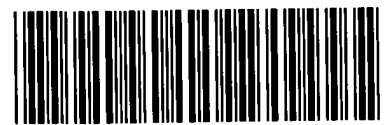


Financial Statements

United Learning Trust

For the Year Ended 31 August 2017

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COMPANIES HOUSE

Registered number: 04439859

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Reference and Administrative Details of the Academy Trust, its Members, Trustees, Directors and Advisers

For the Year Ended 31 August 2017

Members

The United Church Schools Trust
Mr K Poyser (resigned 16 January 2017)

Directors

Dame Y Bevan
Mr J Coles
Mrs A Crowe
Mr N Davidson (appointed 1 July 2017)
Mr M George
Sir A Greener
Mr R Greenhalgh
Mr D Robinson
Mr N Robson, Chairman

Company registered number

04439859

Company name

United Learning Trust

Principal and registered office

Worldwide House
Thorpe Wood
Peterborough
PE3 6SB

Company secretary

Mr S Whiffen

Chief executive officer

Mr J Coles

Senior management team and key management personnel

Mr J Coles, Chief Executive Officer
Mrs M Coalter, Director of People
Dame S Coates, Director of Secondary Education
Mr D Ellison-Lee, Director of Primary Education
Mrs L Johnston, Chief Financial Officer
Mr D Norrish, Group Director of Technology
Ms A Paige, Director of Strategy and Performance

Reference and Administrative Details of the Academy Trust, its Members, Trustees, Directors and Advisers

For the Year Ended 31 August 2017

Advisers (continued)

Independent auditor

Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Victoria House
199 Avebury Boulevard
Milton Keynes
MK9 1AU

Bankers

Barclays Bank PLC
Birmingham

Solicitors

Hewitsons LLP
Elgin House
Billing Road
Northampton
NN1 5AU

Stone King LLP
30 Station Road
Cambridge
CB1 2RE

Directors' Report

For the Year Ended 31 August 2017

The Directors present their annual report together with the financial statements and auditor's report of the Charitable Company for the year from 1 September 2016 to 31 August 2017. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

Structure, governance and management

Constitution

The Charitable Company is a Company Limited by Guarantee and was set up by a Memorandum of Association on 15 May 2002. The Charitable Company is an exempt charity.

In accordance with the Articles of Association the Charitable Company has adopted a scheme of governance approved by the Secretary of State for Education. The scheme of governance specifies, amongst other things, the criteria for admitting students to the academies, and that the curriculum should comply with the substance of the national curriculum with an emphasis on a particular subject and its practical applications.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

Each member of the Charitable Company undertakes to contribute to the assets of the Charitable Company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Directors' Indemnities

In accordance with normal commercial practice, the Charitable Company has insurance in place to protect Directors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Charitable Company business.

Method of recruitment and appointment or election of Directors and training of Directors

The management of the Charitable Company is the responsibility of the Directors who are elected and co-opted under the terms of the Articles of Association.

Directors hold office for three years. They may, if reappointed, remain in office for up to three further consecutive periods of three years after which any Director can be re-appointed on an annual basis. Directors are appointed by the sponsor, United Church Schools Trust.

The training and induction provided for new Directors is dependent upon their existing experience. Where necessary, induction will provide training on charity, educational, legal and financial matters. All new Directors are given tours of the Charitable Company's academies and the chance to meet with staff and students. Directors are provided with copies of the policies, procedures, minutes, accounts, budgets, plans and other documents needed to undertake their role as a Director. The Company Secretary works with the Directors to identify training needs and steps to keep the trustees updated regarding the regulatory environment.

The Board and Committee structures are detailed in the Governance Statement below. The areas of responsibility for Trustees, the Senior Executives, the Head and the Local Governing Body (LGB) are detailed in appendix 4 of the United Learning LGB Handbook, which is published on the United Learning website.

Directors' Report (continued)

For the Year Ended 31 August 2017

Arrangements for setting pay and remuneration of the key management personnel are detailed in the Governance Statement below.

Risk management

The Directors have assessed the major risks to which the Charitable Company is exposed, in particular those related to the operations and finances of the Charitable Company, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

Subsidiary companies

The Charitable Company owns 100% of the issued ordinary shares of ULT Projects Limited, ULT Trading Limited and Regis Community Arena Limited, companies incorporated in England. Further details about these companies are given in Note 16 to the financial statements.

Connected organisations

United Church Schools Trust and United Church Schools Foundation Limited are within the same Charitable Group as the Charitable Company and are assisting the Charitable Company to achieve its objectives of providing education within the academy programme.

Public benefit

The Directors confirm that they have complied with their duty to have due regard 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.

Strategic report

Objectives, strategies and activities

The principal object of the Charitable Company is to provide for the public benefit, education in the United Kingdom in particular, but without prejudice to, the generality of the foregoing by establishing, maintaining and developing schools offering a broad curriculum with a strong emphasis on, but in no way limited to, either one, or a combination of the specialisms specified in the Relevant Funding Agreements, in all cases to include religious instruction in the doctrine and duties of Christianity, principally the same as are taught by the Church of England but also sensitive to the teachings, attitudes and practices of other Christian Communion and Denominations.

The Charitable Company manages the operation of a group of academies to provide education for students of different abilities from nursery to age 19.

About United Learning

The overall aim of the Charitable Group 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 over 130 years, and we have founded and developed a large number of schools, focusing on the most important social and educational challenges of the day. Our strength lies in our 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 2017, United Learning – the trading name of the Charitable Group – comprises 14 independent schools, 46 state sector academies and a central office function that serves our schools.

Directors' Report (continued)

For the Year Ended 31 August 2017

Improved Academic Performance

Across our academies, A Level results continued to improve:

- 17.3% of entries were awarded A* or A (17.0% in 2016)
- 42.6% of entries were awarded A* - B (41.8% in 2016)
- 71.9% of entries were awarded A* - C (68.1% in 2016)

The following academies saw noticeable increases in the number of entries achieving A* - C grades:

- Paddington Academy up 13 percentage points to 89%;
- Midhurst Rother College up 15 percentage points to 84%;
- Accrington Academy up 14 percentage points to 83%;
- John Smeaton Academy up 11 percentage points to 73%;
- The Regis School up 13 percentage points to 71%;
- North Oxfordshire Academy up 12 percentage points to 71%.

The vast majority of academies saw their students secure places at Russell Group universities. Several academies also celebrated Oxbridge successes: Accrington Academy, Kettering Buccleuch Academy, Paddington Academy and Shoreham Academy.

At GCSE, the grading structure for English and maths changed this year to a numeric value with a 4 equivalent to a C in previous years. The Group saw an overall improvement across our schools; several achieved their best ever results, with many demonstrating sustained progress over a number of years.

Overall, at GCSE:

- 59% of students achieved 5 or more grades at A*-C including a 4 or above in both English and maths – 5 percentage points higher than the equivalent in 2016
- Attainment in English and maths improved at both the A*-A /7+ and A*-C/4+ brackets. The percentage of pupils achieving a pass at grade C+/4+ in both English and Maths increased from 57.5% in 2016 to 60.0% in 2017.

A number of schools enjoyed particular improvements and successes, including;

- The Totteridge Academy where 64% of students achieved five or more A*-Cs including a 4 or above in both English and maths, an increase of 24 percentage points
- Midhurst Rother College where 67% of students achieved five or more A*-Cs including a 4 or above in both English and maths – an increase of 11 percentage points
- The Regis School where 57% of students achieved five or more A*-Cs including a 4 or above in both English and maths – an increase of 14 percentage points
- Glenmoor Academy where 81% of students achieved five or more A*-Cs including a 4 or above in both English and maths – an increase of 11 percentage points.

A number of our academies received Ofsted inspections over the course of the year, which were evidence of the progress being made:

- Swindon Academy and Carter Community School were judged 'Good'; the academies had previously been given 'Requires Improvement' ratings;
- Nova Hreod Academy and Seahaven Academy were judged 'Good'; both had been given 'Requires Improvement' judgements before joining the group;
- North Oxfordshire Academy continues to be 'Good';
- Richard Rose Central Academy, which joined us in Special Measures, was judged 'Good'.

Directors' Report (continued)

For the Year Ended 31 August 2017

In its first full inspection since opening, Goresbrook School was judged as 'Requires Improvement' and was given a 'Good' for personal development, behaviour and welfare. John Smeaton Academy, which had been placed in Special Measures before joining the Group, Manchester Academy and Sheffield Springs Academy were also given 'Requires Improvement' judgements.

Improving Primary School Performance

At Key Stage Two, our primary academies saw improvements in every measure:

- On the combined measure, 50% achieved the expected standard – up from 33%
- In Reading, 59% of pupils achieved the expected standard – up from 44%
- In Writing, 73% achieved the expected standard – up from 64%
- In Maths, 68% achieved the expected standard – up from 51%

There were particularly strong results on combined measures at:

- Langford Primary where 79% of pupils achieved the expected standard;
- Silverdale Primary Academy where 77% of pupils achieved the expected standard;
- Timbertree Academy where 74% of pupils achieved the expected standard;
- The Victory Primary School where 67% of pupils achieved the expected standard;
- Wilberforce Primary where 54% of pupils achieved the expected standard.

As at Key Stage Two, the academies also saw strong progress at Key Stage One and achieved higher scores than those achieved in 2016. On the combined measure, 62% of pupils achieved the expected target compared in 55% the year before. Langford Primary, Timbertree Academy and Wilberforce Primary all made gains of at least 20 percentage points whilst Beacon View Primary Academy improved its results by 31 percentage points – from 43% to 74%.

