30,490	2,334	-	32,824	30,428
Catering	114	2,648	-	2,762	2,589
Premises and services	2,052	5,515	-	7,567	6,535
Administration	4,084	3,099	-	7,183	5,558
Marketing	230	529	-	759	568
Other costs	122	482	-	604	1,903
Depreciation and amortisation	-	-	986	986	2,166
	37,092	14,607	986	52,685	49,747
Project management for DCSF	537	1,059	-	1,596	2,974
	37,629	15,666	986	54,281	52,721
Grants payable					
Sponsorship grants to United Learning Trust	-	671	-	671	844
Grant to United Church Schools Foundation Limited	-	7,000	-	7,000	8,070
Other grants	-	12	-	12	12
	-	7,683	-	7,683	8,926
Governance costs					
Company secretarial costs	2	-	-	2	2
Audit fees	-	12	-	12	8
Members' meeting and travel expenses	-	42	-	42	24
	2	54	-	56	34
Assets transferred to other charity	-	48	-	48	-
	37,699	23,510	986	62,195	61,808

Analysis of resources expended (continued)

Total resources expended include:

	2008 £'000	2007 £'000
Auditor's remuneration		
Audit services	12	7
Depreciation:		
Tangible fixed assets, owned	986	866
Tangible fixed assets, held under hire purchase contracts	-	8
Goodwill amortisation	-	1,292
Operating lease rentals	1,637	1,785

7 Net interest

	2008 £'000	2007 £'000
On bank overdrafts	-	(3)
Finance charges in respect of hire purchase contracts	-	(1)
	-	(4)
Other interest receivable and similar income:		
Bank deposits	35	49
	35	45

8 Employees

Staff costs during the year were as follows:

	2008 £'000	2007 £'000
Wages and salaries	32,064	29,377
Social security costs	2,439	2,327
Other pension costs	3,196	2,928
	37,699	34,632

The average number of employees during the year was 1,417 (2007 - 1,331).

Employees (continued)

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

	2008	2007
£60,001 to £70,000	5	7
£70,001 to £80,000	3	4
£80,001 to £90,000	5	-
£90,001 to £100,000	3	2
£100,001 to £110,000	-	1
£110,001 to £120,000	2	2
£120,001 to £130,000	-	1
£130,001 to £140,000	1	1
£150,001 to £160,000	1	1
£190,001 to £200,000	-	1
£210,000 to £220,000	1	-

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

	2008	2007
	£'000	£'000
Pension contributions to defined contribution and teachers' pension schemes	255	232

During the year, 6 higher paid employees (2007 - 6) participated in defined contribution schemes and 14 (2007 - 13) 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 2008 or 31 August 2007.

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.

	2008	2007
	£'000	£'000
D C Barnes	15	15
P B Smith	1	-
Rt Hon Dame Angela Rumbold	19	17
	35	32

Expense reimbursements paid to all 19 members of the Council during the year amounted to £10,000 (2007 - £11,000) and all related to travel and subsistence costs.

11 Changes in resources available for charity use

	Unrestricted funds £'000	Restricted funds £'000	Total 2008 £'000	Total 2007 £'000
Net movement in funds for the year	(953)	496	(457)	1,735
Net increase in tangible fixed assets	(649)	-	(649)	70
Net movement in funds available for future activities	<u>(1,602)</u>	<u>496</u>	<u>(1,106)</u>	<u>1,805</u>

12 Fixed assets

	Total £'000	Leasehold improvements £'000	Fixtures and fittings £'000	Computer equipment £'000	Motor vehicles £'000
Cost					
At 1 September 2007	9,001	15	2,214	6,486	286
Additions	1,346	-	285	972	89
Disposals	(79)	-	-	-	(79)
Transfers from other charities	1,408	-	1,084	169	155
At 31 August 2008	<u>11,676</u>	<u>15</u>	<u>3,583</u>	<u>7,627</u>	<u>451</u>
Depreciation					
At 1 September 2007	7,205	11	1,189	5,800	205
Provided in the year	986	2	205	722	57
Disposals	(63)	-	-	-	(63)
Transfers from other charities	1,103	-	981	-	122
At 31 August 2008	<u>9,231</u>	<u>13</u>	<u>2,375</u>	<u>6,522</u>	<u>321</u>
Net book amount at 31 August 2008	<u>2,445</u>	<u>2</u>	<u>1,208</u>	<u>1,105</u>	<u>130</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>

