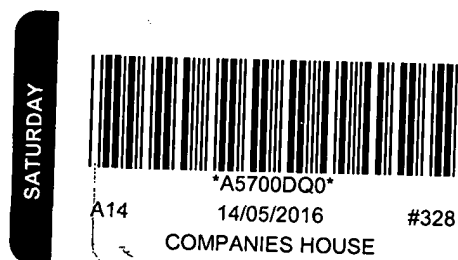


Financial Statements

United Church Schools Trust

(Limited by Guarantee)

For the year ended 31 August 2015



Registered number: 02780748

Charity number: 1016538

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Reference and Administrative Details of the Charitable Company, its Trustees and Advisers

For the year ended 31 August 2015

Company registered number	02780748
Charity registered number	1016538
Registered office	Fairline House Nene Valley Business Park Oundle Peterborough PE8 4HN
Company secretary	Mr S Whiffen (appointed 12 February 2015) Mr A Holmes (resigned 16 January 2015)
Chief executive officer	Mr J Coles
Independent auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor 300 Pavilion Drive Northampton Business Park Northampton NN4 7YE
Bankers	Barclays Bank PLC
Solicitors	Hewitsons LLP Elgin House Billing Road Northampton NN1 5AU Stone King LLP 91 Charterhouse Street London EC1M 6HR

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Trustees

For the year ended 31 August 2015

Trustees

Mrs A Crowe, Chair
Sir M Graydon (resigned 21 May 2015)
Mr R Greenhalgh (appointed 25 March 2015)
Mrs L Heaver
Mr E Kock (resigned 30 September 2015)
Mr M Litchfield (appointed 24 September 2014)
Mrs S Squire

Biographies for Trustees can be found at www.unitedlearning.org.uk

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Index

	Page
Reference and administrative details of the charity and advisers	
Trustees	
Trustees' report	1 - 15
Independent auditor's report	16 - 17
Statement of financial activities	18
Balance sheet	19
Cash flow statement	20
Notes to the financial statements	21 - 38

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Trustees' Report

For the year ended 31 August 2015

The Trustees (who are also directors of the Charitable Company for the purposes of the Companies Act) present their annual report together with the audited financial statements of United Church Schools Trust (Limited by Guarantee) (the Charitable Company) for the year ended 31 August 2015. The Trustees confirm that the Annual report and financial statements of the Charitable Company comply with the current statutory requirements, the requirements of the Charitable Company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Constitution and objects

The United Church Schools Trust (Limited by Guarantee) is registered with the Charity Commission (No. 1016538) and is constituted as a company limited by guarantee, governed by Memorandum and Articles of Association, which were last amended in 2004. 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 "Trustees")

The present membership of the Board is set out under Reference and Administrative Details. All Trustees served throughout the year except where indicated. The following Trustees were appointed or retired from the Board:

Trustee	Date of resignation or retirement
Sir M Graydon	Resigned 21 May 2015
Mr E Kock	Resigned 30 September 2015
Mr R Greenhalgh	Appointed 25 March 2015
Mr M Litchfield	Appointed 24 September 2014

Each member of the Board of Trustees holds one share in United Church Schools Foundation Limited (UCSF) the ultimate parent undertaking.

Appointment of Trustees

The Board has the power to appoint any person as an additional Trustee or to fill a casual vacancy. A Trustee 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 Chair.

The training and induction provided for new Trustees is dependent upon their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Trustees are given tours of the United Learning Group's ('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 Trustees. Induction is tailored specifically to the individual.

Trustees' Report (continued)

For the year ended 31 August 2015

Governance

The Board of Trustees have delegated their powers and functions to a committee of Trustees known as the Group Board. All the Trustees of United Church Schools Trust ('UCST') are members of the Group Board. Members of the Group Board also include persons who are Trustees of United Learning Trust ('ULT') a subsidiary Charitable Company. The Group Board carries out an annual self-evaluation process to review its effectiveness and continue to improve its performance. The Group Board met for a total of 7 meetings during the year and the UCST board of Trustees held 1 independent meeting. Attendance during the year at the meetings of the Trustees was as follows:

Trustee	Group Board meetings attended	Out of a possible	UCST meetings attended	Out of a possible
Mrs A Crowe	7	7	1	1
Sir M Graydon	5	5	1	1
Mr R Greenhalgh	3	3	0	0
Mrs L Heaver	5	7	1	1
Mr E Kock	6	7	1	1
Mr M Litchfield	4	7	1	1
Mrs S Squire	5	7	1	1

The Board of Trustees delegates clear responsibilities to the Schools' Local Governing Bodies (LGBs), whose purpose is to provide support and challenge to the school on behalf of the Board. The functions and duties of the LGBs are set out in the LGB Terms of Reference. The Group Board maintains links with the LGBs through the Company Secretary, and designated Directors for the primary and secondary schools. The Chairs of the LGBs attend meetings of the Education Board, which meets three times in the academic year and provides advice on strategy and education, further enhancing communications between Local Governing Bodies and the Trustees.

The Board of Trustees has three committees which advise on matters defined by their terms of reference. The Committees are the Finance Committee, the Risk and Audit Committee and the Nominations and Salaries Committee. The minutes of the Finance Committee and the Risk and Audit Committee are made available to the Board of Trustees at meetings of the Group Board and the Chair of the Risk and Audit Committee reports to the Board of Trustees twice a year at meetings of the Group Board.

