

# United Schools Trust

(A company limited by guarantee)

Annual Report and Financial Statements

Year Ended 31 August 2018

Company Registration number: 09255130 (England and Wales)

# United Schools Trust

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# United Schools Trust

## Reference and Administrative Details

<b>Members</b>	Mr M Harding (resigned 1 December 2017) Mrs E Thompson Mr I Sheriff Mr N Canham Mr K Haines (appointed 1 December 2017 and resigned 13 September 2018)
<b>Directors</b>	Mrs J Stuchberry-Ullah, Chair Mr K Haines (resigned 12 January 2018) Mr M Harding Dr P Fitch, Principal Mr M West Mrs C Mabin Mrs S Clarke, Vice Chair Mrs C Vicary-Ward Mr K Presland (appointed 11 December 2017)
<b>Company Secretary</b>	Mr M West
<b>Senior Management Team</b>	Mr M Harding Dr P Fitch
<b>Principal and Registered Office</b>	St Michael's School Church Street Newton Abbot Devon TQ12 3BQ
<b>Company Registration Number</b>	09255130
<b>Independent Auditors</b>	PKF Francis Clark Chartered Accountants and Statutory Auditor Sigma House Oak View Close Edginswell Park Torquay Devon TQ2 7FF
<b>Bankers</b>	Lloyds Bank Plc 41 Courtenay Street Newton Abbot Devon TQ12 2QW

## **United Schools Trust**

### **Reference and Administrative Details (continued)**

<b>Solicitors</b>	Wolferstans Solicitors 60-66 North Hill Plymouth Devon PL4 8EP
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# United Schools Trust

## Trustees' Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

The Trust operates an Academy for pupils aged 3 to 11 serving a catchment area in Kingsteignton. It has a pupil capacity of 420 and had a roll of 78 in the latest school census (October 2018) as the school opened in September 2016.

### Structure, Governance and Management

#### *Constitution*

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company was incorporated on 8 October 2014. The Trustees of the United Schools Trust Limited are also the Directors of the charitable company for the purposes of company law.

Details of the Trustees 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 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.

#### *Method of recruitment and appointment or election of Trustees*

The board of Trustees is currently made up of 8 Trustees. These were selected and appointed by the Members (In line with the articles of association, articles 45-58). The membership of the board focuses on skills, and the primary consideration in the appointment and election of new governors is the acquisition of the skills and experience the board needs to be effective. The Board has developed a skills-based set of criteria for Trustee selection and recruitment which can also be used to inform on-going self-evaluation and Trustee training.

The 8 Trustees were also selected to ensure a smooth transition into the opening of the academy and to oversee the election of two parental Trustees who will be appointed via a vote of the parents within the academy. One parental trustee was appointed during the year and has an accountancy/finance background which was an area that the trustees had identified through a skills audit to be an area to develop on the Board of Trustees. The Principal of the academy is also a member of the Board of Trustees. A second parent trustee will be appointed in the autumn of 2018. An additional trustee is being sought to provide legal skills within the board – an area to be developed on the Board of Trustees.

Future appointments and recruitment will continue to be looked at in terms of the skills gap left by any vacancy and the members will recruit and appoint appropriate trustees to fill the vacancy efficiently. Should a parental vacancy occur, this post will be filled through a recruiting a parent from the academy and the post will be voted in by the parents of the academy.

#### *Policies and procedures adopted for the induction and training of Trustees*

The core policies are now in place and the induction and training of Directors is on-going. The board is committed to ensuring that their policies and procedures will follow the models of good practice outlined in DfE guidance.

# United Schools Trust

## Trustees' Report for the Year Ended 31 August 2018 (continued)

### Induction and on going training and development

Boards are responsible for identifying and securing the induction and other ongoing training and development they need - including for those with specific responsibilities such as the lead on safeguarding including Prevent. As the Academies Financial Handbook requires, the United Schools Trust identifies and fills any skills gaps on the board through recruitment or training.

As part of induction and continuous development, the board encourages everyone, especially those new to the role, to make the most of the resources, guidance and training available to develop their knowledge and skills.

The board's code of conduct sets an ethos of professionalism and high expectations of everyone involved in governance, including an expectation that they undertake training and development activity to fill gaps in the skills they have to contribute to effective governance. Importantly, this includes their ability to understand and interpret educational and financial performance data. Everyone on the board should be able to engage fully with discussions on these matters and if they cannot, they undertake appropriate training or development to enable them to do so.

If, in the view of the board, an individual fails persistently to undertake the training and development they need to contribute effectively to the board, then they are likely to be in breach of the board's code of conduct. Where they have powers to do so, the board should consider suspending them on the grounds that they have acted in a way that is contrary to the board's ethos and has brought or is likely to bring the organisation, the board or their role into disrepute. Suspensions are for a fixed period of up to six months at a time.

Succession plans are in place so that any change in the chair or trust board does not impede the board's effectiveness.  
(Governance handbook for academies, multi-academy trusts and maintained schools, DfE, Jan 2017)

### **Organisational Structure**

#### The Trust Members

There are 3 Trust Members. All members have a clear understanding of the vision of the Academy Trust and are fully on board with its ethos.

The Members are responsible for appointing and removing trustees. In order to ensure that they do an effective job the Members will have a thorough knowledge of the school, its performance and where the Board of trustees lacks expertise (information to be gained through an annual skills audit and Termly reports from the Chair of the Board of Trustees). The Members will appoint the trustees on a skills basis. They will consider the outcome of a skills audit and feedback on the Free School's performance to establish what person they need and then they should properly assess the skills set of any proposed candidate.

#### The Board of Trustees

Currently, the board of trustees oversee Kingsteignton School only. When an additional school joins the UST the board of trustees will oversee more than one academy. The board of trustees will be reconstituted as another academy joins the trust to incorporate the Principal and parental representatives of the academies within the MAT. Initially the board may oversee more than one academy with no local governing body.

## United Schools Trust

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### *Arrangements for setting pay and remuneration of key management personnel*

Trustees have agreed a pay range for the school. Key management personnel are subject to an appraisal process and a meeting is held in the autumn with an external consultant and the pay/appraisal committee to review the success of this and agree any pay award.

#### *Trade Union Facility Time*

There is no requirement for the Academy to disclose Trade Union Facility Time.

#### *Related Parties and other Connected Charities and Organisations*

The United School's Federation provided support for the school improvement work during the pre-opening and opening of the academy and continue to provide this support, post-opening. The Trustees voted on this decision and all decisions around this are and were discussed and voted upon with the full declaration of any interests. This is evidenced within the minutes of the trustee meetings and the declaration of interest forms. Appropriate procedures are followed, as set out in the Articles of Association to ensure there is no conflict of interests within discussion or voting in this area. The United Schools Federation is a group of 5 schools who work as school improvement partners to the United Schools Trust and Kingsteignton School; the USF and the UST form part of a co-operative trust – The United Schools Learning Partnership.