Four academies – Beacon View Primary Academy, Cravenwood Primary Academy, Silverdale Primary Academy and NOA's Ark Nursery – were judged by Ofsted as 'Good'. Wilberforce Primary received two encouraging monitoring visits in which inspectors found strong evidence of improvement throughout the school as it strives to come out of Special Measures.

Powerful Knowledge

Over the past three years, we have developed a common curriculum for our schools, spanning both primary and secondary phases and covering a range of core and foundation subjects: English, maths, science, history, geography, MFL, computing, music and PE.

These curricula are sequenced in such a way as to develop subject mastery and to encourage regular, deliberate practice from students. This is to ensure that every child across our Group gets the same core grounding in the body of knowledge needed to succeed in further study and beyond.

Over the past year in particular, we have developed and shared exemplifications for each of these subjects to support teachers in aiming for excellence, as well as common summative assessments to monitor pupils' progress.

Education with Character

While academic excellence is the central focus of the Group and our schools, we place significant value on providing students with an enriched educational experience.

Directors' Report (continued)

For the Year Ended 31 August 2017

Our schools have continued to devise and develop their individual pupil charters – the promise they make to children about what they can expect to experience each year in addition to their normal classroom learning. As part of this, schools have dedicated extracurricular programmes and bring the curriculum to life with visits from external speakers and trips out into their local communities and beyond.

Furthermore, we encourage sustained and meaningful collaboration between our schools and others through a range of group-wide activities, initiatives and competitions designed to further develop their confidence and soft skills and to ready them for the next stages of their school careers.

Through the United Learning Partnership Fund, our pupils have enjoyed exceptional academic, sporting and cultural experiences such as:

- Exploring their personal, local and national identities through the IDEas Festival;
- United Classroom which enabled students across the Group to study a wider range of subjects via our virtual learning platform;
- UnitedApp which challenged Year 9 students group-wide to design their own educational app idea;
- UnitedIDEAS which, building on the success of UnitedApp, offered primary pupils the chance to develop 'world-changing' ideas;
- Finding out what university can offer them through the Fellowship Programme and our new four-year United Access programme;
- A series of weekly lectures designed to broaden students' interests and understanding as part of the Scholars Club;
- Our Primary Leadership Programme, which builds confidence in pupils to lead social action initiatives within their schools and communities;
- Bringing together teachers, students and theatre professionals in two large-scale regional events through Access to Theatre;
- Making classical music accessible to young people through two regional Classical Kicks REMIX-ED performances;
- A United Voices choral performance at the Olympic Stadium;
- High-quality music experiences for schools through a Live Music Now tour;
- Nurturing storytelling and performance techniques through local, regional and national StorySLAM competitions;
- The X-Elle programme which encourages girls to participate in and become leaders through sport;
- Regional cluster-based sports competitions such as the first United Learning North West Athletics Event;
- Continued Sports Ambassador visits across our schools.

Outstanding People and Leadership

Successful Staff Engagement

Our success as a group is dependent on the excellent people and leadership at all levels of our schools – across the country and centrally. This was reflected in the response rate to our Group Staff Survey which remained high at 83%. Likewise, our Overall Employee 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”) was 73%. Scores on staff’s pride in their school, motivation and attitudes towards the Group’s aims and values exceeded the UK, public sector and education norms.

Key findings include:

- 90% of staff agreed that their school strives to provide an excellent education;
- 87% said they are proud to work in their school/department;

Directors' Report (continued)

For the Year Ended 31 August 2017

- 88% said they understood their department/team's objectives;
- 83% said they valued their school/department's culture.

Developing Leaders

A record number of staff accessed a Group leadership programme during the year, helping develop them towards promotional opportunities. These popular programmes are always fully subscribed and consistently evaluated as good or outstanding. This includes our Leadership Development workshops which 75 leaders attended over the course of the year.

During the year, we launched our Trainee Headship programme, a new senior leadership opportunity for our most experienced Vice Principals and Deputy Heads. This offer forms part of our talent management strategy, as well as our school improvement work, which seeks to grow our Group leadership pipeline.

In May, we also launched the System Leadership programme for an initial cohort of 15 school leaders who are operating at a system level. This three-year initiative is a central part of our growth strategy. In order to achieve our ambitions, we will need a strong supply of talented leaders able to operate at system level, whether as an Executive Head or in regional or national roles within the Group.

12 schools have also now completed our Middle Leaders Schools Programme, following its successful introduction in 2015/16. Another five of our schools are signed up to the programme for 2017/18.

United Teaching

During the year, 105 people signed up to United Teaching, our Initial Teacher Training scheme, with 104 of these graduating successfully and 58 now teaching in our schools as NQTs. Of those who graduated during the academic year, 92% of trainees completed their course rated Good or better with 57% judged to be Outstanding.

Growth of the Group

During the year, we were pleased to welcome the following new schools into the Charitable Company; The Totteridge Academy – a secondary school in North West London, and Hunningley and Worsbrough Bank End primary schools in Barnsley.

Going concern

After making appropriate enquiries, the Board of Directors has a reasonable expectation that the Academy Trust 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.

Key financial performance indicators

The Charitable Company has a number of performance indicators, some financial, others related to the educational outcome for the pupils. The key indicators are:

1. All schools to improve their academic performance within the year
2. All schools to be removed from categories within appropriate Ofsted timeframe
3. High quality trainee teachers recruited and in schools by the start of the next academic year
4. The Academy Trust to achieve a balanced in year budget

Directors' Report (continued)

For the Year Ended 31 August 2017

The Charitable Company's schools educational results are set out on page 5 and 6, Ofsted results on page 6 and 7, and trainee recruitment progress on page 8.

The Charitable Company's schools made a deficit before depreciation of £0.4m, but within these results were £1.1m of redundancy costs because of restructuring to ensure efficiencies in future years.

Review of activities

Financial Review

During the year most of the Charitable Company's income was obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA) in the form of grants for fixed asset expenditure and for the ongoing running expenses.

In accordance with the Charities SORP Accounting and Reporting by Charities, relevant grants and donations are shown in the Statement of Financial Activities as restricted fixed asset funds. The balance sheet restricted fixed asset fund will be reduced by transfers of amounts equivalent to any depreciation charges over the expected useful life of the assets concerned.

Funds and reserves

Unrestricted funds were mainly derived from investment income, other donations and from gift aid payments from trading subsidiaries, ULT Trading Company Limited and Regis Community Arena Limited. The deficit for the year on unrestricted funds (before transfers between funds) was £1.218m (2016: surplus £4.304m).

The restricted general funds (before transfers between funds and before revaluations of pension schemes) show a deficit of £9.465m (2016: £5.778m). The restricted fixed asset fund shows a surplus of £13.944m (2016: £34.577m). At 31 August 2017 the net book value of tangible fixed assets was £453m (2016: £440m) and movements in tangible fixed assets are shown in Note 15 to the financial statements.

The Charitable Company held fund balances of £418m (2016: £383m) comprising £463m (2016: £446m) of restricted funds for the specific use of building new academies or refurbishments authorised by the DfE, £Nil (2016: £Nil) of other restricted DfE funds, £6m (2016: £10m) of unrestricted funds and a pension deficit of £52m (2016: £73m).

The fund balances are adequate to fulfil the obligations of the Charitable Company. To achieve the development plan objectives and for other major capital projects the Charitable Company remains dependent on the provision of additional fixed asset grants from both the DfE and any sponsors. The restricted funds can only be used for the specific purpose for which they have been given to the Charitable Company.

The pension deficit recorded in the Statement of Financial Activities is as a result of the application of FRS102 to the contributions made by the Charitable Company to the Local Government Pension Schemes. Under FRS102 the Charitable Company is required to account for retirement benefits when it is committed to provide them, even if the actual provision will be many years into the future. Whilst FRS102 is seen as a better reflection of the obligations of the employer to fund pension promises to employees, it does not reflect the actual accounting arrangements of the pension fund. It requires the Charitable Company to recognise the total value of all pension obligations 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.

Directors' Report (continued)

For the Year Ended 31 August 2017

The standard also requires the Charitable Company to show all investments (assets) of the Pension Fund at their market 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 FRS102 valuation. It is the actuarial valuation that is used to review contribution rates to the 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.

Principal risks and uncertainties

During the year under review, the Directors 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.

Principal risk areas for the Charitable Company 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 on line, 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 within the Group in 2014.

Economic downturn

The Charitable Company is reliant upon Government funding. An economic downturn could have a direct impact on the levels of funding available.

Senior management and the Directors aim to keep abreast of proposed changes to funding streams and these are taken into account when preparing medium term financial forecasts for each academy.

Salary costs

A large proportion of the Charitable Company's costs relate to staff costs which are relatively fixed each year. There is a risk that a significant drop in grant income may lead to an inability to cover such costs at one or more of the academies.

Senior management closely monitor all costs against budgets on a monthly basis. Variance analysis is undertaken to consider the impact of varying income when 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.

Directors' Report (continued)

For the Year Ended 31 August 2017

Health and 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 items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to make effective use of the Charitable Company's resources to fund operations.

The main risk arising from the Charitable Company's financial instruments is liquidity 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 and ensure security.

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.

The Charitable Company finances its operations through retained surpluses. Liquidity and cash flow risks are managed through the appropriate and carefully managed use of financial instruments with our principal bankers.

