

**Charity Registration No. 1107640**

**Company Registration No. 05303883 (England and Wales)**

**CONFEDERATION OF SCHOOL TRUSTS**  
**ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019**

# CONFEDERATION OF SCHOOL TRUSTS

## LEGAL AND ADMINISTRATIVE INFORMATION

---

### Trustees (and Directors for Companies Act purposes)

Robert McDonough	Chair
Roy Blackwell	Vice Chair
Jayne Harrison	Treasurer
Jane Aukett	
Ian Bauckham CBE	
Lorayne Hughes	
Martyn Oliver	
Mufti Hamid Patel CBE	
Stephen Snelson	
Luke Sparkes	
Carl Ward	
Pamela Wright OBE	

### Officers

Leora Cruddas	Chief Executive Officer
Clare Robson-Farrelly	Executive Officer & Company Secretary
Joanna Johnson	Senior Administrative Officer
Phillippa Scott	Administrative Officer
Megan Graham	Administrative Officer
Caroline Whitty	NTA Executive Director & Trust Editor
Helen Dowling	NTA Senior Administrative Officer

**Charity number** 1107640

**Company number** 05303883

**Registered office** Suite 10, Whiteley Mill Offices  
39 Nottingham Road  
Stapleford  
Nottingham  
NG9 8AD

**Independent examiner** Howard W Johnston FCA  
Silvertribe Limited  
7 Manor Farm Way  
Seer Green  
Buckinghamshire  
HP9 2YD

**Bankers** Lloyds Bank Plc  
39 Threadneedle Street  
London  
EC2R 8AU

Clydesdale Bank Plc  
Business Direct  
40 St Vincent Place  
Glasgow  
G1 2HL

---

# **CONFEDERATION OF SCHOOL TRUSTS**

## **LEGAL AND ADMINISTRATIVE INFORMATION**

---

### **Solicitors**

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

# **CONFEDERATION OF SCHOOL TRUSTS**

## **CONTENTS**

---

	<b>Page</b>
Trustees' report	1 - 5
Statement of trustees' responsibilities	6
Independent examiner's report	7
Statement of financial activities	8
Balance sheet	9 - 10
Notes to the financial statements	11 - 20

---

# **CONFEDERATION OF SCHOOL TRUSTS**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019**

---

The trustees present their report and financial statements for the 17 month period ended 31 August 2019.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (as amended for accounting periods commencing from 1 January 2016)".

### **Change of name**

On 21 September 2018, following a unanimous vote of our members, the charity changed its name from Freedom and Autonomy for Schools - National Association (FASNA) to Confederation of School Trusts.

### **Objectives and activities**

#### **Charitable object**

The charitable object of the Confederation of School Trusts (CST) is to advance education in England and Wales.

#### **Objectives, strategies and activities**

CST is now established as the national organisation and sector body for school trusts in England, advocating for, connecting and supporting executive and governance leaders.

As a charity, CST membership is offered to all types of schools and trusts in England. School trusts are themselves charitable trusts. CST believes that school trusts hold trust on behalf of children. We support our members to advance education for the public interest.

Key objectives and activities are identified in the strategic plan, informed by significant challenges and opportunities arising from national developments in education policy and funding.

Our charitable activities in 2018-19 have focused on:

- Developing and strengthening governance of school trusts to enhance their capacity to advance education as a public good;
- Developing sector-led capacity to support schools and trusts to respond strategically to cost pressures and funding constraints and ensure financial planning is led by curriculum;
- Building strategic partnerships with credible partners to create additional capacity to pursue our charitable object; and
- Building our visibility and influencing capacity to advance education as a public good.

### **Public benefit statement**

The charity's purpose is help to build an excellent education system in England, through supporting school trusts to advance education.

In so doing, we aim to benefit the public in general and children and young people in particular. Our vision is a system that holds trust on behalf of children – one in which all children (regardless of perceived intelligence, need or economic background) achieve their potential.

The trustees have paid due regard to the Charity Commission's public benefit guidance when exercising powers or duties and in deciding what activities the charity should undertake.