#### **Objectives and Activities**

##### *Objectives, Strategies and Activities*

The United Schools Trust aims to provide all children at Kingsteignton School with an outstanding and inspiring education within a caring and nurturing environment. We value individuals, recognise and celebrate their gifts and talents and provide the opportunities they need to help them achieve personal and academic excellence. Our school motto is Aiming Higher, Achieving More, Together. The values that we promote throughout our school are Friendship, Compassion, Justice, Courage and Perseverance.

A child-centred vision is at the centre of all we do.

#### **AIMING HIGHER, ACHIEVING MORE, TOGETHER**

##### **OUR VISION:**

By the time you leave us you will:

- have grown healthy and strong and understand how to look after your body and mind
- feel part of our community, proud of yourselves and our school and inspired to make a difference
- love learning new things, feel ready for the future and want to keep on learning more
- know what it feels like to be good at something and have achieved your very best
- understand just how amazing you are, believe in yourself and have the confidence and resilience to follow your dream
- have known friendship and learned how to get along well with other people of all ages
- have been privileged to work alongside outstanding teachers who inspire, enthuse and motivate you in your learning
- have learned to love nature, the outdoor environment and learning 'without walls and ceiling'
- have embraced technology in all its forms and understand how it can help you in life
- have learned how to keep yourselves safe in all elements of your life

## **United Schools Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

Our motto, values and school vision are relevant to all stakeholders including children, staff, trustees and volunteers.

Our curriculum aims to inspire and motivate children to explore and learn about the world around them. It helps them gain an awareness of the role within their communities and prepares them for their future lives. We actively encourage children to embrace technology and lead healthy and active lives.

The school places a great importance on developing links with the community. The school is a Dementia Friendly School, with a high quality healthy curriculum that will prepare children for healthy adult lives. Community links will be a large part of this. A member of the teaching staff has taken over the role of Dementia team leader and will work towards ensuring that the physical and mental health of all stakeholders are a priority. This will include the development of the use of mindfulness and yoga across the school and the liaison with Early Help for Mental Health (EHCP) and other organisations and individuals who will help to maintain our dementia friendly initiative as an integral part of our ethos and curriculum.

The school has invested heavily and will continue to invest heavily in Technology including notebooks, tablets, multimedia recording equipment, editing equipment and environmental and scientific monitoring tools, interactive table tops and the use of robotics to inspire and motivate children in their learning. Technology will be used to support children and ensure that they make excellent progress and achieve their full potential. The use of robotics within the classroom employs technology developed in order to help those with dementia to remain living independently within their homes for as long as possible and we hope that in the future, programming of a robot (through the involvement of Year 6 pupils initially within the USF and ultimately within the UST, and a link with the London Technology UCT will not only enhance learning particularly in the early years but also allow children to be involved in the support of those with dementia in the local community.

The use of the outdoors and nature to motivate and inspire children in their learning is an area which the school is eager to develop particularly once we are accommodated on the new site. This also links in with the dementia friendly ethos of the school and a vision of learning 'without walls and ceiling' is an integral part of our of school development plan.

Teaching is exciting and motivating, based on the experience acquired through the Federation. It inspires children to make excellent progress ensures that they become confident, successful and independent learners.

All teaching staff benefit from team working with staff across the United Schools Federation which includes team planning, assessment and moderation which allows for quality assurance across the school. In addition, termly evaluation visits carried out by senior leaders across the trust and federation allow for further validation of standards. Trustees are fully involved in the evaluation of data and also provide a valuable role in ensuring the pupil voice is heard through pupil conferencing. Also, as portfolio holders for different areas of the school development, they are involved in the evaluation of these areas including for example the conferencing of all members of staff to ensure that the culture of safeguarding is one which remains a major focus of the school and that all members of staff (including volunteers) are confident in protocols and procedure and that they form an integral part of the whole school safeguarding team.



## **United Schools Trust**

### **Trustees' Report for the Year Ended 31 August 2018 (continued)**

The Trust values the wider experiences of children as individuals and provides, through partnership with the USF, a wide range of curriculum and extra curriculum activities including a range of sporting, adventurous and creative activities are available for all children and residential experiences are available from Year 2 upwards.

Kingsteignton School teaches Mathematics and English using the new National Curriculum and is heavily supported with individualised learning through the use of ICT. The International Primary Curriculum (<http://www.greatlearning.com/ipc>) is used as a way of teaching the National Curriculum foundation subjects. Staff at Kingsteignton School work in partnership with the staff in the USF. This ensures that expertise is shared and children receive the highest quality learning experiences -providing a much broader, exciting and enriched curriculum than might be expected from a small, newly created school.

The projected numbers (from Devon County) show a clear demand for pre-school places in Kingsteignton for children aged 0-4. A nursery will form part of Kingsteignton School from 2019. An external nursery provider has been appointed through a rigorous selection process. The experience within the Federation clearly shows that an attached nursery helps improve attainment on entry into school ensuring that children have a better starting point from which to progress.

From September 2017 the Trust has provided 'wrap around' care from 8.00 am until 6.00 pm as well as a holiday club. The care outside of school hours is paid for by parents, but this will be offered at a reasonable cost to ensure that it is accessible to all parents. SMASC (St Michael's School After School Club) transferred to the UST during the year and these figures are included within these financial statements.

#### ***Public Benefit***

The Academy Trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance provided by the Charity Commission.

# United Schools Trust

## Trustees' Report for the Year Ended 31 August 2018 (continued)

### Strategic Report

#### Achievements and Performance

##### *Key Performance Indicators*

The new academy, opened in September 2016 with 17 pupils in a single mixed Reception/Year 1 class and was effective in terms of teaching and learning, leadership and management, safeguarding and welfare and pupil outcomes from the start (this is evidenced through the DfE documentation, Trustee's board meeting minutes and the pre-opening Ofsted inspection, DfE inspection report and Devon Audit monitoring report). The end of year results for Reception children showed that they had achieved at a level which exceeded both Devon and National figures. The phonics results for Year 1 children showed that they had achieved at a rate comparable to national figures with only one child, who joined the school one week before the phonics test, failing to reach the required level.