Reserves policy

The Directors have reviewed the reserves of the Charitable Company. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves and considered the uncertainty over school funding levels. The Directors therefore believe that the balance of unrestricted reserves of £6.406m (2016: £9.771m) is adequate. Tangible fixed assets are all held for use by all existing academies. The purpose of the restricted funds is set out in Note 19.

Material investments policy

The Charitable Company's investment powers are governed by the Memorandum of Association, which permits the Charitable Company's funds to be held in or upon any investments, securities or property as may be thought fit subject to such consents and conditions as may be required by law.

The policy has been to invest temporary surplus amounts with the Charity Official Investment Fund or bank deposit accounts. The Charitable Company has appointed Brewin Dolphin to manage medium to long term investments.

Except for the trading subsidiaries, ULT Projects Ltd, ULT Trading Company Limited and Regis Community Arena Limited, there are no long term investments held by the Charitable Company.

Directors' Report (continued)

For the Year Ended 31 August 2017

Plans for future periods

Future developments

On 1 October 2017, the Charitable Company welcomed Hill View Academy and Newstead Wood Grammar School. On 1 November 2017, the Charitable Company also welcomed the Hyndburn Academy.

In the next twelve months the Charitable Company will continue to grow in its existing cluster locations.

The Charitable Company will continue to strive to improve the levels of performance of its students at all levels and will continue its efforts to ensure its primary students are well prepared for their secondary education and its secondary students are able to get jobs or a place in further or higher education once they leave its schools.

Some five years ago, United Learning made the decision not to continue to progress a proposed merger of the Emmanuel Schools Foundation ("ESF") schools into the Charitable Company, due to significant differences in ethos. Following this decision, ESF has remained a separate entity, run and managed independently by a separate Board of Trustees, while the Charitable Company remained the sole member of the Foundation and therefore responsible for the appointment of Trustees of ESF.

Throughout this period, the intention was to complete the full separation from ESF at the point at which ESF was able to become a multi-academy trust (rather than a 'holding company' appointing governors to individual schools which remained free-standing entities, as was previously the case). This process was finally completed on 17th February 2017. United Learning is confident that the governance of ESF established during this time places the Foundation in a strong position to continue its important work into the future.

The disclosure of the separation from ESF will not affect the accounts of the Charitable Company as this is shown in the consolidated accounts of the United Church School Foundation Limited Group.

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 careful management of the Estate.

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. These commitments will be set out in an Environmental Sustainability Strategy.

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

Pay policy for key management personnel

Details of the pay policy in respect of key management personnel is included in the Governance Statement on page 16.

Directors' Report (continued)

For the Year Ended 31 August 2017

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. 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 in place 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. In addition, local meetings are held in the academies where the Principal meets with the local representative to discuss and agree any local issues. Each academy 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 office.

Disclosure of information to auditor

In so far as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Directors have taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Charitable Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, has indicated its willingness to continue in office. The Designated Directors will propose a motion re-appointing the auditor at a meeting of the Directors.

The Directors' report was approved by order of the Board of Directors, as the company directors, on 14 December 2017 and signed on its behalf by:



Mr N Robson
Chair of Directors

Governance Statement

Scope of Responsibility

As Directors, we acknowledge we have overall responsibility for ensuring that United Learning Trust has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Directors has delegated the day-to-day responsibility to Mr Jon Coles, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between United Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The Board of Directors have delegated their powers and functions to a committee of the Board of Directors known as the Group Board. All the Directors of United Learning Trust are members of the Group Board. Members of the Group Board also include persons who are Directors of United Church Schools Trust. The Board of Directors has formally met 7 times during the year and the ULT Board of Directors has held 2 independent meetings. There has been one appointment to the Board of Directors during the year. Attendance during the year at meetings of the Board of Directors was as follows:

	Group Board meetings attended	Out of a possible	ULT meetings attended	Out of a possible
Dame Y Bevan	7	7	2	2
Mr J Coles	7	7	2	2
Mrs A Crowe	7	7	2	2
Mr N Davidson	1	1	-	-
Mr M George	5	7	1	2
Sir A Greener	6	7	1	2
Mr A Greenhalgh	7	7	2	2
Mr D Robinson	5	7	1	2
Mr N Robson	6	7	2	2

The Board of Directors delegates clear responsibilities to the Academies' Local Governing Bodies (LGBs), whose purpose is to provide support and challenge to the academy on behalf of the Board. The functions and duties of the LGBs are set out in the LGB Members Handbook. The Group Board maintains links with the LGBs through the Company Secretary and designated Directors for the primary and secondary Academies. 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 LGBs and the Directors.

Review of governance

Current governance arrangements have been assessed. Following the review, revised draft versions of the Articles of Association, Scheme of Delegation and LGB Members Handbook are with the appropriate internal and external parties for approval and consent. The Group Board has carried out an evaluation of its effectiveness in the year, which was largely positive and gave rise to some minor actions relating to risk management, LGB effectiveness and Trustee training, all of which are being addressed. The review also includes an evaluation of the quality of the data provided to the Board and its Committees. An evaluation of the effectiveness of the Chair of the Group Board has also been undertaken.

Governance Statement (continued)

Board Committees

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

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
- 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 in relation to the appointment and removal of investment advisors

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of possible
Sir A Greener (chair)	5	5
Dr S Critchley	5	5
Mrs A Crowe	5	5
Mr M George	4	5
Mr R Greenhalgh	5	5
Mr M Litchfield	5	5
Mr N Robson	5	5

The Risk and Audit Committee's purpose is to:

- create and ensure implementation of a risk management framework for the Group and to oversee disaster recovery
- 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:

Committee member	Meetings attended	Out of a possible
Professor C Coulson-Thomas (chair)	4	4
Mrs K Bowles	4	4
Dr S Critchley	3	4
Mr D D'Arcy Hughes	4	4

A Group Nominations and Salaries Committee exists to oversee the appointments of the Group Chairman and Directors and to approve senior salaries and remuneration. The Committee is chaired by the Chair of the Group Board and includes the Chairs of UCSF, UCST, ULT and the Chief Executive. It is advised by the Director of People and the Company Secretary as appropriate.

The Committee regularly reviews the terms of office, skills and attributes of the Board of Directors. On the basis

Governance Statement (continued)

of this, the Committee plans succession in order to ensure that the Board has available to it the range of skills and experience required to discharge its responsibilities. The Committee makes recommendations to the Board as to the need for new Directors and leads the process of recruitment of Directors as required, making recommendations of appointment to the Board. The Committee ensures that appointment is on merit, but also seeks to ensure that the Board reflects the diversity of the communities it serves.

In considering senior pay, the Committee takes account of the needs of the organisation for skills, experience and personal capabilities to enable it to achieve its objectives and the price of such skills in the labour market. The Committee considers that in order to attract and retain leaders with the skills to achieve organisational objectives, senior pay must be competitive in the marketplace, taking account of the pay rates of comparably senior and skilled employees in other organisations – particularly in comparable organisations in education, in public service and in the charitable sector, and taking account of the transferability of skills into other sectors. The Committee is also mindful of the need for charities and organisations in receipt of public funding to set pay rates which are publicly defensible and seen to be appropriate.

The Committee considers annual pay in relation to the performance of the organisation, and of individuals against their objectives and in their broader contribution and in any changes to job role. The non-executive members of the Committee consider Chief Executive pay on the same basis.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr R Greenhalgh (chair)	3	3
Mr J Coles	3	3
Mrs A Crowe	3	3
Sir A Greener	3	3
Mr N Robson	3	3

In September 2016 a fourth Committee was established, the Group Education Standards and Performance Committee, whose purpose is to:

- ensure that the highest possible standards of education are set and maintained across all schools to ensure all pupils make the best progress they can
- advise the Group Board with respect to group strategic educational priorities and key performance indicators
- support the Chief Executive Officer in the creation, implementation and monitoring of the Group strategic educational priorities and key performance indicators
- review, on a regular basis, the performance, constitution, membership, terms of reference and scheme of delegation of local/regional governing bodies to ensure they are operating at maximum effectiveness

The Committee has been appointed by the Directors and will comprise no more than seven and no fewer than three members, a majority of whom will be Directors.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Mr N Robson (chair)	2	2
Dame Y Bevan	2	2
Mr J Coles	2	2
Mrs A Crowe	1	2
Mrs L Heaver	2	2

Governance Statement (continued)

Review of Value for Money

As Accounting Officer, the Chief Executive Officer has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the Charitable Company's use of its resources has provided good value for money during each academic year, and reports to the Board of Directors where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Charitable Company has delivered improved value for money during the year by:

- Ensuring that there is effective and continually improving control environment and governance framework in place, thus highlighting inefficiencies and reducing waste
- Continually reviewing and evaluating school improvement strategies to ensure excellent education outcomes are achieved
- Ensuring technical efficiencies through the continual matching of teacher skills to the curriculum and Group wide procurement savings including technology frameworks being established and energy contracts renewed and renegotiated

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 Charitable Company 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 Learning Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Directors 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 Directors 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 1 September 2016 to 31 August 2017 and up to the date of approval of the bi-annual report and financial statements. This process is regularly reviewed by the Board of Directors.

The Charitable Group has a risk register that identifies the 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 its meetings. Its views are reported to the Board of Directors via the Committee's minutes and the Chair's bi-annual reports 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 Directors;
- regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of 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.

Governance Statement (continued)

- delegation of authority and segregation of duties;
- 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. In particular, the checks carried out in the current period included testing of payroll and purchase systems, testing of control accounts, bank reconciliations and fixed assets, testing of compliance with the scheme of delegation and internal control, a review of financial reporting, fraud investigations, testing of other fundamental financial and non financial systems and departments, and a review of strategic and operational risks.