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 2008	-	-	-
Net book amount at 31 August 2007	7	8	6
Depreciation provided in the year	-	-	-

13 Fixed asset investments

	Shares in group undertaking £'000	Listed investments £'000	Total £'000
Cost or valuation At 1 September 2007	-	73	73
Additions	581	-	581
At 31 August 2008	581	73	654

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 2008	51
Cost and net book amount at 31 August 2007	51

The shares in group undertakings represents the costs of acquiring the entire share capital of Wentworth Milton Mount Limited on 8 August 2008. Wentworth Milton Mount Limited owns and operates an independent school under the name of Wentworth College.

Fixed asset investments (continued)

At 31 August 2008, the company held more than 20% of the following:

	Class of share capital held	Proportion held		Nature of Business
		Directly	Indirectly	
United Learning Trust (Limited by Guarantee)	-	75%	-	Education
ULT Projects Limited	Ordinary £1	-	100%	Property development
Wentworth Milton Mount Limited	Special £1	100%	-	Education
Wentworth Milton Mount (Educational Services) Limited	Ordinary £1		100%	School lettings

The aggregate amount of the capital and reserves and surplus for the period ended 31 August 2008 of the subsidiaries were as follows:

	Capital and reserves £'000	Surplus for the period £'000
United Learning Trust (Limited by Guarantee)	<u>249,531</u>	<u>68,726</u>
ULT Projects Limited	<u>(2)</u>	<u>(2)</u>
Wentworth Milton Mount Limited	<u>4,018</u>	<u>(248)</u>
Wentworth Milton Mount (Educational Services) Limited	<u>-</u>	<u>-</u>

14 Stocks

	2008 £'000	2007 £'000
Goods for resale	<u>80</u>	<u>80</u>

15 Debtors

	2008 £'000	2007 £'000
Trade debtors	838	1,187
Amounts owed by group undertakings	1,011	343
Amounts owed by connected charity	35	5
Other debtors	349	71
Prepayments and accrued income	1,562	2,164
	<u>3,795</u>	<u>3,770</u>

16 Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Trade creditors	992	972
Amounts owed to group undertakings	4	7
Social security and other taxes	953	770
Other creditors	1,067	628
Accruals and deferred income	6,960	6,910
Amounts due under hire purchase contracts	-	5
	<u>9,976</u>	<u>9,292</u>

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

17 Borrowings

Borrowings are repayable as follows:

	2008 £'000	2007 £'000
Hire purchase contracts:		
Within one year	-	5
After one and within two years	-	-
	<u>-</u>	<u>5</u>

18 Unrestricted funds

	Movement in resources					At 31 August 2008 £'000
	At 1 September 2007 £'000	Incoming resources £'000	Expenditure £'000	Transfers to restricted funds £'000	Transfers from/(to) other charity £'000	
Unrestricted funds	7,228	59,189	(59,856)	(232)	(129)	6,200
Designated funds	93	18	(12)	-	69	168
	<u>7,321</u>	<u>59,207</u>	<u>(59,868)</u>	<u>(232)</u>	<u>(60)</u>	<u>6,368</u>

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

19 Restricted funds

	Movement in resources					At 31 August 2008 £'000
	At 1 September 2007 £'000	Incoming resources £'000	Expenditure £'000	Transfers from unrestricted funds £'000	Transfers from other charity £'000	
Prize and scholarship funds	281	9	(10)	10	1	291
Sponsorship fund	3,877	923	(671)	222	-	4,351
Other donated funds	9	3	(2)	-	-	10
DCSF project management fund	-	1,596	(1,596)	-	-	-
DCSF design project	-	-	-	-	11	11
	<u>4,167</u>	<u>2,531</u>	<u>(2,279)</u>	<u>232</u>	<u>12</u>	<u>4,663</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.