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Trustees' Report (continued)

For the year ended 31 August 2015

The Finance Committee's purpose is to:

- ensure that the Charitable Company properly plans the use of its finances and is adequately funded to undertake projected expenditure;
- review and recommend the annual budgets for approval by the board of Trustees;
- monitor financial performance against agreed budgets;
- ensure, with the Risk and Audit Committee, that the Charitable Company's financial statements are supported accurately by management accounts;
- monitor and review the Charitable Company's arrangements in relation to investments and make recommendations to the Board of Trustees in relation to the appointment and removal of investment advisors.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
Sir A Greener (Chair)	4	5
Dr S Critchley	4	5
Mrs A Crowe	5	5
Mr M George	3	5
Sir M Graydon	4	4
Mr R Greenhalgh	1	1
Mr J Irwin	1	3
Mr M Litchfield	2	5
Mr N Robson	4	4

The Risk and Audit Committee advises the main Board of Trustees. Its purpose is to:

- create and ensure implementation of a risk management framework for the Group and to oversee disaster recovery;
- ensure the Charitable Company's annual financial statements are supported accurately by management accounts and other financial reports presented to them by all schools and academies;
- ensure effective audit functions are in place (both external and internal);
- ensure adequate risk management processes are in place;
- ensure an adequate internal control environment is established.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Professor C Coulson Thomas (Chair)	4	4
Mrs K Bowles	4	4
Dr S Critchley	4	4
Mr D D'Arcy Hughes	2	4

A Group Nominations and Salaries Committee is in place whose purpose is to oversee the appointments of the Group Chairman, Directors and Senior Executives and to decide senior salaries and remuneration in line with the Group Board policy guidelines. The committee regularly reviews the terms of office, skills and attributes of Directors of the Board. Recruitment and selection of Directors is based on this and the committee ensure that key skills gaps are identified and addressed. The Committee also takes account of Board diversity and strives to ensure the Board composition is diverse particularly in terms of gender and ethnicity.

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Trustees' Report (continued)

For the year ended 31 August 2015

The Committee membership is the Chair of the Group Board and the Chairs of UCSF, UCST and ULT, with the Chief Executive in attendance. They are advised by the Director of People and Company Secretary. The members of the Committee are responsible for recruiting and selecting new Trustees and making recommendations of appointment to the Board.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mrs A Crowe	2	2
Sir M Graydon	2	2
Sir A Greener	2	2
Mr R Greenhalgh	1	1
Mr N Robson	2	2

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Charitable Company's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in United Church Schools Trust for the year from 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Charitable Company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Charitable Company's significant risks that has been in place for the year from 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. The Board of Trustees has reviewed this process and approved an updated version of the Group Risk Management Policy.

The Charitable Group has a risk register that identifies the 12 key strategic risks facing the Group, the actions taken to mitigate those risks and the owners of those actions. Risk control is exercised by the senior management team, which reviews the risk register on a monthly basis. The Risk and Audit Committee considers the risk register at each of their meetings. Its views are reported to the Board of Trustees via the Committee's minutes and the Chair's bi-annual report to the Group Board.

The Risk and Control Framework

The Charitable Company's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports, which are reviewed and agreed by the Board of Trustees;
- regular reviews by the management and the Finance Committee of reports which indicate financial performance against the forecasts and major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Trustees' Report (continued)

For the year ended 31 August 2015

- identification and management of risks.

The Group employs an internal auditor who has a direct reporting line to the Chair of the Risk and Audit Committee. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Charitable Company's financial systems. On a timely basis, the internal auditor reports to the Board of Trustees and the Risk and Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

Chief Executive

The Trustees delegate the day to day responsibility of the running of the Charitable Company to the Chief Executive.

Connected charities

There is a relationship between United Church Schools Trust (Limited by Guarantee) and other charities as set out in note 23.

Strategic report

Strategies and activities

About United Learning

Founded in 1883 as an educational charity anchored in the Church of England, 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. Its admission policies welcome people from all employment, faiths and backgrounds. In 2001 it created a subsidiary charity, United Learning Trust ("ULT") to extend its work into some of the most challenging inner city areas through the City Academy programme. As at 31 August 2015 United Church Schools Trust sponsors 41 state sector academies through ULT.

The overall aim of the Charitable Company is to promote excellent education, providing strong schools which enable all young people to make a success of their lives.

The roots of our charity can be traced back 130 years, and over this period, we have founded and developed a large number of schools, focused on the most important social and educational challenges of the day. Our strength today lies in the unique collaboration between state and independent schools, in our national reach and in our continued determination to learn, improve and achieve excellence.

As of 31 August 2015, United Learning – the trading name of the Charitable Group – comprises 13 independent schools, 41 state sector academies and a small Central Office function that serves our schools. Our schools are uniquely united across both the state and independent sectors; they make learning and improvement their focus, and together, they are one of the country's largest education providers, currently educating 39,150 students and employing 7,311 members of staff including 3,337 teachers.

Trustees' Report (continued)

For the year ended 31 August 2015

Operating review

Improved Academic Performance

Over the course of the year, academic performance improved across the Group; despite a national dip in performance at GCSE.

At A Level:

- 18.2% of entries were awarded A*
- 90.1% of entries were awarded A*-C
- The overall pass rate was 99.2%

There were notable performances at Guildford High School, Ashford School and Surbiton High School.

Across our independent primary schools, three quarters of pupils achieved Level 5 or higher at Key Stage 2 with Ashford School seeing a 24 percentage point increase compared to the year before. The percentage of pupils achieving Level 5 or higher in writing increased by 8 percentage points to 64%. Maths also saw an improvement with a 3 percentage point increase in the number of pupils gaining Level 5 or higher.