On a quarterly basis, the appointee reports to the Board of Directors through the Risk and Audit Committee on the operation of the systems of control and on the discharge of the Board of Directors' 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.

Review of Effectiveness

As Accounting Officer, Mr Jon Coles has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

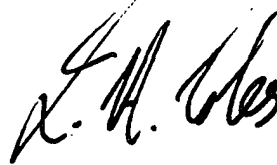
- the work of the external auditor;
- the work of the internal auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the Charitable Company who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Risk and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 14 December 2017 and signed on their behalf, by:



N Robson
Chair of Trustees



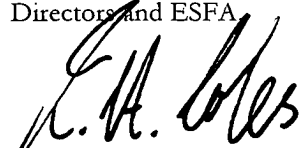
J Coles
Accounting Officer

Statement of Regularity, Propriety and Compliance

As Accounting Officer of United Learning Trust I have considered my responsibility to notify the academy trust Board of Directors and the Education and Skills Funding Agency ("ESFA") of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust Board of Directors are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Directors and ESFA.



Mr J Coles
Accounting Officer

Date: 14 December 2017

Statement of Directors' Responsibilities

For the Year Ended 31 August 2017

The Directors (who act as governors of United Learning Trust and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under company law the Directors 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Directors 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 Directors are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Directors 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.

Approved by order of the members of the Board of Directors on 14 December 2017 and signed on its behalf by:



Mr N Robson
Chair of Directors

Independent Auditor's Report on the Financial Statements to the Members of United Learning Trust

Opinion

We have audited the financial statements of United Learning Trust for the year ended 31 August 2017 which comprise the Statement of Financial Activities Incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2017 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, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Who we are reporting to

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 opinions we have formed.

Independent Auditor's Report on the Financial Statements to the Members of United Learning Trust

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, set out on pages 3 to 18, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of our knowledge and understanding of the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.



Independent Auditor's Report on the Financial Statements to the Members of United Learning Trust

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 Directors' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Directors' responsibilities on page 20, the Directors (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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Charitable Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Charitable Company's or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Grant Thornton UK LLP

William Devitt (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Milton Keynes

Date: 15 December 2017

Independent Reporting Accountant's Assurance Report on Regularity to United Learning Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 8 November 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by United Learning Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to United Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to United Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than United Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of United Learning Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of United Learning Trust's funding agreement with the Secretary of State for Education dated 26 March 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy Trust's income and expenditure.

Independent Reporting Accountant's Assurance Report on Regularity to United Learning Trust and the Education and Skills Funding Agency (continued)

The work undertaken to draw our conclusion includes:

- an assessment of the risk of material irregularity and impropriety across the Academy Trust's activities;
- evaluation of the processes and controls established and maintained in respect of regularity, propriety and compliance of the use of public funds through observation and testing of the arrangements in place and enquiry of the Accounting Officer;
- consideration and corroboration of the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance; and
- limited testing on a sample basis of income and expenditure for the areas identified as high risk.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Grant Thornton UK LLP

Reporting Accountant

Grant Thornton UK LLP

Chartered Accountants

Milton Keynes

Date: *15 December 2017*

Statement of Financial Activities incorporating Income and Expenditure Account

For the Year Ended 31 August 2017

		Unrestricted funds 2017 £000	Restricted general funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
	Note					
Income from:						
Donations and capital grants:						
Transfers from other trusts	2	-	(2,044)	7,451	5,407	-
Pension deficit transferred on conversion	2	-	(1,546)	-	(1,546)	(1,765)
Buildings and funds transferred on conversion	2	-	-	3,397	3,397	17,887
Other donations and capital grants	2	213	-	17,559	17,772	30,744
Charitable activities:	5					
Funding for the academy trust's educational operations		-	193,977	-	193,977	189,349
Teaching schools		50	1,169	-	1,219	1,004
Other trading activities	3	9,995	-	-	9,995	7,784
Investments	4	276	-	-	276	268
Total income		10,534	191,556	28,407	230,497	245,271
Expenditure on:						
Charitable activities:						
Academy trust educational operations		12,414	199,852	14,463	226,729	220,314
Teaching schools	7	144	1,169	-	1,313	1,066
Total expenditure	8	12,558	201,021	14,463	228,042	221,380
Net (expenditure) / income before investment gains		(2,024)	(9,465)	13,944	2,455	23,891
Net gains on investments		806	-	-	806	604
Net (expenditure) / income before transfers		(1,218)	(9,465)	13,944	3,261	24,495
Transfers between Funds	19	(2,147)	(1,094)	3,241	-	-
Net (expenditure) / income before other recognised gains and losses		(3,365)	(10,559)	17,185	3,261	24,495
Actuarial gains/(losses) on defined benefit pension schemes	25	-	31,625	-	31,625	(33,471)
Net movement in funds		(3,365)	21,066	17,185	34,886	(8,976)

Statement of Financial Activities incorporating Income and Expenditure Account (continued)

For the Year Ended 31 August 2017

	Unrestricted funds 2017 £000	Restricted general funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Reconciliation of funds:					
Total funds brought forward	9,771	(72,671)	445,633	382,733	391,709
Total funds carried forward	<u>6,406</u>	<u>(51,605)</u>	<u>462,818</u>	<u>417,619</u>	<u>382,733</u>

The notes on pages 30 to 62 form part of these financial statements.

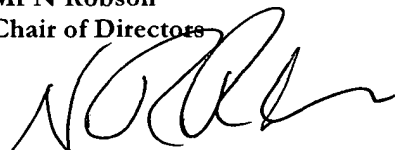
Balance Sheet

As at 31 August 2017

	Note	£000	2017 £000	£000	2016 £000
Fixed assets					
Tangible assets	15		453,061		439,771
Investments	16		7,852		7,195
			<u>460,913</u>		<u>446,966</u>
Current assets					
Debtors	17	22,764		21,610	
Cash at bank and in hand		11,092		6,440	
		<u>33,856</u>		<u>28,050</u>	
Creditors: amounts falling due within one year	18	(25,545)		(19,612)	
Net current assets			<u>8,311</u>		<u>8,438</u>
Total assets less current liabilities			<u>469,224</u>		<u>455,404</u>
Defined benefit pension scheme liability	25		(51,605)		(72,671)
Net assets including pension scheme liabilities			<u><u>417,619</u></u>		<u><u>382,733</u></u>
Funds of the Academy Trust					
Restricted income funds:					
Restricted fixed asset funds		462,818		445,633	
Pension reserve		(51,605)		(72,671)	
Total restricted income funds			<u>411,213</u>		<u>372,962</u>
Unrestricted income funds	19		<u>6,406</u>		<u>9,771</u>
Total funds			<u><u>417,619</u></u>		<u><u>382,733</u></u>

The financial statements on pages 26 to 62 were approved by the Directors, and authorised for issue, on 14 December 2017 and are signed on their behalf, by:

Mr N Robson
Chair of Directors



Statement of Cash Flows

For the Year Ended 31 August 2017

	Note	2017 £000	2016 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	12,251	(9,322)
Cash flows from investing activities:			
Dividends, interest and rents from investments		276	268
Proceeds from the net movement of investments		2,074	3,318
Acquisitions of tangible fixed assets		(17,046)	(27,444)
Capital grants from DfE/ESFA		9,022	26,824
Acquisitions of fixed asset investments		(1,925)	(2,438)
Net cash (used in)/provided by investing activities		(7,599)	528
Change in cash and cash equivalents in the year		4,652	(8,794)
Cash and cash equivalents brought forward		6,440	15,234
Cash and cash equivalents carried forward	22	11,092	6,440

The notes on pages 30 to 62 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 August 2017

1. Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

United Learning Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by Funder where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

1.3 Basis of consolidation

Consolidated accounts are not prepared as the Charitable Company is a member of the Group headed by United Church Schools Foundation Limited, a Charitable Company incorporated in England and Wales, for which consolidated accounts are prepared and are publicly available. The financial statements therefore reflect the results of the Charitable Company as an individual entity.

Notes to the Financial Statements

For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.4 Income

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where receipt is probable and it is can be reliably measured.

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or service completed.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

Notes to the Financial Statements

For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.6 Going concern

The Directors 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 Academy Trust to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Charitable Company's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Long-term leaseholds on conversion are included in the Balance Sheet at cost on signature of the lease agreement, representing the point at which the Academy Trust takes over the risks and rewards associated with ownership.

The Directors determine cost with reference to available third party valuations conducted by the ESFA. Where these are not made available, the Directors consider other suitably reliable measurement methods including deemed replacement cost and market appraisals conducted by appropriately qualified experts.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	50 years
Short term leasehold property	-	10 years
Motor vehicles	-	4 years
Office equipment	-	10 years
Computer equipment	-	3 years

Notes to the Financial Statements

For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.8 Investments

Listed fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities.

Investments in subsidiaries are measured at cost less accumulated impairment.

1.9 Operating leases

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

The Trust has two academies with buildings under Private Finance Initiative (PFI) contracts.

The Transfer Agreement does not transfer the ownership of the new school built by the Contractor until the end of the Project Agreement. Whilst the PFI agreement remains between the Local Authority and the Contractor, the Charitable Company makes an Academy Contribution to the unitary charge via the Schools Agreement to cover the services element of the charge.