Results from the second year of opening show children continue to exhibit excellent learning behaviours (lesson observations) and the proportion achieving a good level of development in Reception was above both Devon and National figures. The percentage of children achieving the required level for the phonics screening placed the school in the second quintile of all schools in Devon at 89%, whilst the results of the Key Stage 1 statutory tests showed that the school was in the top (first) quintile in Devon for reading and maths and in the second quintile for writing. The number of children achieving at greater depth was well above national in reading (63%) and in line with national for maths (25%). The results of the Key Stage 1 statutory tests were externally moderated and judged to be accurate.

The recruitment of new staff for the year beginning September 2018 illustrated once again that the prospect of being part of the development of a new and exciting school is a great draw to high calibre candidates and a new teacher and a teaching assistant were appointed to teach the Year 2/3 class children for next year (2018-19).

Working in partnership with the USF continues to be the single most important reason why the school has been able to develop at such a rate and with such confidence. The partnership work allows the Trust teachers to plan, assess and moderate with a wider group of experienced practitioners and to avoid any sense of isolation that being part of very small school might have engendered. The children benefit hugely from this but also from the fact that they have access to the much wider range of learning experiences that are afforded through working in partnership. The partnership work with the USF will be ongoing into the future and will continue beyond the split in site which will occur in January 2019. The school day for children at Kingsteignton School will start and finish earlier once we move to the new site, this is in part to avoid the congestion that may occur as the nearby secondary school finishes their day but also to allow staff to continue to attend joint planning, assessment and moderation meetings and access to twilight sessions in a wide variety of subjects and issues with the USF staff.

##### *Going Concern*

After making appropriate enquiries, the Board of Trustees has an expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

# United Schools Trust

## Trustees' Report for the Year Ended 31 August 2018 (continued)

### Strategic Report

#### Financial Review

The Academy opened two years ago and is growing in size, therefore all comparative income and expenditure figure will reflect this fact. Income in the current period totalled £507,000 (2017: £356,000) and expenditure totalled £650,000 (2017: £199,000). After the gain of £5,000 (2017: £1,000) on the pension scheme, the total net movement in funds for the period was a decrease of £138,000 (2017: an increase of £158,000).

The Academy adheres to the financial management policies as contained in the Finance Policy.

#### *Reserves and Investment policy*

The aims of this policy are to:

1. Regularly monitor Cash Flow and Current Account balances to ensure immediate financial commitments can be met (payroll and payments runs) and that the current accounts have adequate balances to meet forthcoming commitments. In practice a working balance of between £20,000 and £30,000 is likely to be maintained in a primary school
2. The Trust will avoid any of its Current Accounts going overdrawn.
3. Identify funds surplus to immediate cash requirements and transfer to Lloyd's High Interest Deposit Accounts.
4. Periodically (at least annually) review interest rates and compare with other investment opportunities
5. The Trust's current policy is to only invest funds in risk free and immediately accessible Deposit Accounts.
6. Any change in policy requires the approval of the Trustees.

#### Introduction

At Kingsteignton School, we are careful with the public money we are entrusted with. We will carefully invest any money that is not required to cover anticipated expenditure and take steps to manage the risk associated with financial investments.

#### Objectives and targets

The purpose of this policy is to ensure that any surplus funds are invested well so that they achieve the best financial returns with the minimum risk. Good financial returns mean that more money can be spend on educating pupils.

#### Action Plan

Adequate cash balances must be maintained to ensure that there are always sufficient funds in the school's current account to cover financial commitments such as payroll and day-to-day expenses. If there is a surplus of funds after all financial commitments have been considered, this surplus will be invested. Funds should be invested in tranches of £10,000 where possible and after agreement from the Board of trustees. It may be beneficial to invest each tranche with a different financial institution. Funds, and any interest they earn, will be automatically reinvested, unless they are required for immediate or anticipated expenditure.

# United Schools Trust

## Trustees' Report for the Year Ended 31 August 2018 (continued)

### Strategic Report

#### Monitoring and Evaluation

The Accounting officer will compare alternative investment opportunities every six months to ensure that the school's funds achieve the best interest rates.

The Chief Executive Officer and Business Manager will carry out a review of this policy on a regular basis to ensure that any new or changed legislation is adhered to. Next school review due January 2019.

1. For the last two years, the trustees have deemed that with uncertainty of actual costs in occupying the new school, investment is not appropriate at present and that the returns achieved by investing in risk free and immediately accessible Deposit Accounts does not justify the time spent in organising the investment.

#### *Principal Risks and Uncertainties*

There is a need for a school in Kingsteignton and, therefore, minimal risk that the school will not continue to grow at its current rate and beyond into the future.

The United Schools Trust has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been developed by the Trustees in conjunction with Devon Audit Services and include the financial risks to the Trust.

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to its finances, teaching, facilities (including buildings) and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls. Where significant financial risk still remains, the trustees ensure that the Trust has adequate insurance cover. Working in partnership with the United Schools Federation and the opportunities and support that this provides in all areas help to mitigate many of the risks identified.

Whilst the local population continues to grow, risks to revenue funding from a falling roll are relatively small. However, changes in the Funding Formula, changes in funding arrangements for special educational needs and the increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

The trustees examine the financial health of the Trust formally every term, reviewing performance against budgets and overall expenditure by means of regular update reports at Board of Trustee meetings.

The principal risks and uncertainties facing the Trust are as follows:

# United Schools Trust

## Trustees' Report for the Year Ended 31 August 2018 (continued)

### Strategic Report

#### Financial

The Trust has considerable reliance on continued Government funding through the ESFA with the majority of the Trust's incoming resources being ultimately Government funded and there is no assurance that Government policy or practice will remain the same or that public funding will continue on the same levels or on the same terms.

#### Failures in governance and/or management

The risk in this area arises from the potential failure to effectively manage the Trusts' finances, internal controls, compliance with regulations and legislation, statutory returns etc. The trustees will continue to review and ensure appropriate measures are in place to mitigate these risks.

#### Reputational

The continued success of the Trust is dependent on academic attainment and progress measures being at or above Devon and National figures thus maintaining the highest educational standards. This will ensure that applicants are attracted in sufficient numbers to ensure that the Trust remains financially sustainable.

#### Safeguarding and child protection

The trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and behaviour. A strong culture of safeguarding for all stakeholders is an integral part of the school's ethos

#### Staffing

The success of the Trust is reliant on the quality of its staff so the trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

#### Fraud and mismanagement of funds

The Trust has engaged its external auditors to perform a program of work aimed at checking and reviewing the financial systems and records as required by the Academies Financial Handbook. All finance staff receive training and support to keep them up to date with financial and to develop their skills in this area.

The Trust will continue to strengthen its risk management process into the future by continually reviewing and improving the process and ensuring staff awareness. A Risk Register is maintained and reviewed and updated on a regular basis by the Board of trustees.