At GCSE:

- 89% of students achieved five or more A*-C grades including English and maths
- 57% of entries were graded A*/A
- 93% of entries were graded A*-C

The following schools received ISI inspections:

- Hampshire Collegiate School was rated good or excellent in all categories; its Early Years provision was judged outstanding in all areas;
- Surbiton High School was rated excellent across the board;
- St Ives School was rated good or excellent in all categories.

Across our independent primary schools, three quarters of pupils achieved Level 5 or higher at Key Stage 2 with Ashford School seeing a 24 percentage point increase compared to the year before. The percentage of pupils achieving Level 5 or higher in writing increased by 8 percentage points to 64%. Maths also saw an improvement with a 3 percentage point increase in the number of pupils gaining Level 5 or higher.

Powerful Knowledge

During the course of the year we developed and began to implement a United Learning Curriculum in English and Maths extending from Year 1 to Year 9. This highly rigorous academic curriculum builds on the new national curriculum to ensure all children in our schools learn the English and Maths that they need to be successful at school and in life.

We conducted the pilot of our United Classroom initiative offering GCSE Astronomy to Year 9 and 10 students from Lambeth Academy and Surbiton High School, successfully providing them with access to a highly academic subject that they would not otherwise be able to study.

Trustees' Report (continued)

For the year ended 31 August 2015

Education with Character

Our pupil experience offer continued to expand this year to meet our Pupil Charter. This sets out the entitlement of every young person in the Group to excellent enrichment opportunities. During the year, over 12,700 pupils took part in some form of group-wide pupil experience designed to challenge and engage them and introduce them to new opportunities. Activities included an extensive range of group-wide sporting and musical activities and a wide range of other enriching opportunities such as the UnitedApp Competition, poetry workshops and social action projects.

Following its establishment in July 2014, the United Learning Partnership Fund, which was made possible through the generosity of the Alan Howard Foundation, began to fund a huge variety of opportunities for our students and staff. Key projects developed through the Fund this year include the Russell Group Entrance Project, collaborations between our academies and some of the country's best performing independent schools and deep professional development for teachers.

Through the work of our Heads of Sport and Music and Performing Arts, we continued to offer our students an excellent enrichment offer which included inter-school competitions, motivational workshops led by our Sport Ambassadors and opportunities to perform in New York and at the Edinburgh Fringe.

Outstanding People and Leadership

In the 2014/15 academic year, 101 people commenced their United Teaching training, with 88 trainees successfully graduating this summer. Approximately 80% of these graduates are now teaching in the Group's schools.

All Heads take part in twice-termly Group Education Forums and other development opportunities. Over half of Senior Leaders and over a quarter of Middle Leaders have participated in programmes including Masters Degrees, coaching training and leadership development.

The Group undertook a priority review, examining the provision of CPD across the Group. The conclusions are being implemented.

81% of employees responded to our annual Staff Survey. Our Overall Engagement Score (defined by Ipsos Mori as "an employee's willingness to put discretionary effort into their work in the form of time, thought and energy") rose to 72%. This score outperforms the UK norm of 55%, a public sector norm of 51% and an education sector norm of 59%.

Group Board and Executive Team

Richard Greenhalgh succeeded Sir Michael Graydon as Chairman of United Learning. Sir Michael stood down after 18 years of Board-level involvement with the Group and had been Chair since 2012. The Group remains indebted to Sir Michael for his many years of dedication, commitment and loyalty to its schools.

Trustees' Report (continued)

For the year ended 31 August 2015

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

Financial Review

The total surplus for the year amounted to £5,011,000 (2014: £3,159,000). Included within these results was an actuarial deficit on defined benefit pension schemes of (£16,000) (2014 – surplus of £38,000). The Charitable Company is not liable to pay corporation tax and the surplus has therefore been retained.

The schools operated by the Charitable Company are as follows:

AKS

Ashford School

Bournemouth Collegiate School

Dunottar School

Guildford High School

Hampshire Collegiate School

Hull Collegiate School

Lincoln Minster School

Rowan Preparatory School

Sunderland High School

Surbiton High School

The Charitable Company is a sponsor of ULT which is a subsidiary undertaking of the Charitable Company. ULT's aim is to found and manage a group of City Academies under the government initiative. Academies opened to date are listed on the website for United Learning.

The pension deficit movement recorded in the Statement of Financial Activities (SOFA) is as a result of the application of FRS17 to the contributions made by United Church Schools Trust to the Local Government Pension Scheme. Under FRS17 the Charitable Company is required to account for retirement benefits when it is committed to give them, even if the actual giving will be many years into the future. Whilst FRS17 is a better reflection of the obligations of the employer to fund pension promises to employees, it does not reflect the actual contribution arrangements of the pension fund. It requires the Charitable Company to disclose the total value of all pension payments that have accumulated (including deferred pensions) at 31 August each year. This value is made up of:

- the total cost of the pensions that are being paid out to former employees who have retired, and
- the total sum of the pension entitlements earned to date for our current employees even though it may be many years before the people concerned actually retire and begin drawing their pension.

The standard also requires the Charitable Company to show all investments (assets) of the Pension Fund at their bid value, as they happen to be at the year end. In reality, the value of such investments fluctuates in value on a day to day basis but this is ignored for the purpose of the accounting standard. The difference between the asset and liability valuations results in either a deficit or a surplus being recorded in the SOFA and Balance Sheet. A better reflection of a pension fund's actual position comes from the more detailed assessment made by an actuary. This assesses and examines the ongoing financial position of the Pension Fund. The actuarial valuation can differ considerably from the FRS17 valuation. It is the actuarial valuation that is used to review contribution rates to the

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Trustees' Report (continued)

For the year ended 31 August 2015

Fund from the Charitable Company, to ensure that existing assets and future contributions will be sufficient to meet future pension payments spreading any surplus or deficit over a number of years.