# **CONFEDERATION OF SCHOOL TRUSTS**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019**

---

### **Strategic report**

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the trustees to present a strategic report.

### **Achievements and performance**

Since our launch as CST in October 2018, we have been actively shaping the education policy agenda and speaking on behalf of our members. Bringing together school trusts in England from every region and of every size, CST has a strong, strategic presence with access to government and policy makers to drive real change for education on the big issues that matter most.

We would like to report our achievement with reference to our three strategic aims – to advocate for, connect and support school trusts in England.

### **Advocacy:**

- Standing up for School Trusts
  - CST has worked with the sector to develop and publish a new narrative for school trusts, focusing on trusts as education charities that run schools to give children a better future.
  - We have published 36 articles in the trade and national press – averaging three per month.
  - We have developed a strong social media presence promoting evidence and rebutting inaccurate messages about school trusts.
- Speaking authoritatively to government and regulators:
  - Our CEO is the Vice Chair of the Headteacher Standards Review Group and represented on several influential standing and advisory groups for the Department for Education.
  - CST was cited by Eileen Milner, Chief Executive of the ESFA in her evidence to the Public Accounts Committee.
  - Speaking authoritatively on a range of issues from executive pay to the new Ofsted Framework.
- Making and influencing policy
  - CST has published an influential sector-led 'white paper' on the future shape of the education system in England.
  - Our policy on the assessment (rather than inspection) of multi-academy trusts and on trust capacity funding was adopted by government.
  - We have supported and influenced high profile policy, for example the Early Career Framework, quoted in five press releases from the Department for Education and joint signatory to the workload letter and Recruitment and Retention Strategy.

### **Connecting school trusts to each other and to government, regulators and policy maker:**

- Connecting members to government, regulators and policy makers
  - CST has convened a number of high profile round tables for our members with the Secretary of State, Ministers and Her Majesty's Chief Inspector.
  - We have also convened a number of round table consultation events with senior civil servants' pre-policy announcements, for example on the Recruitment and Retention Strategy and Trust Capacity Fund.
  - We have undertaken surveys and regional events to engage members in our policy-making and lobbying agendas.
  - We are pleased to have had ministerial and senior policy-maker input at our conference series.
- Connecting school trusts to each other
  - CST has convened several networks, including for system leaders of the larger trusts, improvement leaders, governance professionals, special school trusts and a London trust leaders' network.
  - We are working with the Regional Schools' Commissioners in Lancashire and West Yorkshire and the North of England to strengthen and convene networks.
  - We are working with several local/sub-regional networks to aggregate insights into national policy.

# **CONFEDERATION OF SCHOOL TRUSTS**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019**

---

- Connecting you to what you need to know
  - We have established well-received fortnightly newsletters with everything executive and governance leaders need to know to keep ahead of the game.
  - We have published a comprehensive guidance and improvement hub, including improvement frameworks, finance and use of resources, governance and board evaluation, operational performance and self-evaluation, risk and workforce.
  - We edit and publish Trust, an influential digital journal published every half term – the first of its kind – for executive and governance leaders featuring high-profile contributors.

### **Supporting School Trusts:**

- Professional development
  - 110 trustees trained on our Governance Leadership Programme worth £2,000 and free to school trusts governing two schools or more - we believe governing a trust is fundamentally different from governing a local authority-maintained school.
  - A carefully designed support offer using the knowledge, capability and capacity of a small number of carefully chosen sector-leading commercial partners who are committed to building sector capacity and supporting improvement.
  - 80 delegates at our popular and innovative masterclass programme covering topics including; Building your board, Growing sustainably, Inside the black box of school improvement, curriculum and the new Ofsted framework.
  - 15 bespoke seminars for individual trusts boards and/or executive teams.
  - National Teacher Accreditation (NTA) – the only independent, national appropriate body offering a high quality NQT accreditation service to all types of schools and trusts. [www.nta.org.uk](http://www.nta.org.uk).
- Conferences
  - Three termly conferences in 2018-19 with ministerial input, a strong sector-leadership focus and covered in the trade press.
  - A bespoke conference and networking event for primary trusts – the first of its kind involving teams of executive and governance leaders over a 24-hour period.
  - The launch of our inaugural annual conference in June 2020 – the first and only conference directly relevant to both executive and governance leaders of academy and multi-academy trusts.
- Policy portal, tools and advisory services
  - A dedicated portal for CST members on the Stone King website with access to a full set of model policies for school trusts.
  - Influential, interactive strategic financial planning tool.
  - Development of a network for governance professionals, Trust Governance Insight, in partnership with The Constant Group.
  - Development of a confidential and quality-assured governance advisory service run by specialists in academy and multi-academy trust governance.