20 Analysis of net assets between funds

	Unrestricted funds £'000	Restricted funds £'000	Total £'000
Tangible fixed assets	2,445	-	2,445
Investments	581	73	654
Current assets	13,318	4,590	17,908
Creditors: amounts falling due within one year	(9,976)	-	(9,976)
	<u>6,368</u>	<u>4,663</u>	<u>11,031</u>
Unrealised gains included above			
Investments	<u>-</u>	<u>22</u>	<u>22</u>

21 Reconciliation of changes in resources to net cash inflow from operating activities

	2008 £'000	2007 £'000
Changes in resources before revaluations	(457)	1,735
Surplus on sale of fixed assets	-	(3,324)
Net interest (receivable)/payable	(23)	(45)
Depreciation	986	874
Amortisation of goodwill	-	1,292
Decrease/(increase) in stocks	-	31
Increase in debtors	(25)	(10)
Increase/(decrease) in creditors	689	(621)
Net cash inflow/(outflow) from operating activities	<u>1,170</u>	<u>(68)</u>

22 Reconciliation of net cash flow to movement in net funds

	2008 £'000	2007 £'000
(Decrease)/increase in cash	(1,028)	5,044
Cash outflow from financing	<u>5</u>	<u>9</u>
Change in net funds resulting from cash flows and movement in net funds in the year	(1,023)	5,053
Net funds at 1 September 2007	<u>15,056</u>	<u>10,003</u>
Net funds at 31 August 2008	<u>14,033</u>	<u>15,056</u>

23 Analysis of changes in net funds

	At 1 September 2007 £'000	Cash flows £'000	At 31 August 2008 £'000
Cash at bank and in hand	15,061	(1,028)	14,033
Hire purchase contracts	(5)	5	-
	<u>15,056</u>	<u>(1,023)</u>	<u>14,033</u>

24 Capital commitments

The charitable company had no capital commitments at 31 August 2008 and 31 August 2007.

25 Contingent liabilities

At 31 August 2008 the charitable company was party to a cross-guarantee on bank loans and overdrafts of the parent undertaking totalling £45,824,000 (2007 - £46,528,598).

26 Retirement benefits

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

Some support staff at Arnold School belong to the Local Government Pension Scheme. 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 2008 was £3,196,000 (2007 - £2,927,699) of which £2,937,000 (2007 - £2,684,000) relates to the TPS, £12,000 (2007 - £nil) related to the LGPS and £247,000 (2007 - £244,000) relates to defined contribution pension schemes.

Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School.

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0%.

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution rate has been assessed at 19.75% and the supplementary contribution rate has been assessed to be 0.75% (to balance the Scheme's assets and liabilities within 15 years as required by the regulations); a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable.

Retirement benefits (continued)

Teachers' Pension Scheme (TPS) (continued)

The pension cost charged in the financial statements for this scheme for the year ended 31 August 2008 was £2,937,000 (2007 - £2,684,000) which were the contributions paid for the year.

Included within other creditors is £413,000 (2007 - £365,000) in respect of accrued contributions to the Teachers' Superannuation Scheme.

27 Leasing commitments

Operating lease payments amounting to £1,636,000 (2007 - £1,700,000) are due within one year. The leases to which these amounts relate expire as follows:

	2008		2007	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In one year or less	-	14	-	19
Between one and five years	1,445	43	1,528	118
In five years or more	34	-	36	-
	1,479	157	1,564	137

28 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:

	2008 £'000	2007 £'000
Administration charge receivable from Caterham School	174	132
Amounts owed by Caterham School	35	5
Amounts owed by United Learning Trust	91	160
Grants made to United Learning Trust	671	844
Grants made to United Church Schools Foundation	7,000	8,070

Transactions with related parties (continued)

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 £2,035,000 (2007 - £1,421,091).

29 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