Restricted fund income for the year includes donations and investment income of £nil (2014: £nil) in respect of the sponsorship fund for United Learning Trust. The value of restricted funds to be utilised in future years includes £498,000 (2014: £498,000) for prize and scholarship funds and other donated funds and £1,729,000 (2014: £1,729,000) for the sponsorship fund. Unrestricted funds amount to £17,901,000 (2014: £12,890,000) and designated funds amount to £262,000 (2014: £262,000). The assets are held in pursuance of the Charitable Company's objectives.

Plans for future periods

On 1 October 2015, the Charitable Company welcomed Greenacre School into the Group.

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. The Charitable Company trains 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.

Funding

The Trustees 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.

Risk assessment

During the year under review, the Trustees 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 and Audit 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 this group are the protection of pupils, employees and of assets and systems and procedures to minimise these are constantly being reviewed and updated. The Charitable Company has Safeguarding and Child Protection policies in place which focus on the need to ensure that its pupils are safe, feel safe and are fully supported in this respect by their School. These policies, which are available online, also provide a framework for its schools to develop secure processes for identifying and supporting pupils at risk of abuse. The implementation and effectiveness of these policies and procedures, which adhere to Department for Education guidelines on safeguarding and child protection, are regularly monitored and reviewed. To further mitigate this risk a central safeguarding officer was appointed in 2014.

Financial and risk management objectives and policies

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 Trustees 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.

Trustees' Report (continued)

For the year ended 31 August 2015

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.

Health & Safety

The health and safety of the school sites is of paramount importance. Health and safety risks are carefully assessed to minimise the possibility of accidents.

Financial risk management objectives and policies

The Charitable Company uses various financial instruments including cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Charitable Company's operations.

All transactions in derivatives are undertaken to manage the risks arising from underlying charitable activities and no transactions of a speculative nature are undertaken.

The main risks arising from the Charitable Company's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk

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 Charitable Company's facilities in the most efficient manner. Those facilities are designed to ensure that the Charitable Company has sufficient available funds for day to day operations and for planned expansion and capital expenditure.

The Charitable Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short term flexibility is achieved by overdraft facilities.

The Charitable Company finances its operations through retained surpluses and bank borrowings.

The Charitable Company is exposed to price risk in terms of fees but is content that these are in line with those in the sector, and budget accordingly. The principal credit risk for the Charitable Company arises from its debtors. Strict payment terms are enforced by the Charitable Company's credit control department and debt collection is outsourced as necessary to the Charitable Company's solicitors. Credit risk is further managed through regular contact with any families in financial difficulty in an effort to assist.

Trustees' Report (continued)

For the year ended 31 August 2015

Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

Policies

As part of managing our risks and to ensure good governance we outline some key policies below.

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 Trustees 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 Trustees 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, which is approximately £10.6m. At 31 August 2015 there were cash reserves of £14,216,000 (2014: £14,932,000). Reserves defined as net current assets/(liabilities) amount to £14,547,000 (2014: £10,649,000).

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.

Environmental policy

The Charitable Company believes that protection of the environment is an integral part of good educational practice. The Charitable Company is fully committed to its responsibility for minimising the environmental impacts of its operations, and will continuously aim to improve its environmental performance through the future implementation of its Environmental Management System (EMS).

The Charitable Company seeks to engage all members of the school community to develop a sustainable approach to their work and activities so as to help it achieve its aims. The Charitable Company's commitment includes the environmentally prudent management of its buildings and operations, collaboration with suppliers to improve its indirect environmental impacts, and environmental programmes and education for its employees and pupils.

The Charitable Company recognises that good environmental management must be an integral and fundamental part of its corporate business strategy.

Equal opportunities

The Trustees 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.

Trustees' Report (continued)

For the year ended 31 August 2015

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. 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 group website for more information.

All new staff joining the Charitable Company are fully inducted and annually the Charitable Company runs two induction programmes, lasting two days, for all teachers new to United Learning. The Charitable Company carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the Directors.

The Charitable Company has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

The Charitable Company has in place a National Recognition Agreement with the main teaching and support unions. Regular joint meetings of the Joint Negotiating Committee (JNC) are held with this group where matters of mutual interest are discussed and agreed upon.

The union members of the JNC report back to their members through locally appointed representatives. Each school also ensures all staff are kept fully briefed by using a variety of methods including staff meetings and newsletters.

In accordance with the Charitable Company's Equal Opportunities policy, the Charitable Company has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the Charitable Company's offices.

Public benefit

The Trustees confirm that they have referred to the Charity Commission's guidance on Public Benefit when reviewing the Charitable Company's aims and objectives and in planning future activities for the year.

The Charitable Company aims to educate as many young people as possible irrespective of their backgrounds. There are two main strands to its work:

- Sponsorship of Academies
- Bursaries and other financial assistance

Trustees' Report (continued)

For the year ended 31 August 2015

Academies

The Charitable Company is the sponsor of, and works very closely with, United Learning Trust in managing a group of academies under the government initiative. 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 United Learning's wide area computer network.

Access Policy

The Charitable Company works very hard to offer education to as many pupils as possible throughout England. Through its bursary policy it widens the number of pupils attending UCST schools. Having set up and by working very closely with United Learning Trust, pupils in state funded academies enjoy the same educational resources available throughout the Charitable Company's schools. The two charitable companies schools are linked by a computerised wide area network that enables teachers at any of the schools in the group to collaborate, both face to face and through the group intranet, to share resources that can then be presented to pupils via interactive whiteboards installed in every classroom.