The Directors have considered the risks and rewards associated with the agreement and consider that these represent operating lease arrangements, as risks and rewards associated with the PFI buildings are not transferred to the Trust until the end of the contract. Accordingly, the Academy Contributions are recognised as operating charges in the Statement of Financial Activities on a straight line basis over the life to the contract.

At the end of the PFI contract, the risks and rewards will transfer to the Charitable Company at which point the buildings will be capitalised.

1.10 Taxation

The Charitable Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Charitable Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Charitable Company; this is normally upon notification of the interest paid or payable by the Bank.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Notes to the Financial Statements

For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.13 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.14 Creditors

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charitable Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The Charitable Company only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Charitable Company and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. Amounts due to the Charitable Company's wholly owned subsidiary are held at face value less any impairment.

Cash at bank - is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Charitable Company's wholly owned subsidiary are held at face value less any impairment.

1.16 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Charitable Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Notes to the Financial Statements

For the Year Ended 31 August 2017

1. Accounting Policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Charitable Company in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.17 Conversion to academy trust and transfer in of existing academies

The conversion from a state maintained school to an academy trust or the transfer into the Trust of an existing academy involve the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and have been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion or transfer from each school to the Trust have been measured at their fair value and recognised on the Balance Sheet at the point when the risks and rewards of ownership pass to the Trust. Their fair value is in accordance with the accounting policies set out for the Charitable Company. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transactions are set out in note 23.

Notes to the Financial Statements

For the Year Ended 31 August 2017

1. Accounting Policies (continued)

1.18 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The Charitable Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost / (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

When new schools convert to academy status and join the Trust or existing academies join the Trust, the Charitable Company makes the estimates in respect of the fair value of assets and liabilities transferred, using available valuation information as well as in-house expertise.

Critical areas of judgement:

At two of its academies, the Charitable Company occupies buildings under PFI agreements with the local authority and has applied judgement in determining that these buildings should not be capitalised on the balance sheet.

The Charitable Company does not believe that there are any other additional critical areas where judgement is used.

Notes to the Financial Statements

For the Year Ended 31 August 2017

2. Income from donations and capital grants

	Unrestricted funds 2017 £000	Restricted general funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Transfers from other trusts	-	(2,044)	7,451	5,407	-
Pension deficit transferred on conversion	-	(1,546)	-	(1,546)	(1,765)
Buildings and funds transferred on conversion	-	-	3,397	3,397	17,887
	-	(3,590)	10,848	7,258	16,122
Donations	213	-	-	213	189
Capital grants	-	-	17,559	17,559	30,555
	213	-	17,559	17,772	30,744
	213	(3,590)	28,407	25,030	46,866
<i>Total 2016</i>	189	(1,765)	48,442	46,866	

3. Activities for generating funds

	Unrestricted funds 2017 £000	Restricted general funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
ULT Trading Company Limited - gift aid	1,490	-	1,490	1,578
Activities for generating funds	8,505	-	8,505	6,206
	9,995	-	9,995	7,784
<i>Total 2016</i>	7,784	-	7,784	

All activities for fundraising and associated costs are borne by the Charitable Company's parent, United Church Schools Trust.

Notes to the Financial Statements

For the Year Ended 31 August 2017

4. Investment income

	Unrestricted funds 2017 £000	Restricted general funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Investment income receivable	257	-	257	242
Bank interest receivable	19	-	19	26
	<u>276</u>	<u>-</u>	<u>276</u>	<u>268</u>
<i>Total 2016</i>	<u>268</u>	<u>-</u>	<u>268</u>	

5. Income from charitable activities

	Unrestricted funds 2017 £000	Restricted general funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Funding for the Academy Trust's educational operations	-	193,977	193,977	189,349
Teaching schools	50	1,169	1,219	1,004
	<u>50</u>	<u>195,146</u>	<u>195,196</u>	<u>190,353</u>
<i>Total 2016</i>	<u>-</u>	<u>190,353</u>	<u>190,353</u>	

Notes to the Financial Statements

For the Year Ended 31 August 2017

Funding for the Academy Trust's educational operations

	Unrestricted funds 2017 £000	Restricted general funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
DfE/ESFA grants				
General Annual Grant (GAG)	-	170,660	170,660	166,617
Start Up Grant	-	342	342	420
Other DfE/ESFA Grants	-	5,984	5,984	5,644
Pupil Premium	-	11,190	11,190	10,958
	-	188,176	188,176	183,639
Other government grants				
Local Authority Grants	-	5,801	5,801	5,710
	-	5,801	5,801	5,710
	-	193,977	193,977	189,349
<i>Total 2016</i>	-	189,349	189,349	

6. Academies acquired or disposed in the year

The Trust acquired 3 further academies during the year ended 31 August 2017. The incoming resources and net movement in funds for these academies is shown below. Further details of acquisitions are given in Note 23.

	Acquired £000
Voluntary income - transfers from Local Authorities on conversion	
Net assets acquired (Note 23)	1,851
Voluntary income - transfers from other trusts	
Net assets acquired (Note 23)	5,407
Incoming resources from donations and capital grants	85
Incoming resources from charitable activities	5,429
Incoming resources from other trading activities	180
Resources expended on charitable activities	(4,830)
Net movement in funds for the year	8,122

Notes to the Financial Statements

For the Year Ended 31 August 2017

7. Analysis of expenditure on charitable activities

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Total funds 2017 £000	Total funds 2016 £000
Direct costs	1,497	154,767	156,264	146,510
Support costs	11,061	60,717	71,778	74,870
	<u>12,558</u>	<u>215,484</u>	<u>228,042</u>	<u>221,380</u>
<i>Total 2016</i>	<u>12,957</u>	<u>208,423</u>	<u>221,380</u>	

Charitable activities

	Unrestricted funds £000	Restricted funds £000	2017 £000	2016 £000
Direct costs				
Teaching and educational support costs	-	127,832	127,832	121,083
Educational supplies	1,497	5,106	6,603	5,696
Examination costs	-	2,388	2,388	2,452
Staff development	-	1,365	1,365	1,066
Net pension costs	-	1,559	1,559	1,120
Technology costs	-	2,346	2,346	2,692
Other direct costs	-	14,171	14,171	12,401
Total	<u>1,497</u>	<u>154,767</u>	<u>156,264</u>	<u>146,510</u>

	Unrestricted funds £000	Restricted funds £000	2017 £000	2016 £000
Support costs				
Support staff pay costs	-	28,025	28,025	28,854
Depreciation	-	14,134	14,134	13,866
Recruitment and support	-	810	810	1,056
Premises costs	9,871	8,631	18,502	20,454
Insurance	-	957	957	985
Catering	985	3,793	4,778	4,751
Bank interest and charges	-	64	64	55
Loss/(profit) on disposal	-	329	329	(1)
Other support costs	90	3,648	3,738	4,259
Legal and professional	-	326	326	429
Governance costs	115	-	115	162
Total	<u>11,061</u>	<u>60,717</u>	<u>71,778</u>	<u>74,870</u>

Notes to the Financial Statements

For the Year Ended 31 August 2017

8. Expenditure

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Academy's educational operations					
Direct costs	127,832	-	28,432	156,264	146,510
Support costs	28,025	18,502	25,251	71,778	74,870
	<u>155,857</u>	<u>18,502</u>	<u>53,683</u>	<u>228,042</u>	<u>221,380</u>
<i>Total 2016</i>	<u>149,937</u>	<u>35,304</u>	<u>36,139</u>	<u>221,380</u>	

Included in direct and support costs above are the following costs in relation to teaching schools:

	Staff costs 2017 £000	Premises 2017 £000	Other costs 2017 £000	Total 2017 £000	Total 2016 £000
Teaching schools	<u>896</u>	<u>29</u>	<u>388</u>	<u>1,313</u>	<u>1,066</u>

9. Net income/(expenditure)

This is stated after charging/(crediting):

	2017 £000	2016 £000
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	14,134	13,866
Auditor's remuneration - audit	77	75
Auditor's remuneration - other services	28	25
Operating lease rentals - plant and machinery	622	467
Loss/(profit) on disposal of fixed assets	<u>329</u>	<u>(1)</u>

Notes to the Financial Statements

For the Year Ended 31 August 2017

10. Staff costs

Staff costs were as follows:

	2017 £000	2016 £000
Wages and salaries	117,977	117,431
Social security costs	10,571	8,800
Operating costs of defined benefit pension schemes	23,179	19,134
	<u>151,727</u>	<u>145,365</u>
Apprenticeship levy	247	-
Supply staff costs	2,657	3,555
Staff restructuring costs	1,226	1,017
	<u>155,857</u>	<u>149,937</u>

Staff restructuring costs comprise:

	2017 £000	2016 £000
Redundancy payments	652	338
Severance payments	563	677
Other restructuring costs	11	2
	<u>1,226</u>	<u>1,017</u>

Included within staff costs are non-statutory / non-contractual severance payments totalling £132,122 (2016: £264,183) for the following amounts:

£1,500	£1,600	£1,715	£2,000	£2,000
£2,700	£3,546	£8,612	£10,000	£10,000
£11,500	£12,000	£13,500	£13,780	£17,669
£20,000				

The average number of persons employed by the Charitable Company during the year was as follows:

	2017 No.	2016 No.
Teachers	2,252	2,252
Administration and support	2,564	2,599
	<u>4,816</u>	<u>4,851</u>

Notes to the Financial Statements

For the Year Ended 31 August 2017

10. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2017 No.	2016 No.
In the band £ 60,001 - £ 70,000	61	56
In the band £ 70,001 - £ 80,000	31	22
In the band £ 80,001 - £ 90,000	20	14
In the band £ 90,001 - £100,000	6	7
In the band £100,001 - £110,000	8	4
In the band £110,001 - £120,000	4	6
In the band £120,001 - £130,000	2	3
In the band £130,001 - £140,000	1	2
In the band £140,001 - £150,000	1	1
In the band £150,001 - £160,000	2	2

Remuneration was received by key management personnel of ULT via other group entities.