#### ***Fundraising***

The Trust does not undertake any fundraising activities.

## United Schools Trust

### Trustees' Report for the Year Ended 31 August 2018 (continued)

#### Strategic Report

##### *Plans for Future Periods*

Kingsteignton School opened in September 2016 in purpose built temporary accommodation on the site of St Michael's School in Kingsteignton. The temporary school had one classroom for a mixed year class of 30 Reception and Year 1 children. As it became apparent that the new school at Newcross would not be available for occupancy in September 2017, contingency plans to refurbish an existing outside classroom at St Michael's were actioned and a completely refurbished classroom with new toilet and washing area and disabled ramp was available to accommodate the current pupils leaving the existing classroom ready to accommodate the new intake of reception children in September 2017. The need to provide a third temporary classroom for at least the first term of the academic year 2018-19 required the lease of a temporary portacabin on the site of St Michael's School. The new school on the Newcross site will be ready for occupation early in January 2019.

The number of children admitted into the future will increase in line with local need. When full, the school will have the capacity to take 15 classes of 30 children including a nursery class. This will provide enough places for 420 primary and 60 nursery children.

##### **Funds Held as Custodian Trustee on Behalf of Others**


The Trust and its Trustees do not act as custodian trustees for any other charities.

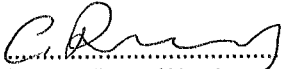
##### **Auditor**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body, as the company directors, on ~~18.12.18~~ and signed on its behalf by:

  
.....  
Dr P Fitch  
Director

  
.....  
Mrs C Vicary-Ward  
Director

# United Schools Trust

## Governance Statement

### Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that United Schools 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 trustees has delegated the day-to-day responsibility to Dr P Fitch, 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 Schools Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs J Stuchberry-Ullah	6	6
Mrs C Mabin	2	6
Mr M Harding	6	6
Mr M West	6	6
Mrs S Clarke	4	6
Mrs C Vicary-Ward	5	6
Mr K Presland	4	4
Dr P Fitch	6	6

Mrs C Mabin attended two meetings due to a major medical operation.

Mr Kevin Presland was appointed to the board by the trustees on 6 December 2017 with architectural/buildings expertise (an area identified in a skills audit that required development in the board of trustees particularly in the light of the completion of the new school building in January 2019).

# United Schools Trust

## Governance Statement (continued)

### Impact report

The Board of Trustees play a very strong role in driving the school forward and ensuring that the pupils progress very well in their education and appreciate that for this to happen the pupils must be supported by a well led, enthusiastic and motivated staff who constantly strive for excellence in all they do and who work as a cohesive team within a safe, supportive yet challenging, working environment and support the values and vision of the school at all times. They work in close partnership with the United Schools Federation under the umbrella of the United Schools Learning Partnership to develop their skills and to share theirs and their own outstanding practice and to ensure that standards are at a very high level and that both staff and pupils are aspirational in terms of their targets and outcomes.

The Trustees work co-operatively with the Principal in the writing and monitoring of the School's Self-Evaluation Form (SEF), the 3 year Strategic Plan and the School Improvement Plan (SIP). The SIP is set out with clear aims, the key actions which will be completed in order to achieve these aims and the success criteria in order to measure outcomes. The SIP is monitored and reviewed termly by the standards trustee with the Principal, and an evaluation overview is completed and presented to the board of trustees.

The key targets for the school improvement plan 17-18 were:

- To ensure there are opportunities for teaching staff to **share their good practice** with others in the United Schools Federation and to **develop their own practice** through observation of outstanding practitioners across the federation
- To ensure that teaching across the school becomes **outstanding and never less than consistently good** through support from the USF. As a result, almost all pupils currently on roll in the school, including those who have special educational needs, those for whom the pupil premium provides support and the most able, continue to make **rapid and sustained progress**.
- All teachers must have **consistently high expectations** of all pupils. They plan and teach lessons that enable pupils to **learn exceptionally well** across the curriculum. Teachers and other adults ensure students are engaged in learning, and generate high levels of commitment to learning across the school
- **High quality marking and constructive feedback** from teachers ensures that pupils make **rapid progress** towards their targets.
- The high standards of behaviour and safety currently seen in the school are maintained and improved.
- Pupil's attitudes to learning continue to be of a **consistently high standard** across subjects and different staff.
- To provide opportunities for leaders to develop others across the federation and as part of the National Support work planned by the federation.
- As the school grows, to continue to develop a model of **distributive leadership** across the school
- Rigorous appraisal systems encourage, support and challenge all staff to improve and develop. As a result, the majority of teaching is outstanding and never less than good
- Board of Trustees to evaluate their effectiveness regularly and systematically challenge senior leaders to ensure the strategic development of the school and to ensure that governance is at least good
- To ensure pupil numbers are increased by September 2018 (30 children for Reception intake, with a full Year 1 and a full Year 2/3 class. School population of 90)
- To work towards a Reception intake of 60 pupils in September 2019 when on new site
- To continue to raise the profile of the school in the local community and to engage local businesses in the life of the school as well as for sponsorship and fundraising
- To continue to investigate a range of marketing options to raise the profile of the school and increase pupil numbers.



# United Schools Trust

## Governance Statement (continued)

- To engage an external provider to set up and manage a nursery for up to 60 children and wrap around care including before and after school care and a holiday club.
- To monitor the development of the new school on the Newcross site including obtaining tenders for non-fixed furniture,
- To ensure that, if the new school is not ready for September 2018, additional contingency plans are in place for temporary accommodation for a third classroom and staff/intervention space at St Michael's Primary School with a phased move to the new school in January 2019 OR work with the ESFA to identify a new site for temporary accommodation for 90 children for the period of a maximum of one year
- To ensure a provider has been selected for Broadband at the new school

The Board of trustees demonstrates its focus on its three core strategic functions: firstly, ensuring clarity of vision, ethos and strategic direction; secondly, holding the Principal to account for educational performance of the school and its pupils; and finally overseeing the financial performance of the school and making sure its money is well spent.

### 1. Vision, ethos and strategic direction

The Board of trustees seek to provide all children at Kingsteignton School with an outstanding and inspiring education within a caring and nurturing environment.

We value individuals, recognise and celebrate their gifts and talents and provide the opportunities they need to help them achieve personal and academic excellence.

Our curriculum aims to inspire and motivate children to explore and learn about the world around them, it will help them gain an awareness of the role within their communities and prepare them for their future lives. We actively encourage children to embrace technology and aim to be at the cutting edge of using technology in the classroom.

The values for life that we promote through our Trust are Friendship, Compassion, Justice, Courage and Perseverance.