### **Financial review**

Total income for the seventeen month period is £672,533 (Year 2018: £282,445). Subscription income of £188,631 represents a pro rata increase on the £117,267 in the previous period. All our Conferences and most of our Seminars during the period were delivered by our trading subsidiary. We are the lead organisation for two Department for Education (DfE) funded programmes, Governance Leadership and Clerking, which ran during this period and will continue into next year. The income received for these two programmes was £281,134 during the period.

Total costs of £683,985 for the seventeen month period (Year 2018: £333,334) relate to the direct costs of providing the member services, delivering the DfE programmes plus governance costs and bear a direct relationship to the income streams.

The assets of CST are mainly represented by cash which is held in interest bearing accounts.

# **CONFEDERATION OF SCHOOL TRUSTS**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019**

---

### **Reserves policy**

The Trustees, having given due consideration to the risks faced by the organisation and its financial and other commitments to members and other stakeholders, consider that an appropriate level of reserves needs to be sufficient to allow an orderly wind down of activities and repay any unexpired memberships. Based on current activity this would equate to a level of reserves of approximately £300,000. Unrestricted funds have been designated to cover this level of contingency reserves plus an amount for development of CST's activities.

It is the policy of the charity to invest any surplus funds in term deposits with the charity's bankers and other financial institutions that are covered by the Financial Services Compensation Scheme.

### **Investment policy**

It is the policy of the charity to invest any surplus funds in term deposits with the charity's bankers and other financial institutions that are covered by the Financial Services Compensation Scheme.

### **Risk management**

The Trustees have considered the risks faced by the charity and have put in place a risk policy and comprehensive risk register with controls in place to mitigate those risks.

The Trustees consider, whilst no system of controls can give absolute assurance against all risks, arrangements in place at CST are strong.

### **Plans for the future**

Having established ourselves as the sector body for school trusts, we will now:

1. Build our membership from 20% market share to at least 30%.
2. Build our networks and begin to establish a regional presence with a view to a future regional structure.
3. Embed our work on changing the narrative about school trusts and develop the work on civic trusts.
4. Identify high value policy targets and develop comprehensive and authoritative policy positions that gain traction with government and the opposition.
5. Embed our approach to 'agile' policy making so that a wide section of our membership are engaged with our policy positions.
6. Launch our bespoke governance service.
7. Build NTA and develop stronger synergies between CST and NTA to leverage membership of both.
8. Develop and publish our good governance standard in order to position ourselves as the national authority on trust governance.
9. Develop our broader suite of guidance and information papers.
10. Develop Trust into a highly respected and valued professional journal.



# **CONFEDERATION OF SCHOOL TRUSTS**

## **TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019**

---

### **Structure, governance and management**

The Confederation of School Trusts is constituted as a company limited by guarantee and a registered charity. It is governed by its Memorandum and Articles of Association (currently being revised) and was incorporated on 3 December 2004.