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

	2017 £000	2016 £000
Pension contributions to Teachers Pension Scheme	1,528	1,347
Pension contributions to Local Government Pension Scheme	99	70

During the year 127 (2016 - 111) higher paid employees participated in the Teachers Pension Scheme and 9 employees (2016 - 6) participated in a Local Government Pension Scheme.

Mr J Coles, a Director, is an employee of the Group and is remunerated by the parent company for his services to the Group. He received no remuneration directly from the Charitable Company.

Notes to the Financial Statements

For the Year Ended 31 August 2017

11. Central services

The Charitable Group has provided the following central services to its academies during the year:

- Strategy
- Governance and company secretarial
- Estates
- Training
- Human resources
- ICT
- Public relations
- Communications and marketing
- Data collection and analysis
- Finance
- Accountancy
- Treasury
- Payroll
- Purchase ledger
- Credit control

The Charitable Group charges for these services on the following basis:

- at cost incurred
- on a per pupil basis.

The actual amounts charged during the year were as follows:

	2017 £000	2016 £000
Abbey Hey Primary Academy	132	118
Accrington Academy	269	264
Barnsley Academy	199	199
Beacon View Primary Academy	72	80
Carter Community School	78	88
Corngreaves Academy	50	48
Cravenwood Primary Academy	102	99
Glenmoor School	134	134
Goresbrook School	90	47
Grange Primary Academy	49	46
Hanwell Fields Community School	92	74
Head Office	-	300
High Hazels Infants	70	66
High Hazels Junior	82	82
Hunningley Primary School	21	-
John Smeaton Academy	208	217
Kettering Buccleuch Academy	394	327
Lambeth Academy	244	223
Langford Primary	41	27
Manchester Academy	243	223
Midhurst Rother College	248	222
North Oxfordshire Academy	238	234
Northampton Academy	326	321
Nova Hreod Academy	185	194
Paddington Academy	292	266

Notes to the Financial Statements

For the Year Ended 31 August 2017

Richard Rose Central Academy	169	177
Richard Rose Morton Academy	129	134
Salford City Academy	136	139
Seahaven Academy	116	119
Sheffield Park Academy	248	225
Sheffield Springs Academy	186	193
Shoreham Academy	385	374
Silverdale Primary Academy	38	38
Southway Primary School	144	113
Stockport Academy	176	169
Swindon Academy	395	345
The Hurlingham Academy	81	95
The Regis School	350	340
The Totteridge Academy	141	-
The Victory Primary School	106	75
Timbertrees Primary	53	46
Walthamstow Academy	240	232
Walthamstow Free School	14	13
Wilberforce Primary	69	69
William Hulme's Grammar School	311	261
Winton College	146	143
Worsbrough Bank End Primary School	14	-
Wye School	84	62
	<u>7,590</u>	<u>7,261</u>
Total		

12. Directors' remuneration and expenses

During the year ended 31 August 2017, no Directors received any remuneration (2016: £nil).

One Director was reimbursed for out of pocket expenses amounting to £324 (2016: £nil).

13. Directors' and Officers' Insurance

In accordance with normal commercial practice the Academy Trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was £5,733 (2016 - £8,597).

14. Other finance income

	2017	2016
	£000	£000
Interest on pension scheme liabilities	(1,559)	(1,120)

Notes to the Financial Statements

For the Year Ended 31 August 2017

15. Tangible fixed assets

	Long term leasehold property £000	Assets under construction £000	Short term leasehold property £000	Motor vehicles £000	Office equipment £000
Cost					
At 1 September 2016	467,641	24,615	164	212	23,900
Additions	3,878	9,019	3	60	2,134
Disposals	(35)	-	-	-	(2,270)
Transfers on conversion	3,397	-	-	-	-
Transfer from other trusts	7,354	-	-	-	61
At 31 August 2017	482,235	33,634	167	272	23,825
Depreciation					
At 1 September 2016	64,003	-	36	145	15,169
Charge for the year	9,685	-	18	39	2,084
On disposals	(35)	-	-	-	(2,175)
At 31 August 2017	73,653	-	54	184	15,078
Net book value					
At 31 August 2017	408,582	33,634	113	88	8,747
At 31 August 2016	403,638	24,615	128	67	8,731
				Computer equipment £000	Total £000
Cost					
At 1 September 2016				42,399	558,931
Additions				1,818	16,912
Disposals				(8,013)	(10,318)
Transfers on conversion				-	3,397
Transfer from other trusts				29	7,444
At 31 August 2017				36,233	576,366
Depreciation					
At 1 September 2016				39,807	119,160
Charge for the year				2,308	14,134
On disposals				(7,779)	(9,989)
At 31 August 2017				34,336	123,305
Net book value					
At 31 August 2017				1,897	453,061
At 31 August 2016				2,592	439,771

Notes to the Financial Statements

For the Year Ended 31 August 2017

16. Fixed asset investments

	Listed Investments £000
Market value	
At 1 September 2016	7,195
Additions	1,925
Disposals	(1,969)
Revaluations	701
	<hr/>
At 31 August 2017	7,852
	<hr/> <hr/>

Investments at market value comprise:

	2017 £000	2016 £000
Stock market investments	7,852	7,195
	<hr/> <hr/>	<hr/> <hr/>

All the fixed asset investments are held in the UK.

Investments - subsidiaries

The Charitable Company owns 100% of the issued ordinary shares of ULT Projects Ltd, a company incorporated in England and Wales, at a cost of £100. ULT Projects Ltd has been dormant for the current and preceding year. The Charitable Company also owns 100% of the issued ordinary shares of ULT Trading Company Limited, a company incorporated in England and Wales, at a cost of £100. The principal activity of ULT Trading Company Limited is the letting of school property and sale of school uniforms.

The Charitable Company also owns 100% of Regis Community Arena Limited (RCAL), a company limited by guarantee. The principal activity of RCAL is the provision of sports facilities and nursery care for children.

The Charitable Company also controlled 100% of Emmanuel Schools Foundation, a charitable company incorporated in England and Wales. The principal activity of the Emmanuel Schools Foundation is the operation of a group of schools comprising 3 academies and a city technical college, which provide education for pupils of different abilities between the ages of 3 and 18. On 17 February 2017, the Charitable Company disposed of its interest in the Emmanuel Schools Foundation, which formed its own separate multi-academy trust on the same date. Full details of the disposal are included in the consolidated financial statements of United Church Schools Foundation Limited.

These investments are shown in the Balance Sheet and consolidated accounts are not prepared as the Charitable Company is a member of the United Church Schools Foundation Limited Group, incorporated in England and Wales, for which consolidated accounts are prepared and are publicly available. These financial statements therefore reflect the results of the Charitable Company as an individual entity.

For the year ended 31 August 2017 ULT Projects Ltd had negative capital and reserves of £13,268 (2016 - £13,268) and a deficit of £nil (2016 - deficit of £nil), ULT Trading Company Limited had an aggregate capital reserve of £1,387,389 (2016 - £1,187,490) and a surplus of £1,387,289 (2016 - £1,187,390). For the year ended 31 August 2017 RCAL had aggregate capital and reserves of £64,095 (2016 - £68,680) and a net surplus of £62,811 (2016 - £67,396). The Emmanuel Schools Foundation had net assets of £69,643,000 and a surplus in the period of £1,860,000 at the point at which it became separate from United Learning Trust.

Notes to the Financial Statements

For the Year Ended 31 August 2017

17. Debtors

	2017	2016
	£000	£000
Trade debtors	381	1,275
Amounts owed by group undertakings	589	31
Other debtors	20,220	18,713
Prepayments and accrued income	1,574	1,591
	<u>22,764</u>	<u>21,610</u>

18. Creditors: Amounts falling due within one year

	2017	2016
	£000	£000
Trade creditors	6,621	2,380
Amounts owed to group undertakings	307	492
Other taxation and social security	2,933	2,882
ESFA creditor: abatement of GAG	2,892	2,857
Other creditors	4,659	3,416
Accruals and deferred income	8,133	7,585
	<u>25,545</u>	<u>19,612</u>

	2017	2016
	£000	£000
Deferred income		
Deferred income at 1 September 2016	956	1,215
Resources deferred during the year	1,271	956
Amounts released from previous years	(956)	(1,215)
Deferred income at 31 August 2017	<u>1,271</u>	<u>956</u>

At the balance sheet date, the Charitable Company was holding funds received in advance, and these are deferred, in relation to Universal Infant Free School Meals funding, Nursery funding and Sports Partnership funding.