Bursary Policy

The ability to offer education to children of families who would not be able to afford the school fees is very important to the Charitable Company. As a result of the desire to help children in this way the Charitable Company continued to operate its schemes of means tested financial assistance and its separate schemes of scholarships and family discounts where parents have more than one child at one of our schools. Means tested assistance is available to those who would not otherwise be able to afford the fees and, equally importantly, in cases of hardship where pupil's education or future prospects might be at risk. Bursaries range in value from 5% to 100% of the school fee. During the year UCST granted £2.58m (2014: £2.72m) to pupils attending its schools under means tested assistance. This equated to 3.07% of fees received (2014: 3.36%). Included within this were means tested grants to 21 children of clergymen from a range of different churches. Further details of our Bursary Policy and how to apply are on our website.

Trustees' Report (continued)

For the year ended 31 August 2015

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

The Trustees (who are also directors of United Church Schools Trust (Limited by Guarantee) for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they 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 Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in operation.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company's transactions and 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 2006. 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.

The Trustees 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.

Disclosure of information to auditor

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the Charitable Company's auditor is unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Trustees' Report (continued)

For the year ended 31 August 2015

Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the Charitable Group receives notice under section 488(1) of the Companies Act 2006.

This report, including the Strategic Report, was approved by the Trustees, as the Company Directors on and signed on their behalf by:



Mrs A Crowe, Chair
Trustee

26 February 2016

(A company limited by guarantee)



Independent Auditor's Report 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 2015 set out on pages 18 to 38. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Charitable Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 opinion we have formed.

Respective responsibilities of Trustees and auditor

As explained more fully in the Statement of Trustees' (collectively known as the Board) responsibilities on pages 14 - 15, the Trustees (who are also the directors of the Charitable Company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

(A company limited by guarantee)



Independent Auditor's Report to the Members of United Church Schools Trust (Limited by Guarantee)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

A handwritten signature in black ink, appearing to read "Steve Robinson".

Steve Robinson (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Statutory Auditor

Chartered Accountants

Northampton

Date:

26 February 2016

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Statement of Financial Activities
(Incorporating Income and Expenditure Account)
For the year ended 31 August 2015

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Incoming resources					
Incoming resources from generated funds:					
Voluntary income	4	2,857	-	2,857	303
Incoming resources from charitable activities:					
School fees receivable and catering income	2	85,591	-	85,591	82,417
Other educational related income	3	8,860	-	8,860	8,906
Rents and lettings		433	-	433	368
Total incoming resources		97,741	-	97,741	91,994
Resources expended					
Costs of generating funds:					
Costs of generating voluntary income		30	-	30	-
Charitable activities		92,511	-	92,511	88,767
Governance costs		173	-	173	106
Total resources expended	5	92,714	-	92,714	88,873
Net incoming resources before revaluations		5,027	-	5,027	3,121
Actuarial gains and losses on defined benefit pension schemes		(16)	-	(16)	38
Net movement in funds for the year		5,011	-	5,011	3,159
Total funds at 1 September 2014		12,890	2,227	15,117	11,958
Total funds at 31 August 2015		17,901	2,227	20,128	15,117

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 38 form part of these financial statements.

Balance Sheet

As at 31 August 2015

	Note	£'000	2015 £'000	£'000	2014 £'000
Fixed assets					
Tangible assets	9		4,552		3,513
Investments	10		7		7
			<u>4,559</u>		<u>3,520</u>
Current assets					
Stocks	11	12		10	
Debtors	12	21,732		13,318	
Cash at bank		14,216		14,932	
		<u>35,960</u>		<u>28,260</u>	
Creditors: amounts falling due within one year	13	(18,924)		(15,122)	
Net current assets			<u>17,036</u>		<u>13,138</u>
Total assets less current liabilities			<u>21,595</u>		<u>16,658</u>
Defined benefit pension scheme liability	21		(1,467)		(1,541)
Net assets including pension scheme liability			<u><u>20,128</u></u>		<u><u>15,117</u></u>
Charity funds					
Restricted funds	14		2,227		2,227
Unrestricted funds:					
Unrestricted funds excluding pension liability	14	19,368		14,431	
Pension reserve	21	(1,467)		(1,541)	
Total unrestricted funds			<u>17,901</u>		<u>12,890</u>
Total funds			<u><u>20,128</u></u>		<u><u>15,117</u></u>

The financial statements were approved by the Trustees on 26 February 2016 and signed on their behalf, by:

Mrs A Crowe, Chair

Handwritten signature: Mrs A Crowe

The notes on pages 21 to 38 form part of these financial statements.

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Cash Flow Statement

For the year ended 31 August 2015

	Note	2015 £000	2014 £000
Net cash flow from operating activities	16	1,399	4,793
Returns on investments and servicing of finance	17	-	(119)
Capital expenditure and financial investment	17	(2,115)	(625)
(Decrease)/increase in cash in the year		(716)	4,049

Reconciliation of Net Cash Flow to Movement in Net Funds

For the year ended 31 August 2015

	2015 £000	2014 £000
(Decrease)/increase in cash in the year	(716)	4,049
Change in net debt resulting from cash flows	(716)	4,049
Net cash transferred from other charity	-	138
Movement in net funds in the year	(716)	4,187
Net funds at 1 September 2014	14,932	10,745
Net funds at 31 August 2015	14,216	14,932

The notes on pages 21 to 38 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, applicable accounting standards and the Companies Act 2006.