The trustees, who are also the directors for the purpose of company law, and who served since the commencement of the year were:

Robert McDonough	Chair
Roy Blackwell	Vice Chair
Jayne Harrison	Treasurer
Jane Aukett	
Ian Bauckham CBE	(appointed 21 September 2018)
Susan Darbyshire	(resigned 20 April 2018)
Lorayne Hughes	
Andrew Johnson	(resigned 13 October 2018)
Martyn Oliver	(appointed 20 April 2018)
Mufti Hamid Patel CBE	(appointed 1 September 2019)
Stephen Snelson	
Luke Sparkes	(appointed 1 September 2019)
Carl Ward	(appointed 21 September 2018)
Pamela Wright OBE	

The ultimate decision making body of CST is its Trust Board which is made up of up to 15 Appointed Trustees who are elected or appointed by the Trust Board in accordance with Article 5.8 and any number of Nominated Trustees who may be appointed by the Trust Board from time to time in accordance with Article 5.3.

The Trust Board meets five times per year. The Trust Board have various powers in the administration of the charity in their capacity as Trustees. One of these powers is to appoint a Chair and Vice Chair.

The trustees' report, including the strategic report, was approved by the Board of Trustees.



**Robert McDonough**  
Trustee

Dated: 29 November 2019

# **CONFEDERATION OF SCHOOL TRUSTS**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

**FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019**

---

The trustees, who are also the directors of Confederation of School Trusts for the purpose of company law, are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that 17 month period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charity 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

# CONFEDERATION OF SCHOOL TRUSTS

## INDEPENDENT EXAMINER'S REPORT

### TO THE TRUSTEES OF CONFEDERATION OF SCHOOL TRUSTS

---

I report to the trustees on my examination of the financial statements of Confederation of School Trusts (the charity) for the 17 month period ended 31 August 2019.

#### Responsibilities and basis of report

As the trustees of the charity (and also its directors for the purposes of company law) you are responsible for the preparation of the financial statements in accordance with the requirements of the Companies Act 2006 (the 2006 Act).

Having satisfied myself that the financial statements of the charity are not required to be audited under Part 16 of the 2006 Act and are eligible for independent examination, I report in respect of my examination of the charity's financial statements carried out under section 145 of the Charities Act 2011 (the 2011 Act). In carrying out my examination I have followed all the applicable Directions given by the Charity Commission under section 145(5)(b) of the 2011 Act.

#### Independent examiner's statement

Since the charity's gross income exceeded £250,000 your examiner must be a member of a body listed in section 145 of the 2011 Act. I confirm that I am qualified to undertake the examination because I am a member of The Institute of Chartered Accountants in England and Wales, which is one of the listed bodies.

I have completed my examination. I confirm that no matters have come to my attention in connection with the examination giving me cause to believe that in any material respect:

- 1 accounting records were not kept in respect of the charity as required by section 386 of the 2006 Act; or
- 2 the financial statements do not accord with those records; or
- 3 the financial statements do not comply with the accounting requirements of section 396 of the 2006 Act other than any requirement that the accounts give a true and fair view which is not a matter considered as part of an independent examination; or
- 4 the financial statements have not been prepared in accordance with the methods and principles of the Statement of Recommended Practice for accounting and reporting by charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

I have no concerns and have come across no other matters in connection with the examination to which attention should be drawn in this report in order to enable a proper understanding of the financial statements to be reached.



Howard W Johnston FCA

Silvertribe Limited  
7 Manor Farm Way  
Seer Green  
Buckinghamshire  
HP9 2YD

Dated: 15/12/19

# CONFEDERATION OF SCHOOL TRUSTS

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019

	Notes	Unrestricted funds 31.08.19 £	Restricted funds 31.08.19 £	Total 17 Months 31.08.19 £	Total Year 31.03.18 £
<b><u>Income and endowments from:</u></b>					
Donations	3	120,299	-	120,299	55,016
Income from charitable activities	4	228,033	281,134	509,167	209,626
Investments	5	9,744	-	9,744	7,878
Other income	6	33,323	-	33,323	9,925
<b>Total income</b>		<b>391,399</b>	<b>281,134</b>	<b>672,533</b>	<b>282,445</b>
<b><u>Expenditure on:</u></b>					
<b><u>Charitable activities</u></b>					
Member Services	7	471,436	-	471,436	296,263
Conference	7	-	-	-	26,059
Seminars and Advice	7	-	-	-	11,012
Governance Leadership	7	-	159,499	159,499	-
Clerking	7	-	53,050	53,050	-
<b>Total charitable expenditure</b>		<b>471,436</b>	<b>212,549</b>	<b>683,985</b>	<b>333,334</b>
<b>Net (expenditure)/income for the year/ Net movement in funds</b>		<b>(80,037)</b>	<b>68,585</b>	<b>(11,452)</b>	<b>(50,889)</b>
<b>Fund balances at 1 April 2018</b>		<b>581,485</b>	<b>-</b>	<b>581,485</b>	<b>632,374</b>
<b>Fund balances at 31 August 2019</b>		<b>501,448</b>	<b>68,585</b>	<b>570,033</b>	<b>581,485</b>