We are a dementia friendly school and actively encourage children to lead healthy and active lives and to engage with more elderly members of the local community in a wide range of ventures and activities. The school and its trustees will be central to developing a dementia friendly local community.

Finally, our trust is aspirational - we want every child to reach his or her potential and every member of staff to do the same. Our overarching motto is 'Aiming Higher, Achieving More' and this encompasses everything we do.

The challenges of opening a new school have formed the basis of the strategic development of the school by the trustees over this first year. Ensuring that the school is valued within the local community has been a priority and this has been achieved through a range of marketing strategies and the development of an aspirational culture which allows children to perform at a very high level (see below). The school started with 14 pupils in September 2016 - this grew to 25 pupils by July 2017. Applications for reception places for September 2017 were oversubscribed and the school will start its second year with 55 pupils across Reception, Year 1 and Year 2. The school is now held in high regard by the local community and the trustees are confident that the school will continue to grow rapidly towards its capacity of 420 pupils.

# United Schools Trust

## Governance Statement (continued)

### 2. Holding the Principal to account for education performance or the school

The trustees are rigorous in their evaluation of the educational performance of the school and individual trustees work alongside the Principal as described in their portfolio terms of reference. The trustees and the Principal are aspirational in terms of pupil progress and attainment and half termly assessment results are shared with the trustees. SMART interventions are put in place to accelerate progress where a child is falling behind and the impact of these interventions is closely monitored. The outcome of this is that pupils performed well above national and Devon expectations at the end of the first year of the school's opening and continued to maintain these high standards at the end of the second year. Trustees actively promote the partnership work between the UST and the USF and recognise the importance of this work in the development of our new school. The significant benefits of working in partnership have also been recognised by external agencies including Ofsted and the Department of Education. Individual trustees have clear responsibilities for monitoring particular areas of school business as part of their portfolio terms of reference and meetings are scheduled in every term with the Principal.

### 3. Overseeing the financial performance of the school

The majority of trustees have been trained in School Finance management. The impact of the trustees' role in the school ensures that the budget is managed effectively and improvements are effective and continuous. The appointment of a parent trustee with accountancy qualifications has developed the financial expertise of the board of trustees - this was an area identified for development in a trustee skills audit.

#### Governance reviews

##### Review of Value for Money

As accounting officer the Principal 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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Working in partnership with the United Schools Federation enabling economies of scale by sharing administration, kitchen, IT expertise and procurement costs
- Partnership work has also enabled the sharing of good practice both educationally and financially to drive up standards - end of year results for children in this first year of opening are above both Devon and National standards
- Tendering is used appropriately and effectively to get the best deal and market

The impact of delivering improved value for money is that Kingsteignton School has a very healthy carry forward for this year and the budget forecast shows that for at least the next 4 years, the school will operate on a very positive credit budget.

# United Schools Trust

## Governance Statement (continued)

### 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 on-going process designed to identify and prioritise the risks to the achievement of academy trust 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 Schools Trust for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The board of trustees are reviewing the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks and a Risk Management Strategy and a Risk Register have been developed and is reviewed at every trustee meeting.

### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the board of trustees 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;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has appointed Devon Audit Partnership as an internal auditor. Internal checks are carried out on a termly basis and include giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- Governance, accounting and financial control
- Accounting and financial control – anti fraud
- Internal financial control - income
- Internal financial control – purchases and payments
- Internal financial control – contracts and tendering
- Internal financial control – salaries, wages and expenses
- Internal financial control – assets
- Internal financial control – investments

On a bi-annual basis, the internal auditor produces a report following the audit visit and the principal/accounting officer reports to the board of trustees on the operation of systems of control and on the discharge of the board of trustee's financial responsibilities.

# United Schools Trust

## Governance Statement (continued)

### Review of Effectiveness

As accounting officer, the Principal 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 internal auditor, the work of the external auditor and the financial consultant employed from Babcock LDP working with the Chief Financial Officer of the Trust.

The accounting officer has been advised of the implications of the review of the system of internal control by the Board of Trustees and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on .....18/12/18..... and signed on its behalf by:

  
.....

Dr P Fitch  
Accounting officer  
Director

  
.....

Mrs C Vicary-Ward  
Director


## United Schools Trust

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of United Schools Trust I have considered my responsibility to notify the Academy Trust board of trustees and the Education & 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 2017.

I confirm that I and the Academy Trust board of trustees 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 2017.

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 trustees and ESFA.

  
.....  
Dr P Fitch  
Accounting officer

Date: 18/12/18

# United Schools Trust

## Statement of Trustees' Responsibilities

The Trustees (who are also directors of [United Schools Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

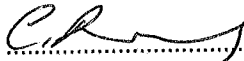
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for 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 the ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 18/12/18..... and signed on its behalf by:

  
.....  
Dr P Fitch  
Trustee

  
.....  
Mrs C Vicary-Ward  
Trustee

## United Schools Trust

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

#### Opinion

We have audited the financial statements of United Schools Trust (the 'Academy') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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 Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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.

#### 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy'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 Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other 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.

## United Schools Trust

### Independent Auditor's Report on the Financial Statements to the Members of United Schools Trust (continued)

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

#### **Matters on which we are required to report by exception**

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

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 20], the Trustees 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 Trustees 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 Trustees are responsible for assessing the Academy'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 Trustees either intend to liquidate the Academy 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## United Schools Trust

### Independent Auditor's Report on the Financial Statements to the Members of United Schools Trust (continued)

#### Use of our report

This report is made solely to the Academy'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 Academy'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 Academy and its Members, as a body, for our audit work, for this report, or for the opinions we have formed.

*PKF Francis Clark*  
.....  
Sharon Austen FCCA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
Devon  
TQ2 7FF

Date: *19 December 2018*  
.....

## **United Schools Trust**

### **Independent Reporting Accountant's Assurance Report on Regularity to United Schools Trust and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 15 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by United Schools Trust during the period 1 September 2017 to 31 August 2018 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 Schools Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to United Schools 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 Schools Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the United Schools Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the United Schools Trust funding agreement with the Secretary of State for Education dated 20 May 2016 and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 from 1 September 2017 to 31 August 2018 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 2017 to 2018 issued by 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.

The work undertaken to draw to our conclusion includes:

- Inspection and review of documentation providing evidence of governance procedures;
- Evaluation of the system of internal controls for authorisation and approval;
- Performing substantive tests on relevant transactions.