1.2 Consolidation

Consolidated financial statements have not been prepared as consolidated financial statements 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 results of the Charitable Company and its subsidiary undertakings.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Charitable Company has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Donated services or facilities, which comprise donated services, are included in income at a valuation which is an estimate of the financial cost borne by the donor where such a cost is quantifiable and measurable. No income is recognised where there is no financial cost borne by a third party.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Resources expended

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Charitable activities are costs incurred in the Charitable Company's educational operations. Governance costs are those incurred in connection with administration of the Charitable Company and compliance with constitutional and statutory requirements.

Grants payable are charged in the year when the offer is made except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year end are noted as a commitment, but not accrued as expenditure.

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies (continued)

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charitable Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charitable Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.6 Company status

The Charitable Company is a company limited by guarantee. The members of the company are the Trustees named within the "Reference and Administrative Details of the Company, its Trustees and Advisers" section of the financial statements. In the event of the Charitable Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Charitable Company.

1.7 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Charitable Company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The trustees confirm that based on their assessment the Charitable Company is a going concern.

1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on a straight line basis, calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

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

Notes to the Financial Statements

For the year ended 31 August 2015

1. Accounting Policies (continued)

1.9 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.

Investments held in subsidiary companies are included at cost.

1.10 Stocks

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

1.11 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.12 Pensions

The Charitable Company makes contributions to a number of defined contribution pension plans for non-teaching staff and the pension charge represents the amounts payable by the Charitable Company to the schemes in respect of the year.

The Charitable Company operates a defined benefits pension scheme (LGPS) and the pension charge is based on a full actuarial valuation dated 31 March 2013.

Non teaching members of one School are offered membership of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme and is able to identify the School's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed. The School's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the Balance Sheet. Any movement in the asset or liability between Balance Sheet dates is reflected in the Statement of Financial Activities.

The Charitable Company also operates another defined benefits pension scheme (the Teachers' Pension Scheme for all full-time and some part-time teachers). The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS17 'Retirement benefits', the Charitable Company accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of Financial Activities represents contributions payable to the scheme in respect of the accounting period.

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

2. School fees receivable and catering income

	2015 £000	2014 £000
Gross fee income receivable	93,624	90,584
Scholarships, bursaries and reduced fees	(9,704)	(9,673)
	<hr/> 83,920	<hr/> 80,911
Catering income	1,671	1,506
	<hr/> 85,591	<hr/> 82,417
	<hr/> <hr/>	<hr/> <hr/>

3. Other educational related income

	2015 £000	2014 £000
Accounting services to other schools and academies	6,630	7,001
Income from school fees insurance schemes	70	198
Pupil registration fees	275	259
Charges for additional classes	808	798
Other school income	1,077	650
	<hr/> 8,860	<hr/> 8,906
	<hr/> <hr/>	<hr/> <hr/>

4. Voluntary income

	2015 £000	2014 £000
Other sponsorship and donations received	2,173	33
Gift aid from subsidiary undertakings	684	703
Assets transferred from other charities	-	(433)
	<hr/> 2,857	<hr/> 303
	<hr/> <hr/>	<hr/> <hr/>

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

5. Analysis of total resources expended

	Staff costs £000	Other costs £000	Depreciation £000	Total 2015 £000	Total 2014 £000
Cost of generating funds					
Fundraising for voluntary income	-	30	-	30	-
	-	30	-	30	-
Schools operating costs					
Education costs	47,412	5,386	-	52,798	49,818
Catering	438	4,413	-	4,851	4,519
Premises and services	6,234	8,585	-	14,819	13,106
Administration	8,814	7,457	-	16,271	16,449
Marketing	256	731	-	987	1,748
Other costs	-	1,323	-	1,323	1,629
Depreciation and amortisation	-	-	1,076	1,076	1,498
	63,154	27,895	1,076	92,125	88,767
Grants payable					
ULT abatement payment	-	386	-	386	-
	-	386	-	386	-
Governance Costs					
Company secretarial costs	118	-	-	118	76
Audit fees	-	47	-	47	19
Members' meeting and travel expenses	-	8	-	8	11
	118	55	-	173	106
	63,272	28,366	1,076	92,714	88,873

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

Analysis of resources expended (continued)

Total resources expended include:

	2015 £000	2014 £000
Auditor's remuneration		
Audit services	47	19
Depreciation:		
Tangible fixed assets, owned	1,076	1,498
Operating lease rentals	1,914	1,914
Hire of plant and machinery	624	544

6. Net interest

	2015 £000	2014 £000
Other interest paid	-	119

7. Staff costs

Staff costs were as follows:

	2015 £000	2014 £000
Wages and salaries	53,673	51,563
Social security costs	4,109	3,962
Other pension costs (Note 21)	5,508	5,298
	<u>63,290</u>	<u>60,823</u>

The average monthly number of employees during the year was as follows:

2015	2014
<u>2,314</u>	<u>2,044</u>

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

7. Staff costs (continued)

The number of higher paid employees was:

	2015	2014
In the band £ 60,001 - £ 70,000	31	27
In the band £ 70,001 - £ 80,000	16	13
In the band £ 80,001 - £ 90,000	12	5
In the band £ 90,001 - £100,000	4	6
In the band £100,001 - £110,000	1	3
In the band £110,001 - £120,000	2	4
In the band £120,001 - £130,000	4	3
In the band £130,001 - £140,000	2	1
In the band £140,001 - £150,000	1	0
In the band £150,001 - £160,000	1	1
In the band £160,001 - £170,000	0	1
In the band £180,001 - £190,000	2	0
In the band £190,001 - £200,000	1	0
In the band £230,001 - £240,000	1	1
	<u>78</u>	<u>65</u>

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

	2015 £000	2014 £000
Pension contributions to defined contribution and teachers' pension schemes	<u>736</u>	<u>537</u>

During the year, 26 higher paid employees (2014 - 11) participated in defined contribution schemes, 45 (2014 - 41) participated in the teachers' superannuation scheme (operated by the Teachers' Pension Agency), and 5 (2014 - nil) participated in the local government pension scheme.