The statement of financial activities includes all gains and losses recognised in the 17 month period.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

# CONFEDERATION OF SCHOOL TRUSTS

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Investments	10		1		1
<b>Current assets</b>					
Debtors	12	45,361		58,592	
Investments	13	431,913		526,265	
Cash at bank and in hand		239,872		93,949	
		<u>717,146</u>		<u>678,806</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(147,114)</u>		<u>(97,322)</u>	
<b>Net current assets</b>			<u>570,032</u>		<u>581,484</u>
<b>Total assets less current liabilities</b>			<u>570,033</u>		<u>581,485</u>
<b>Income funds</b>					
Restricted funds	16		68,585		-
<u>Unrestricted funds</u>					
Designated funds	17	400,000		400,000	
General unrestricted funds		<u>101,448</u>		<u>181,485</u>	
			<u>501,448</u>		<u>581,485</u>
			<u>570,033</u>		<u>581,485</u>

Balance Sheet continues on next page

# **CONFEDERATION OF SCHOOL TRUSTS**

## **BALANCE SHEET (CONTINUED)**

**AS AT 31 AUGUST 2019**

---

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the 17 month period ended 31 August 2019.

The trustees acknowledge their responsibilities for ensuring that the charity keeps accounting records which comply with section 386 of the Act and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its incoming resources and application of resources, including its income and expenditure, for the financial year in accordance with the requirements of sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The members have not required the company to obtain an audit of its financial statements for the 17 month period in question in accordance with section 476.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Trustees on 29 November 2019



Robert McDonough  
Trustee



Roy Blackwell  
Trustee

Company Registration No. 05303883

# **CONFEDERATION OF SCHOOL TRUSTS**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019**

---

### **1 Accounting policies**

#### **Charity Information**

Confederation of School Trusts is a private company limited by guarantee incorporated in England and Wales. The registered office is Suite 10, Whiteley Mill Offices, 39 Nottingham Road, Stapleford, Nottingham, NG9 8AD.

#### **1.1 Accounting convention**

The financial statements have been prepared in accordance with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)" (as amended for accounting periods commencing from 1 January 2016). The charity is a Public Benefit Entity as defined by FRS 102.

The charity has taken advantage of the provisions in the SORP for charities applying FRS 102 Update Bulletin 1 not to prepare a Statement of Cash Flows.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

#### **1.2 Going concern**

At the time of approving the accounts, the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. Thus the trustees continue to adopt the going concern basis of accounting in preparing the accounts.

#### **1.3 Charitable funds**

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

#### **1.4 Incoming resources**

Income is recognised when the charity is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the charity has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

# CONFEDERATION OF SCHOOL TRUSTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

#### 1.5 Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis.

Support costs are allocated on the basis of time spent on each activity.

#### 1.6 Fixed asset investments

Fixed asset investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/(expenditure) for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the charity. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial Instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.



# CONFEDERATION OF SCHOOL TRUSTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

#### 1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.11 Leases

Rentals payable under operating leases, including any lease incentives received, are charged as an expense on a straight line basis over the term of the relevant lease.