Notes to the Financial Statements

For the Year Ended 31 August 2017

19. Statement of funds

	Brought forward £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2017 £000
Unrestricted funds						
General Funds - all funds	9,771	10,534	(12,558)	(2,147)	806	6,406
Restricted funds						
General Annual Grant	-	170,660	(169,553)	(1,107)	-	-
Start Up Grants	-	342	(342)	-	-	-
Other DfE/ESFA Grants	-	4,815	(4,815)	-	-	-
Teaching Schools	-	1,169	(1,169)	-	-	-
Pupil Premium	-	12,359	(12,359)	-	-	-
Local Authority Grants	-	5,801	(5,801)	-	-	-
Transfers from other trusts	-	(13)	-	13	-	-
Pension reserve	(72,671)	(3,577)	(6,982)	-	31,625	(51,605)
	<u>(72,671)</u>	<u>191,556</u>	<u>(201,021)</u>	<u>(1,094)</u>	<u>31,625</u>	<u>(51,605)</u>
Restricted fixed asset funds						
DfE/ESFA /LA capital grants and transfers in	445,633	28,407	(14,463)	3,241	-	462,818
Total restricted funds	<u>372,962</u>	<u>219,963</u>	<u>(215,484)</u>	<u>2,147</u>	<u>31,625</u>	<u>411,213</u>
Total of funds	<u><u>382,733</u></u>	<u><u>230,497</u></u>	<u><u>(228,042)</u></u>	<u><u>-</u></u>	<u><u>32,431</u></u>	<u><u>417,619</u></u>

Statement of funds - prior year

	Brought forward £000	Income £000	Resources expended £000	Transfers in/(out) £000	Gains/ (losses) £000	Balance at 31 August 2016 £000
Unrestricted funds						
General Funds - all funds	17,076	8,241	(13,149)	(3,001)	604	9,771
	<u>17,076</u>	<u>8,241</u>	<u>(13,149)</u>	<u>(3,001)</u>	<u>604</u>	<u>9,771</u>

Notes to the Financial Statements

For the Year Ended 31 August 2017

19. Statement of funds (continued)

Restricted funds

General Annual Grant	-	166,617	(166,617)	-	-	-
Start Up Grants	-	420	(420)	-	-	-
Other DfE/ESFA Grants	-	4,640	(4,640)	-	-	-
Teaching Schools	-	1,004	(1,004)	-	-	-
Pupil Premium	-	11,962	(11,962)	-	-	-
Local Authority Grants	-	5,710	(6,546)	836	-	-
Pension reserve	(34,258)	(1,765)	(3,177)	-	(33,471)	(72,671)
	<u>(34,258)</u>	<u>188,588</u>	<u>(194,366)</u>	<u>836</u>	<u>(33,471)</u>	<u>(72,671)</u>

Restricted fixed asset funds

DfE/ESFA /LA capital grants and transfers in	408,891	48,442	(13,865)	2,165	-	445,633
	<u>408,891</u>	<u>48,442</u>	<u>(13,865)</u>	<u>2,165</u>	<u>-</u>	<u>445,633</u>
Total restricted funds	<u>374,633</u>	<u>237,030</u>	<u>(208,231)</u>	<u>3,001</u>	<u>(33,471)</u>	<u>372,962</u>
Total of funds	<u>391,709</u>	<u>245,271</u>	<u>(221,380)</u>	<u>-</u>	<u>(32,867)</u>	<u>382,733</u>

The specific purposes for which the funds are to be applied are as follows:

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Charitable Company at the discretion of the Directors.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Notes to the Financial Statements

For the Year Ended 31 August 2017

19. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £000	Total 2016 £000
Abbey Hey Primary Academy	-	(157)
Accrington Academy	-	1,301
Barnsley Academy	-	(160)
Beacon View Primary Academy	-	241
Carter Community School	-	(429)
Corngreaves Primary Academy	-	54
Cravenwood Primary Academy	-	418
Glenmoor School	-	1,037
Goresbrook School	-	1,797
Grange Primary Academy	-	189
Hanwell Fields Community School	-	251
Head Office	6,406	372
High Hazels Infants	-	92
High Hazels Juniors	-	290
John Smeaton Academy	-	(1,784)
Kettering Buccleuch Academy	-	608
Lambeth Academy	-	463
Langford Primary	-	84
Manchester Academy	-	1,194
Midhurst Rother College	-	(376)
North Oxfordshire Academy	-	421
Northampton Academy	-	402
Nova Hreod Academy	-	283
Paddington Academy	-	(1,087)
Richard Rose Central Academy	-	(335)
Richard Rose Morton Academy	-	(877)
Salford City Academy	-	724
Seahaven Academy	-	18
Sheffield Park Academy	-	948
Sheffield Springs Academy	-	(1,182)
Shoreham Academy	-	925
Silverdale Primary Academy	-	(172)
Southway Primary School	-	324
Stockport Academy	-	110
Swindon Academy	-	2,657
The Hurlingham Academy	-	556
The Regis School	-	788
The Victory Primary School	-	47
Timbertrees Primary	-	22
Walthamstow Academy	-	410
Walthamstow Free School	-	(6)
Wilberforce Primary	-	(511)
William Hulme's Grammar School	-	439
Winton College	-	(877)
Wye School	-	259

Total before fixed asset fund and pension reserve

6,406

9,771

Notes to the Financial Statements

For the Year Ended 31 August 2017

19. Statement of funds (continued)

Restricted fixed asset fund	462,818	445,633
Pension reserve	(51,605)	(72,671)
Total	<u>417,619</u>	<u>382,733</u>

The Charitable Company manages the cash reserves of the schools centrally in order to ensure sufficient liquidity is available to meet the needs of all the academies in the Trust. Therefore the Charitable Company has disclosed these reserves at Trust level during the year.

Notes to the Financial Statements

For the Year Ended 31 August 2017

19. Statement of funds (continued)

Analysis of academies by cost

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciat- ion £000	Total 2017 £000	Total 2016 £000
Abbey Hey Primary Academy	2,002	284	109	805	3,200	2,947
Accrington Academy	4,557	1,265	157	1,774	7,753	8,053
Barnsley Academy	3,245	607	115	1,329	5,296	5,969
Beacon View Primary Academy	1,321	246	55	447	2,069	1,957
Carter Community School	1,791	434	70	693	2,988	3,360
Corngreaves Academy	944	166	53	250	1,413	1,453
Cravenwood Primary Academy	1,454	110	67	597	2,228	2,348
Glenmoor School	819	299	147	684	1,949	2,857
Goresbrook School	1,441	522	103	748	2,814	1,558
Grange Primary Academy	819	149	64	386	1,418	1,262
Hanwell Fields Community School	1,659	337	99	437	2,532	2,266
Head Office	-	12	285	1,815	2,112	2,823
High Hazels Infants	1,004	250	29	306	1,589	1,725
High Hazels Juniors	847	359	79	448	1,733	1,811
Hunningley Primary School	295	27	14	88	424	-
John Smeaton Academy	3,420	552	150	3,003	7,125	7,406
Kettering Buccleuch Academy	5,746	1,041	523	1,852	9,162	8,459
Lambeth Academy	5,257	1,238	91	1,510	8,096	8,445
Langford Primary	823	257	43	341	1,464	1,124
Manchester Academy	5,058	1,240	143	2,126	8,567	8,119
Midhurst Rother College	3,386	845	165	1,038	5,434	5,217
North Oxfordshire Academy	4,340	854	196	1,175	6,565	6,667
Northampton Academy	5,302	1,111	274	1,808	8,495	8,588
Nova Hreod Academy	2,347	530	156	1,438	4,471	4,710

Notes to the Financial Statements

For the Year Ended 31 August 2017

19. Statement of funds (continued)

Paddington Academy	6,716	1,521	163	2,174	10,574	10,023
Richard Rose Central Academy	2,707	934	67	2,185	5,893	7,269
Richard Rose Morton Academy	2,208	484	53	869	3,614	3,683
Salford City Academy	2,937	449	71	897	4,354	4,358
Seahaven Academy	2,210	562	44	635	3,451	3,402
Sheffield Park Academy	4,447	714	207	1,606	6,974	6,214
Sheffield Springs Academy	3,031	702	90	1,204	5,027	5,973
Shoreham Academy	6,061	1,055	373	1,478	8,967	8,768
Silverdale Primary Academy	640	150	30	250	1,070	994
Southway Primary School	1,958	320	66	608	2,952	2,839
Stockport Academy	2,943	626	162	1,173	4,904	4,820
Swindon Academy	6,185	1,322	513	3,242	11,262	10,931
The Hurlingham Academy	1,835	471	133	863	3,302	3,628
The Regis School	5,099	1,433	367	1,485	8,384	8,067
The Totteridge Academy	2,280	662	65	1,089	4,096	-
The Victory Primary School	1,969	318	69	532	2,888	2,747
Timbertrees Primary	685	128	54	392	1,259	1,171
Walthamstow Academy	4,500	1,180	152	1,765	7,597	356
Walthamstow Free School	229	60	30	98	417	7,615
Wilberforce Primary	1,093	138	65	445	1,741	2,307
William Hulme's Grammar School	5,295	987	215	1,927	8,424	7,791
Winton College	3,525	784	229	375	4,913	3,688
Worsbrough Bank End Primary School	225	24	20	76	345	-
Wye School	1,177	266	178	653	2,274	1,747
	<u>127,832</u>	<u>28,025</u>	<u>6,603</u>	<u>51,119</u>	<u>213,579</u>	<u>207,515</u>