Payment to members

No Trustee, or person with a family or business connection with a Trustee, received remuneration in the year, directly or indirectly, from either the Charitable Company or a company controlled by the Charitable Company.

Expense reimbursements paid to all 19 (2014 - 19) members of the Board during the year amounted to £8,444 (2014 - £10,579) and all related to travel and subsistence costs.

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

8. Other finance income

	2015 £000	2014 £000
Expected return on pension scheme assets	59	57
Interest on pension scheme liabilities	(62)	(74)
	<u>(3)</u>	<u>(17)</u>

9. Tangible fixed assets

	Leasehold Improvements £000	Fixtures and fittings £000	Computer equipment £000	Motor vehicles £000	Assets Under Construction £000	Total £000
Cost						
At 1 September 2014	546	7,905	14,001	991	-	23,443
Additions	247	961	802	41	64	2,115
At 31 August 2015	<u>793</u>	<u>8,866</u>	<u>14,803</u>	<u>1,032</u>	<u>64</u>	<u>25,558</u>
Depreciation						
At 1 September 2014	233	5,583	13,230	884	-	19,930
Charge for the year	18	443	550	65	-	1,076
At 31 August 2015	<u>251</u>	<u>6,026</u>	<u>13,780</u>	<u>949</u>	<u>-</u>	<u>21,006</u>
Net book value						
At 31 August 2015	<u>542</u>	<u>2,840</u>	<u>1,023</u>	<u>83</u>	<u>64</u>	<u>4,552</u>
At 31 August 2014	<u>313</u>	<u>2,322</u>	<u>771</u>	<u>107</u>	<u>-</u>	<u>3,513</u>

All fixed assets were used for charitable purposes.

10. Fixed asset investments

	Listed investments £000
Cost	
At 1 September 2014 and 31 August 2015	<u>7</u>

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

10. Fixed asset investments (continued)

Investments at cost comprise:

	2015 £000	2014 £000
Listed investments	7	7

All the fixed asset investments are held in the UK

Subsidiary undertakings

At 31 August 2015, the Charitable Company held more than 20% of the following:

	Holding %	Capital and reserves £000	Surplus/ (deficit) for the period £000	Nature of the business	Class of share capital held
St Ives (Haslemere) Limited	100	(292)	(195)	Education	Ordinary £1
United Learning Trust	100	393,287	(21,380)	Academies	-
Bradtime Limited	100	(197)	19	Lettings	-

11. Stocks

	2015 £000	2014 £000
Finished goods and goods for resale	12	10

12. Debtors

	2015 £000	2014 £000
Trade debtors	1,086	858
Amounts owed by group undertakings	17,502	9,602
Other debtors	1,612	1,021
Prepayments and accrued income	1,532	1,837
	21,732	13,318

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

13. Creditors:

Amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	2,059	1,791
Other taxation and social security	1,054	1,129
Other creditors	2,467	1,329
Accruals and deferred income	13,344	10,873
	<u>18,924</u>	<u>15,122</u>

Deferred income

Deferred income at 1 September 2014	6,379
Resources deferred during the year	6,376
Amounts released from previous years	(6,379)
	<u>6,376</u>
Deferred income at 31 August 2015	<u>6,376</u>

14. Statement of funds

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Gains/ (Losses) £000	Carried Forward £000
Designated funds					
Designated funds	262	-	-	-	262
General funds					
Unrestricted funds	14,169	97,741	(92,804)	-	19,106
Pension reserve	(1,541)	-	90	(16)	(1,467)
	<u>12,628</u>	<u>97,741</u>	<u>(92,714)</u>	<u>(16)</u>	<u>17,639</u>
Total Unrestricted funds	<u>12,890</u>	<u>97,741</u>	<u>(92,714)</u>	<u>(16)</u>	<u>17,901</u>
Restricted funds					
Sponsorship fund	1,729	-	-	-	1,729
Other donated funds	498	-	-	-	498
	<u>2,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,227</u>
Total of funds	<u>15,117</u>	<u>97,741</u>	<u>(92,714)</u>	<u>(16)</u>	<u>20,128</u>

Notes to the Financial Statements

For the year ended 31 August 2015

14. Statement of funds (continued)

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

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

Other donated funds include a number of individual donations towards specific building and other projects within the group. The DfE project management fund is described below.

Project management grants from DfE

The Charitable Company has been appointed by the Department for Education (DfE) to project-manage the setting up of new Academies. The grants received from the Department for Education are in reimbursement of costs incurred by the Charitable Company in connection with these projects.

15. Analysis of net assets between funds

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	4,552	-	4,552	3,513
Fixed asset investments	7	-	7	7
Current assets	33,733	2,227	35,960	28,260
Creditors due within one year	(18,924)	-	(18,924)	(15,122)
Provisions for liabilities and charges	(1,467)	-	(1,467)	(1,541)
	<u>17,901</u>	<u>2,227</u>	<u>20,128</u>	<u>15,117</u>

16. Net cash flow from operations

	2015 £000	2014 £000
Net incoming resources before revaluations	5,027	3,121
Net Interest paid	-	119
Liabilities transferred from another charity	-	433
Depreciation of tangible fixed assets	1,076	1,498
(Increase)/decrease in stocks	(2)	10
(Increase)/decrease in debtors	(8,414)	2,198
Increase/(decrease) in creditors	3,802	(2,543)
FRS 17 adjustments	(90)	(43)
Net cash inflow from operations	<u>1,399</u>	<u>4,793</u>