#### 1.12 Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

### 2 Critical accounting estimates and judgements

In the application of the charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Donations

	Unrestricted funds 17 Months 2019 £	Total Year 2018 £
Donations	120,299	55,016

# CONFEDERATION OF SCHOOL TRUSTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019

### 4 Income from charitable activities

	Member Services 2019 £	Conferences 2019 £	Seminars and Advice 2019 £	Total 2019 17 Months £	Total 2018 Year £
Membership subscriptions	188,631	-	-	188,631	117,267
Ancillary trading income	37,175	-	283,361	320,536	92,359
	<u>225,806</u>	<u>-</u>	<u>283,361</u>	<u>509,167</u>	<u>209,626</u>
Analysis by fund					
Unrestricted funds	225,806	-	2,227	228,033	209,626
Restricted funds	-	-	281,134	281,134	-
	<u>225,806</u>	<u>-</u>	<u>283,361</u>	<u>509,167</u>	<u>209,626</u>
For the year ended 31 March 2018					
Unrestricted funds	<u>131,955</u>	<u>21,950</u>	<u>55,721</u>		<u>209,626</u>

### 5 Investments

	Unrestricted funds 17 Months 2019 £	Total Year 2018 £
Interest receivable	<u>9,744</u>	<u>7,878</u>

### 6 Other income

	Unrestricted funds 17 Months 2019 £	Total Year 2018 £
Other income	<u>33,323</u>	<u>9,925</u>

# CONFEDERATION OF SCHOOL TRUSTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019

#### 7 Charitable activities

	Member Services	2019 £	Conference 2019 £	Seminars and Advice 2019 £	Governance Leadership 2019 £	Clerking 2019 £	17 Months 2019 £	Total 2019 £	Total 2018 Year £
Staff costs	233,849	-	-	-	20,670	2,750	257,269	144,637	
Other staff costs	923	-	-	-	-	-	923	1,132	
Fees and travel representing CST	44,649	-	-	-	-	-	44,649	96,061	
Conference and seminar costs	-	-	-	-	-	-	-	21,671	
Programme costs	-	-	-	-	138,829	50,300	189,129	-	
Insurance	4,829	-	-	-	-	-	4,829	3,600	
Office costs	16,600	-	-	-	-	-	16,600	9,593	
Computer costs	13,158	-	-	-	-	-	13,158	4,040	
Promotional and marketing	54,591	-	-	-	-	-	54,591	5,566	
Professional fees	57,000	-	-	-	-	-	57,000	18,285	
Governance costs	1,652	-	-	-	-	-	1,652	28,187	
Bank charges and other finance costs	685	-	-	-	-	-	685	562	
Rebranding costs	43,500	-	-	-	-	-	43,500	-	
	<u>471,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,499</u>	<u>53,050</u>	<u>683,985</u>	<u>333,334</u>	
Analysis by fund									
Unrestricted funds	471,436	-	-	-	-	-	471,436	333,334	
Restricted funds	-	-	-	-	159,499	53,050	212,549	-	
	<u>471,436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>159,499</u>	<u>53,050</u>	<u>683,985</u>	<u>333,334</u>	
For the year ended 31 March 2018									
Unrestricted funds	296,263	26,059	11,012	-	-	-	-	333,334	
Governance costs comprise payments to the independent examiner of £1,200 (2018: £1,200) and legal and professional fees of £452 (2018: £26,987).									

# CONFEDERATION OF SCHOOL TRUSTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019

### 8 Trustees

The charity has the power to make payment for services provided by trustees under the provisions of its Memorandum and Articles of Association.

During the period no Trustees were paid for services provided to the charitable company. In the previous year Trustees were paid the following amounts: Tom Clark - £25,281, Joan Binder - £16,050, David Wilson - £7,250 and Martin Shevill - £833. During the previous year, the Trustees took the decision, following the appointment of the Chief Executive Officer, to separate the executive and non-executive functions and to cease payments to trustees for services provided.

During the period 11 trustees were re-imbursed for travel and subsistence and office costs totalling £10,774 (2018: 11 trustees re-imbursed £18,672).