## United Schools Trust

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

#### 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 from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*PKF Francis Clark*

Sharon Austen FCCA  
PKF Francis Clark, Chartered Accountants

Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
Devon  
TQ2 7FF

Date: *19 December 2018*

## United Schools Trust

### Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2017/18 Total £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	1	134	135
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	-	357	-	357
Other trading activities	4	3	12	-	15
<b>Total</b>		<b>3</b>	<b>370</b>	<b>134</b>	<b>507</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	6	3	327	320	650
Net income/(expenditure)		-	43	(186)	(143)
Transfers between funds		-	(5)	5	-
<b>Other recognised gains and losses</b>					
Actuarial gain/(loss) on defined benefit pension schemes	20	-	5	-	5
Net movement in funds/(deficit)		-	43	(181)	(138)
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 September 2017		1	178	687	866
Total funds carried forward at 31 August 2018		1	221	506	728

## United Schools Trust

### Statement of Financial Activities for the Year Ended 31 August 2017 (including Income and Expenditure Account)


	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	Total 2017 £ 000
<b>Income and endowments from:</b>					
Donations and capital grants	2	-	-	93	93
<i>Charitable activities:</i>					
Funding for the Academy Trust's educational operations	3	-	258	-	258
Other trading activities	4	1	4	-	5
Total		1	262	93	356
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	6	-	190	9	199
Net income		1	72	84	157
Transfers between funds		-	(20)	20	-
<b>Other recognised gains and losses</b>					
Actuarial gain/(loss) on defined benefit pension schemes	20	-	1	-	1
Net movement in funds		1	53	104	158
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 September 2016		-	125	583	708
Total funds carried forward at 31 August 2017		1	178	687	866

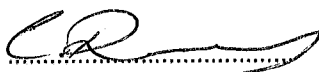
# United Schools Trust

## (Registration number: 09255130) Balance Sheet as at 31 August 2018

	Note	2018 £ 000	2017 £ 000
<b>Fixed assets</b>			
Intangible assets	10	2	3
Tangible assets	11	<u>186</u>	<u>274</u>
		<u>188</u>	<u>277</u>
<b>Current assets</b>			
Debtors	12	457	420
Cash at bank and in hand		<u>213</u>	<u>204</u>
		670	624
Creditors: Amounts falling due within one year	13	<u>(116)</u>	<u>(28)</u>
Net current assets		<u>554</u>	<u>596</u>
Total assets less current liabilities		<u>742</u>	<u>873</u>
Net assets excluding pension liability		742	873
Defined benefit pension scheme liability	20	<u>(14)</u>	<u>(7)</u>
Net assets		<u><u>728</u></u>	<u><u>866</u></u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		235	185
Restricted fixed asset fund		506	687
Restricted pension fund		<u>(14)</u>	<u>(7)</u>
		727	865
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>1</u>	<u>1</u>
Total funds		<u><u>728</u></u>	<u><u>866</u></u>

The financial statements on pages 26 to 50 were approved by the Trustees, and authorised for issue on ~~18/12/18~~ and signed on their behalf by:

  
.....  
Dr P Fitch  
Director

  
.....  
Mrs C Vicary-Ward  
Director

## United Schools Trust

### Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £ 000	2017 £ 000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	16	106	87
Cash flows from investing activities	17	<u>(97)</u>	<u>49</u>
Change in cash and cash equivalents in the year		9	136
Cash and cash equivalents at 1 September		<u>204</u>	<u>68</u>
Cash and cash equivalents at 31 August	18	<u><u>213</u></u>	<u><u>204</u></u>

# United Schools Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018

### 1 Accounting policies

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

#### **Basis of preparation**

The financial statements of the Academy Trust have been prepared under the historical cost convention 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 FRS 102 (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

United Schools Trust meets the definition of a public benefit entity under FRS 102.

#### **Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Income**

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

#### **Grants**

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.



# United Schools Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

The trust is benefiting from the ESFA's Free School Building Programme for the construction of Kingsteignton Primary School. The funding for the programme is not recognised as a capital grant until there is unconditional entitlement from costs being incurred, and the development occurring on a site where the trust controls (through lease) the site where the development is occurring. The expenditure is capitalised in assets under construction until the project is complete.

#### **Sponsorship income**

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 there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

#### **Other income**

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

#### **Donated goods, facilities and services**

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

#### **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.

All resources expended are inclusive of irrecoverable VAT.

# United Schools Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### *Expenditure on raising funds*

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

#### *Charitable activities*

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

#### **Intangible fixed assets**

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Software	20% straight line

#### **Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. 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. 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 such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

Leasehold land and buildings	Straight line over the period from purchase date to 14 January 2019
Plant and equipment	33% straight line
Furniture and fixtures	25% straight line

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

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.

# United Schools Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### **Liabilities**

Liabilities 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 academy trust 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**

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

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.

#### **Leased assets**

Rentals under operating leases are charged on a straight line basis over the lease term.

#### **Financial Instruments**

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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 12. Prepayments are not financial instruments. Amounts due to the charity'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, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 13. 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 instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

#### **Taxation**

The academy trust 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 academy trust 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.

# United Schools Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 1 Accounting policies (continued)

#### Pension benefits

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 Academy Trust 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 the notes to the financial statements, 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.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust 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.

#### 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 Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders 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/donor and include grants from the Education Skills Funding Agency/Department for Education.

#### Critical accounting estimates and areas of judgement

Estimates and judgements 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.

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 1 Accounting policies (continued)

##### *Critical accounting estimates and assumptions*

The Academy Trust 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 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. 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.

#### 2 Donations and capital grants

	<b>Restricted funds £ 000</b>	<b>Restricted fixed asset funds £ 000</b>	<b>Total 2017/18 £ 000</b>	<b>Total 2016/17 £ 000</b>
Capital grants	-	134	134	93
Other donations	1	-	1	-
	<u>1</u>	<u>134</u>	<u>135</u>	<u>93</u>

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 3 Funding for the Academy Trust's educational operations

	Restricted funds £ 000	Total 2017/18 £ 000	Total 2016/17 £ 000
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	320	320	208
PE and Sports	2	2	1
Pupil Premium	11	11	1
Universal Infant Free School Meals (UIFSM)	20	20	6
	<u>353</u>	<u>353</u>	<u>216</u>
<b>Other government grants</b>			
High Needs Funding	4	4	-
DCC Growth Funding	-	-	42
	<u>4</u>	<u>4</u>	<u>42</u>
Total grants	<u><u>357</u></u>	<u><u>357</u></u>	<u><u>258</u></u>

#### 4 Other trading activities

	Unrestricted funds £ 000	Restricted funds £ 000	Total 2017/18 £ 000	Total 2016/17 £ 000
School shop sales	3	-	3	1
Recharges and reimbursements	-	4	4	4
Other income	-	8	8	-
	<u>3</u>	<u>12</u>	<u>15</u>	<u>5</u>