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

17. Analysis of cash flows for headings netted in cash flow statement

	2015 £000	2014 £000
Returns on investments and servicing of finance		
Interest paid	-	(119)
	<u> </u>	<u> </u>
	2015 £000	2014 £000
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,115)	(625)
	<u> </u>	<u> </u>

18. Analysis of changes in net funds

	1 September 2014 £000	Cash flow £000	Other non-cash changes £000	31 August 2015 £000
Cash at bank and in hand:	14,932	(716)	-	14,216
Net funds	<u>14,932</u>	<u>(716)</u>	<u>-</u>	<u>14,216</u>

19. Contingent liabilities

At 31 August 2015 the Charitable Company was party to a cross-guarantee on bank loans and overdrafts of the parent undertaking totalling £49,221,897 (2014 - £47,067,654).

20. Capital commitments

There were no capital commitments at 31 August 2015 or 31 August 2014.

21. Pension commitments

The Charitable Company operates two Defined benefit pension scheme: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff of one School, which is managed by the Local Authority. Both are defined benefit schemes.

Notes to the Financial Statements

For the year ended 31 August 2015

21. Pension commitments (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £5.43m (2014: £5.259m).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Charitable Company has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Charitable Company has set out above the information available on the scheme.

Notes to the Financial Statements

For the year ended 31 August 2015

21. Pension commitments (continued)

Local Government Pension Schemes (LGPS)

The Charitable Company is one of several employing bodies included within the Local Government Pension Scheme (LGPS).

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Contributions to the schemes are determined by qualified actuaries on the basis of triennial valuations using the projected unit method.

The total employer's contribution made for the year ended 31 August 2015 was £78,000 (2014 - £39,000). The agreed contribution rates for the year ended 31 August 2015 were from 5.5% to 7.5% for employees and 17.5% for employers.

The amounts recognised in the Balance sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(1,754)	(1,637)
Unrecognised past service cost	(830)	(916)
Fair value of scheme assets	1,117	1,012
Net liability	<u>(1,467)</u>	<u>(1,541)</u>

The past service cost of £830,000 (2014 - £916,000) does not relate to the LGPS, this amount relates to a former employee.

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £000	2014 £000
Current service cost	(58)	(48)
Interest on obligation	(62)	(74)
Expected return on scheme assets	59	57
Losses on curtailments and settlements	(13)	(15)
Total	<u>(74)</u>	<u>(80)</u>
Actual return on scheme assets	<u>43</u>	<u>83</u>

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

21. Pension commitments (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2015 £000	2014 £000
Opening defined benefit obligation	1,637	1,638
Current service cost	58	48
Interest cost	62	74
Contributions by scheme participants	16	14
Actuarial gain	-	(109)
Losses on curtailments	13	15
Benefits paid	(32)	(43)
	<hr/>	<hr/>
Closing defined benefit obligation	1,754	1,637
	<hr/>	<hr/>

Changes in the fair value of scheme assets were as follows:

	2015 £000	2014 £000
Opening fair value of scheme assets	1,012	1,016
Expected return on assets	59	57
Actuarial (loss)	(16)	(71)
Contributions by employer	78	39
Contributions by scheme participants	16	14
Benefits paid	(32)	(43)
	<hr/>	<hr/>
	1,117	1,012
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Statement of Financial Activities was £123,000 (2014 - £139,000).

The Charitable Company expects to contribute £68,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
European equities	34.40 %	49.70 %
European bonds	8.10 %	26.80 %
Property	9.10 %	9.60 %
Cash	1.30 %	2.40 %
Other	47.10 %	- %

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

21. Pension commitments (continued)

Principal actuarial assumptions at the Balance Sheet date (expressed as weighted averages):

	2015	2014
Discount rate at 31 August	3.80 %	3.80 %
Expected return on scheme assets at 31 August	5.92 %	5.74 %
Future salary increases	3.60 %	3.60 %
Future pension increases	2.10 %	2.10 %
Inflation assumption	2.10 %	2.10 %

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2015	2014
Retiring today		
Males	22.9	22.8
Females	25.4	25.3
Retiring in 20 years		
Males	25.1	25.0
Females	27.8	27.7

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2015 £000	2014 £000	2013 £000	2012 £000	2011 £000
Defined benefit obligation	(1,754)	(1,637)	(1,638)	(1,541)	(1,291)
Scheme assets	1,117	1,012	1,016	875	768
Deficit	(637)	(625)	(622)	(666)	(523)
Experience adjustments on scheme assets	(16)	(71)	-	(996)	(92)

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

22. Operating lease commitments

At 31 August 2015 the Charitable Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings			Other
	2015	2014	2015	2014
	£000	£000	£000	£000
Expiry date:				
Within 1 year	11	16	70	4
Between 2 and 5 years	32	19	693	378
After more than 5 years	1,864	1,880	-	-
Total	1,907	1,915	763	382

23. Related party transactions

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.

The transactions between the related parties were as follows:

	2015	2014
	£000	£000
Administration charge receivable from Caterham School	250	240
Amounts owed by Caterham School	4	182

24. Ultimate parent undertaking and controlling party

The Board 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 Fairline House, Nene Valley Business Park, Oundle, Peterborough, PE8 4HN.

United Church Schools Trust (Limited by Guarantee)
(A company limited by guarantee)

Notes to the Financial Statements

For the year ended 31 August 2015

25. Post balance sheet events

On 1 October 2015 the Charitable Company welcomed the Greenacre School into the Group.

On 18 January 2016 the Charitable Company announced the closure of Sunderland High School at the end of 2015-16 academic year.