Notes to the Financial Statements

For the Year Ended 31 August 2017

20. Analysis of net assets between funds

	Unrestricted funds 2017 £000	Restricted general funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Tangible fixed assets	-	-	453,061	453,061
Stock market investments	7,852	-	-	7,852
Current assets	481	21,296	12,079	33,856
Creditors due within one year	(1,927)	(21,296)	(2,322)	(25,545)
Provisions for liabilities and charges	-	(51,605)	-	(51,605)
	<u>6,406</u>	<u>(51,605)</u>	<u>462,818</u>	<u>417,619</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2016 £000	Restricted general funds 2016 £000	Restricted fixed asset funds 2016 £000	Total funds 2016 £000
Stock market investments	-	-	439,771	439,771
Listed investments	7,195	-	-	7,195
Current assets	3,291	15,761	8,998	28,050
Creditors due within one year	(715)	(15,761)	(3,136)	(19,612)
Provisions for liabilities and charges	-	(72,671)	-	(72,671)
	<u>9,771</u>	<u>(72,671)</u>	<u>445,633</u>	<u>382,733</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2017 £000	2016 £000
Net income for the year (as per Statement of Financial Activities)	3,261	24,495
Adjustment for:		
Depreciation	14,134	13,866
Unrealised gains on investments	(701)	(584)
Dividends received	(276)	(268)
Loss/(profit) on the sale of fixed assets	329	(1)
Profit on sale of investments	(105)	(20)
Decrease/(increase) in debtors	3,616	(5,043)
Increase in creditors	6,067	1,733
Capital grants from DfE and other capital income	(13,792)	(30,555)
Defined benefit pension scheme obligation inherited	3,577	1,765
Defined benefit pension scheme cost less contributions payable	5,423	2,057
Defined benefit pension scheme finance cost	1,559	1,120
Assets transferred on conversion	(3,397)	(17,887)
Assets transferred from other trusts	(7,444)	-
Net cash provided by/(used in) operating activities	<u>12,251</u>	<u>(9,322)</u>

Notes to the Financial Statements

For the Year Ended 31 August 2017

22. Analysis of cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	11,092	6,440
Total	11,092	6,440

23. Conversion to an academy status and transfers in of existing academies

On the dates as shown, the academies stated below converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to United Learning Trust from the respective Local Authorities for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of Financial Activities Incorporating Income and Expenditure Account as Donations - transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities Incorporating Income and Expenditure Account.

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Hunningley Primary School				
Leasehold buildings	-	-	1,633	1,633
LGPS pension deficit - new converter academies	-	(925)	-	(925)
Net (liabilities) / assets	-	(925)	1,633	708

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Worsbrough Bank End Primary School				
Leasehold buildings	-	-	1,764	1,764
LGPS pension deficit - new converter academies	-	(621)	-	(621)
Net (liabilities) / assets	-	(621)	1,764	1,143

Notes to the Financial Statements

For the Year Ended 31 August 2017

	Restricted fixed asset funds £000	LA Funds £000	Restricted funds £000	Total £000
Hunningley Primary School - 1 June 2017	1,633	-	(925)	708
Worsbrough Bank End Primary School - 1 June 2017	1,764	-	(621)	1,143
Total	<u>3,397</u>	<u>-</u>	<u>(1,546)</u>	<u>1,851</u>

On 1 October 2016, The Totteridge Academy, an existing academy, joined United Learning Trust. The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities Incorporating Income and Expenditure Account.

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total £000
The Totteridge Academy				
Leasehold buildings	-	-	7,354	7,354
Office equipment	-	-	61	61
Computer equipment	-	-	29	29
Debtors due in less than one year	-	120	7	127
Cash at bank	-	223	-	223
Creditors due in less than one year	-	(330)	-	(330)
Creditors due in more than one year	-	(26)	-	(26)
LGPS pension deficit - transfer in of existing academies	-	(2,031)	-	(2,031)
Net (liabilities) / assets	<u>-</u>	<u>(2,044)</u>	<u>7,451</u>	<u>5,407</u>

24. Capital commitments

At 31 August 2017 the Charitable Company had capital commitments amounting to £2,422k (2016: £1,509k).

25. Pension commitments

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the Local Authority. Both are Multi-employer defined benefit pension schemes.

Notes to the Financial Statements

For the Year Ended 31 August 2017

25. Pension commitments (continued)

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £2,263,482 were payable to the schemes at 31 August 2017 (2016 - £2,134,093) and are included within creditors.

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 academies 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

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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £12.0 (2016 - £11.9 million).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set

Notes to the Financial Statements

For the Year Ended 31 August 2017

25. Pension commitments (continued)

out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £7.1 million (2016 - £7.0 million), of which employer's contributions totalled £5.3 million (2016 - £5.2 million) and employees' contributions totalled £1.8 million (2016 - £1.8 million). The agreed contribution rates for future years are 10.2% - 20.5% for employers and 5.5% - 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.03 %
Rate of increase in salaries	3.49 %	3.47 %
Rate of increase for pensions in payment / inflation	2.40 %	1.98 %
Inflation assumption (CPI)	2.40 %	1.98 %

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

	2017	2016
Retiring today		
Males	21.5 - 24.6	21.4 - 24.6
Females	23.9 - 27.0	23.2 - 26.4
Retiring in 20 years		
Males	23.0 - 26.7	24.1 - 26.9
Females	26.0 - 29.3	26.6 - 28.7

Notes to the Financial Statements

For the Year Ended 31 August 2017

25. Pension commitments (continued)

The Charitable Company's share of the assets in the scheme was:

	Fair value at 31 August 2017 £000	Fair value at 31 August 2016 £000
Equities	69,080	58,981
Bonds	22,685	16,029
Property	8,723	7,686
Cash	3,853	2,850
Other assets	4,178	5,788
Total market value of assets	<u>108,519</u>	<u>91,334</u>

The actual return on scheme assets was £9.6 million (2016 - £13.0 million).

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

	2017 £000	2016 £000
Current service cost	(10,548)	(7,106)
Past service cost	(30)	(192)
Interest cost	(1,559)	(1,120)
Benefit changes, (loss)/gain on curtailment and (loss)/gain on settlement	(153)	82
Administration expenses	(36)	(43)
Total	<u>(12,326)</u>	<u>(8,379)</u>

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

	2017 £000	2016 £000
Opening defined benefit obligation	164,005	106,347
Current service cost	10,548	7,106
Interest cost	3,570	4,071
Employee contributions	1,777	1,783
Actuarial (gains)/losses	(23,987)	43,564
Plan introductions, benefit changes, curtailments and settlements	153	(82)
Past service costs	30	192
Benefits paid	(1,233)	(1,393)
Liabilities assumed in a business combination	5,261	2,417
Closing defined benefit obligation	<u>160,124</u>	<u>164,005</u>

Notes to the Financial Statements

For the Year Ended 31 August 2017

25. Pension commitments (continued)

Movements in the fair value of the Charitable Company's share of scheme assets:

	2017 £000	2016 £000
Opening fair value of scheme assets	91,334	72,089
Assets acquired in a business combination	1,684	652
Interest income	2,011	2,951
Actuarial gains	7,638	10,093
Employer contributions	5,344	5,202
Employee contributions	1,777	1,783
Benefits paid	(1,233)	(1,393)
Administration expenses	(36)	(43)
Closing fair value of scheme assets	108,519	91,334

26. Operating lease commitments

At 31 August 2017 the total of the Charitable Company's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts payable:		
Within 1 year	3,037	2,866
Between 1 and 5 years	10,028	10,691
After more than 5 years	16,881	19,058

27. Related party transactions

Owing to the nature of the Charitable Company's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Charitable Company has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Charitable Company's financial regulations and normal procurement procedures.

No related party transactions took place during the year other than those with other members of the group. The Charitable Company has taken advantage of the exemption conferred in Financial Reporting Standard 102 (FRS102) not to disclose transactions or balances with other members of the group headed by United Church Schools Foundation Limited.

28. Post balance sheet events

On 1 October 2017, the Charitable Company welcomed Hill View Academy and Newstead Wood Grammar School. Additionally, on 1 November 2017, the Charitable Company welcomed the Hyndburn Academy.

Notes to the Financial Statements

For the Year Ended 31 August 2017

29. Ultimate parent undertaking and controlling party

The Directors consider that the ultimate parent undertaking of the Charitable Company is United Church Schools Foundation Limited (Company number 00018582), which is the sole member of United Church Schools Trust (Company number 02780748), which is the parent company of United Learning Trust by virtue of being the sole member.

As such, the Charitable Company is exempt from the requirements of FRS102 to disclose transactions with other members of the group headed by United Church Schools Foundation Limited.

In the opinion of the Directors, there is no ultimate controlling party.

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 Worldwide House, Thorpe Wood, Peterborough, PE3 6SB.

30. Member's liability

The member of the Charitable Company undertakes to contribute to the assets of the company in the event of it being wound up whilst a member, or within one year after it ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before it ceases to be a member.

31. Agency Arrangements

The Charitable Company acts as an agent distributing 16-19 bursary funds from the Education and Skills Funding Agency (ESFA). Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Charitable Company does not have control over the charitable application of the funds. The Charitable Company can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities.

In the year ended 31 August 2017, the Charitable Company received £446k (2016 - £536k) and disbursed £357k (2016 - £319k) from the fund. An amount of £410k (2016 - £321k) is included in other creditors relating to undistributed funds that are repayable to the ESFA.

The Charitable Company acts as an agent distributing bursary funds from the National College for Teaching & Leadership (NCTL). Payments received from the NCTL and subsequent disbursements to students are excluded from the statement of financial activities as the Charitable Company does not have control over the charitable applications of the funds.

In the year ended 31 August 2017, the Charitable Company received £543k (2016 - £480k) and disbursed £475k (2016 - £473k) from the fund. An amount of £75k (2016 - £7k) is included in other creditors relating to undistributed funds that are repayable to the NCTL.