# United Schools Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 5 Expenditure

	Non Pay Expenditure			2017/18 Total £ 000	2016/17 Total £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
<b>Academy's educational operations</b>					
Direct costs	164	-	38	202	119
Allocated support costs	42	328	78	448	80
	<u>206</u>	<u>328</u>	<u>116</u>	<u>650</u>	<u>199</u>
<b>Net income/(expenditure) for the year includes:</b>					
				2017/18 £ 000	2016/17 £ 000
Fees payable to auditor - audit				<u>7</u>	<u>5</u>

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 6 Charitable activities

	<b>Total 2017/18 £ 000</b>	<b>Total 2016/17 £ 000</b>	
<b>Direct costs - educational operations</b>	202	119	
<b>Support costs - educational operations</b>	448	80	
	<u>650</u>	<u>199</u>	
	<b>Educational operations £ 000</b>	<b>Total 2017/18 £ 000</b>	<b>Total 2016/17 £ 000</b>
<b>Analysis of support costs</b>			
Support staff costs	42	42	23
Depreciation	320	320	9
Premises costs	8	8	3
Other support costs	60	60	32
Governance costs	18	18	13
Total support costs	<u>448</u>	<u>448</u>	<u>80</u>

#### 7 Staff

##### Staff costs

	<b>2017/18 £ 000</b>	<b>2016/17 £ 000</b>
<b>Staff costs during the year were:</b>		
Wages and salaries	169	105
Social security costs	10	10
Pension costs	38	24
	<u>217</u>	<u>139</u>



# United Schools Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 7 Staff (continued)

#### Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	2017/18 No	2016/17 No
<b>Charitable Activities</b>		
Teachers	2	1
Administration and Support	3	1
Management	1	1
	<u>6</u>	<u>3</u>

#### Staff numbers

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as average headcount was as follows:

	2018 No	2017 No
<b>Charitable Activities</b>		
Teachers	4	1
Administration and support	5	3
Management	1	1
	<u>10</u>	<u>5</u>

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £74,391 (2017: £69,060).

### 8 Related party transactions - Trustees' remuneration and expenses

Dr P Fitch (Principal - United Schools Trust):

Remuneration: £50,000 - £55,000 (2017 - £50,000 - £55,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

Mr M Harding (CEO - United Schools Federation):

Remuneration: £0 - £5,000 (2017 - £0 - £5,000)

Employer's pension contributions: £Nil (2017 - £Nil)

No other remuneration or expenses have been paid to any directors in the period.

Other related party transactions involving the Trustees are set out in note 21.

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 9 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

#### 10 Intangible fixed assets

	Software £ 000	Total £ 000
<b>Cost</b>		
At 1 September 2017	4	4
At 31 August 2018	4	4
<b>Amortisation</b>		
At 1 September 2017	1	1
Charge for the year	1	1
At 31 August 2018	2	2
<b>Net book value</b>		
At 31 August 2018	2	2
At 31 August 2017	3	3

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 11 Tangible fixed assets

	Leasehold land and buildings £ 000	Furniture and fixtures £ 000	Plant and equipment £ 000	Assets under construction £ 000	Total £ 000
<b>Cost</b>					
At 1 September 2017	-	4	34	244	282
Additions	213	9	9	-	231
Transfers	244	-	-	(244)	-
At 31 August 2018	457	13	43	-	513
<b>Depreciation</b>					
At 1 September 2017	-	1	7	-	8
Charge for the year	304	1	14	-	319
At 31 August 2018	304	2	21	-	327
<b>Net book value</b>					
At 31 August 2018	153	11	22	-	186
At 31 August 2017	-	3	27	244	274

#### 12 Debtors

	2018 £ 000	2017 £ 000
Accrued grant and other income	432	414
VAT recoverable	25	6
	457	420

#### 13 Creditors: amounts falling due within one year

	2018 £ 000	2017 £ 000
Trade creditors	-	3
Other taxation and social security	7	4
Accruals	98	17
Deferred income	11	4
	116	28

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 13 Creditors: amounts falling due within one year (continued)

	2018 £ 000	2017 £ 000
<b>Deferred income</b>		
Deferred income at 1 September 2017	4	-
Resources deferred in the period	11	4
Amounts released from previous periods	<u>(4)</u>	<u>-</u>
Deferred income at 31 August 2018	<u>11</u>	<u>4</u>

At the balance sheet date the Academy was holding income in advance in relation to UIFSM funding for the academic year 2018/19 of £11,000.

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 14 Funds

	Balance at 1 September 2017 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
<b>Restricted general funds</b>					
Start up Grant	115	-	-	-	115
General Annual Grant	27	320	(245)	(5)	97
Pupil Premium	-	11	(11)	-	-
Recharges and reimbursements	-	4	(4)	-	-
DCC Growth Funding	42	-	(42)	-	-
PE and Sports	1	2	(2)	-	1
UIFSM	-	20	(11)	-	9
High Needs Funding	-	4	-	-	4
Trips	-	2	-	-	2
Clubs	-	6	-	-	6
Other Restricted Income	-	1	-	-	1
	<u>185</u>	<u>370</u>	<u>(315)</u>	<u>(5)</u>	<u>235</u>
<b>Restricted fixed asset funds</b>					
ESFA - Free School Building Grant	575	-	(219)	(6)	350
Start Up Grant	10	-	(9)	-	1
Capital expenditure from GAG	9	-	(8)	15	16
ESFA Capital Funding	<u>93</u>	<u>134</u>	<u>(84)</u>	<u>(4)</u>	<u>139</u>
	687	134	(320)	5	506
<b>Restricted pension funds</b>					
Defined Benefit Pension Liability	<u>(7)</u>	<u>-</u>	<u>(12)</u>	<u>5</u>	<u>(14)</u>
Total restricted funds	865	504	(647)	5	727
<b>Unrestricted funds</b>					
Unrestricted general funds	<u>1</u>	<u>3</u>	<u>(3)</u>	<u>-</u>	<u>1</u>
Total funds	<u>866</u>	<u>507</u>	<u>(650)</u>	<u>5</u>	<u>728</u>

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 14 Funds (continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2017 £ 000
<b>Restricted general funds</b>					
Start up Grant	125	-	-	(10)	115
General Annual Grant	-	208	(170)	(11)	27
Pupil Premium	-	1	(1)	-	-
Recharges and reimbursements	-	4	(4)	-	-
DCC Growth Funding	-	42	-	-	42
PE and Sports	-	1	-	-	1
UIFSM	-	6	(7)	1	-
	<u>125</u>	<u>262</u>	<u>(182)</u>	<u>(20)</u>	<u>185</u>
<b>Restricted fixed asset funds</b>					
ESFA - Free School Building Grant	583	-	(8)	-	575
Start Up Grant	-	-	-	10	10
Capital expenditure from GAG	-	-	(1)	10	9
ESFA Capital Funding	-	93	-	-	93
	<u>583</u>	<u>93</u>	<u>(9)</u>	<u>20</u>	<u>687</u>
<b>Restricted pension funds</b>					
Defined Benefit Pension Liability	-	-	(8)	1	(7)
Total restricted funds	708	355	(199)	1	865
<b>Unrestricted funds</b>					
Unrestricted general funds	-	1	-	-	1
Total funds	<u>708</u>	<u>356</u>	<u>(199)</u>	<u>1</u>	<u>866</u>

# United Schools Trust

## Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

### 14 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2018 £ 000
<b>Restricted general funds</b>					
Start up Grant	125	-	-	(10)	115
General Annual Grant	-	528	(415)	(16)	97
Pupil Premium	-	12	(12)	-	-
Recharges and reimbursements	-	8	(8)	-	-
DCC Growth Funding	-	42	(42)	-	-
PE and Sports	-	3	(2)	-	1
UIFSM	-	26	(18)	1	9
High Needs Funding	-	4	-	-	4
Trips	-	2	-	-	2
Clubs	-	6	-	-	6
Other Restricted Income	-	1	-	-	1
	<u>125</u>	<u>632</u>	<u>(497)</u>	<u>(25)</u>	<u>235</u>
<b>Restricted fixed asset funds</b>					
ESFA - Free School Building Grant	583	-	(227)	(6)	350
Start Up Grant	-	-	(9)	10	1
Capital expenditure from GAG	-	-	(9)	25	16
ESFA Capital Funding	-	227	(84)	(4)	139
	<u>583</u>	<u>227</u>	<u>(329)</u>	<u>25</u>	<u>506</u>
<b>Restricted pension funds</b>					
Defined Benefit Pension Liability	-	-	(20)	6	(14)
Total restricted funds	708	859	(846)	6	727
<b>Unrestricted funds</b>					
Unrestricted general funds	-	4	(3)	-	1
Total funds	<u>708</u>	<u>863</u>	<u>(849)</u>	<u>6</u>	<u>728</u>

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 15 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Intangible fixed assets	-	-	2	2
Tangible fixed assets	-	-	186	186
Current assets	1	351	318	670
Current liabilities	-	(116)	-	(116)
Pension scheme liability	-	(14)	-	(14)
<b>Total net assets</b>	<b>1</b>	<b>221</b>	<b>506</b>	<b>728</b>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Intangible fixed assets	-	-	3	3
Tangible fixed assets	-	-	274	274
Current assets	1	213	410	624
Current liabilities	-	(28)	-	(28)
Pension scheme liability	-	(7)	-	(7)
<b>Total net assets</b>	<b>1</b>	<b>178</b>	<b>687</b>	<b>866</b>

#### 16 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2018 £ 000	2017 £ 000
Net (expenditure)/income	(143)	157
Amortisation	1	1
Depreciation	319	8
Capital grants from DfE and other capital income	(134)	(93)
Defined benefit pension scheme cost less contributions payable	12	8
Increase in debtors	(37)	(17)
Increase in creditors	88	23
<b>Net cash provided by Operating Activities</b>	<b>106</b>	<b>87</b>



## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 17 Capital expenditure and financial investment

	2018 £ 000	2017 £ 000
Purchase of intangible fixed assets	-	(4)
Purchase of tangible fixed assets	(231)	(40)
Capital grants from DfE/EFA	134	93
Net cash (used in)/provided by investing activities	<u>(97)</u>	<u>49</u>

#### 18 Analysis of cash and cash equivalents

	2018 £ 000	2017 £ 000
Cash at bank and in hand	<u>213</u>	<u>204</u>
Total cash and cash equivalents	<u>213</u>	<u>204</u>

#### 19 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the 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.

#### 20 Pension and similar obligations

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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.

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 20 Pension and similar obligations (continued)

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)
- 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%.

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 £19,238 (2017: £12,546).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £8,000 (2017 - £4,000), of which employer's contributions totalled £6,000 (2017 - £3,000) and employees' contributions totalled £2,000 (2017 - £1,000). The agreed contribution rates for future years are 15.8 for employers and 5.5% - 12.5% 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.

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 20 Pension and similar obligations (continued)

##### Principal actuarial assumptions

	2018 %	2017 %
Rate of increase in salaries	3.80	4.20
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	<u>2.70</u>	<u>2.60</u>

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

	2018	2017
<b>Retiring today</b>		
Males retiring today	23.50	23.40
Females retiring today	25.60	25.50
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.80	25.70
Females retiring in 20 years	<u>28.00</u>	<u>27.90</u>

##### Sensitivity analysis

	At 31 August 2018 £000	At 31 August 2017 £000
Discount rate +0.1%	29	12
Discount rate -0.1%	27	12
Mortality assumption – 1 year increase	29	12
Mortality assumption – 1 year decrease	27	12
CPI rate +0.1%	29	12
CPI rate -0.1%	<u>27</u>	<u>12</u>

The academy trust's share of the assets in the scheme were:

	2018 £ 000	2017 £ 000
Equities	9	3
Gilts	-	1
Property	1	-
Other	4	1
Total market value of assets	<u>14</u>	<u>5</u>

The actual return on scheme assets was £1,000 (2017 - £1,000).

## United Schools Trust

### Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

#### 20 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	2018 £ 000	2017 £ 000
Current service cost	19	11
Total amount recognised in the SOFA	19	11

##### Changes in the present value of defined benefit obligations were as follows:

	2017/18 £ 000	2016/17 £ 000
At start of period	12	-
Current service cost	19	11
Employee contributions	2	1
Actuarial (gain)/loss	(5)	-
At 31 August	28	12

##### Movements in the fair value of Academy Trust's share of scheme assets

	2017/18 £ 000	2016/17 £ 000
At start of period	5	-
Actuarial gain/(loss)	1	1
Employer contributions	6	3
Employee contributions	2	1
At 31 August	14	5

#### 21 Related party transactions

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

During the year the academy made the following related party transactions:

##### United Schools Federation

(Majority of United Schools Trust's directors and members are on the governing body of United Schools Federation)

During the year United Schools Federation charged United Schools Trust £39,113 (2017 - £8,889) relating to the provision of electricity, catering and free school support. During the year the United Schools Trust invoiced the United Schools Federation £4,000 (2017 - £4,000) for school support.

In entering into the transaction the academy trust has complied with the requirements of the Academies Financial Handbook 2017.

At the balance sheet date the amount due (to)/from United Schools Federation was £Nil (2017 - £4,000).