### 9 Employees

#### Number of employees

The average monthly number of employees during the 17 month period was:

	<b>2019 17 Months Number</b>	<b>2018 Year Number</b>
Member services	<u>6</u>	<u>5</u>

#### Employment costs

	<b>2019 17 Months £</b>	<b>2018 Year £</b>
Wages and salaries	205,061	115,690
Social security costs	16,615	8,174
Other pension costs	35,593	20,773
	<u>257,269</u>	<u>144,637</u>

The number of employees whose annual remuneration was £60,000 or more were:

	<b>2019 Number</b>	<b>2018 Number</b>
£80,001 - £90,000	<u>1</u>	<u>-</u>

# CONFEDERATION OF SCHOOL TRUSTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019

### 10 Fixed asset investments

		Other investments
<b>Cost or valuation</b>		
At 1 April 2018 & 31 August 2019		1
<b>Carrying amount</b>		
At 31 August 2019		1
At 31 March 2018		1

Other investments comprise:	<b>Notes</b>	<b>31.08.19</b>	<b>31.03.18</b>
		£	£
Investments in subsidiaries	20	1	1

### 11 Financial instruments

	<b>31.08.19</b>	<b>31.03.18</b>
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	38,601	49,553
Instruments measured at fair value through profit or loss	431,913	526,265
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	54,983	15,124

### 12 Debtors

	<b>31.08.19</b>	<b>31.03.18</b>
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	18,928	46,748
Amounts owed by subsidiary undertakings	1,423	2,805
Other debtors	18,250	-
Prepayments and accrued income	6,760	9,039
	45,361	58,592

### 13 Current asset investments

	<b>31.08.19</b>	<b>31.03.18</b>
	£	£
<b>Fixed term deposits</b>	431,913	526,265

# CONFEDERATION OF SCHOOL TRUSTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019

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

	Notes	31.08.19 £	31.03.18 £
Other taxation and social security		3,177	4,806
Deferred income	15	88,954	77,592
Trade creditors		2,275	6,195
Amounts due to subsidiary undertakings		3,672	-
Other creditors		43,987	4,870
Accruals		5,049	4,059
		<u>147,114</u>	<u>97,322</u>

### 15 Deferred income

	31.08.19 £	31.03.18 £
Other deferred income	<u>88,954</u>	<u>77,592</u>

### 16 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Movement in funds		
	Incoming resources	Resources expended	Balance at 31 August 2019
	£	£	£
Governor Leadership Programme	228,084	(159,499)	68,585
Clerking Programme	53,050	(53,050)	-
	<u>281,134</u>	<u>(212,549)</u>	<u>68,585</u>

The Governor Leadership Programme is a structured programme that CST has run in conjunction with Ambition Institute and funded by the Department for Education to develop strong and effective governance in School Trusts.

The Clerking Programme is a structured programme, managed by CST, delivered by the Institute for School Business Leadership (ISBL) and funded by the Department for Education that is designed to offer an integration of effective clerking with the wider activities of school business leadership.

# CONFEDERATION OF SCHOOL TRUSTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019

### 17 Designated funds

The income funds of the charity include the following designated funds which have been set aside out of unrestricted funds by the trustees for specific purposes:

	Balance at 1 April 2018	Movement in funds Incoming resources	Balance at 31 August 2019
	£	£	£
Contingency Fund	300,000	-	300,000
Development Fund	100,000	-	100,000
	<u>400,000</u>	<u>-</u>	<u>400,000</u>

The contingency and development fund has been created to:

- set aside funds to enable the charity to develop its services and activities; and
- provide funds to enable continuation of the charity's services in the event of a loss or downturn of funding streams.

The transfers during the year are from unrestricted funds.

### 18 Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £	Total 2018 £
Fund balances at 31 August 2019 are represented by:				
Investments	1	-	1	1
Current assets/(liabilities)	501,447	68,585	570,032	581,484
	<u>501,448</u>	<u>68,585</u>	<u>570,033</u>	<u>581,485</u>

### 19 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2019 £	2018 £
Aggregate benefits	<u>188,924</u>	<u>103,748</u>

Key management personnel includes the senior management team.

# CONFEDERATION OF SCHOOL TRUSTS

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE 17 MONTH PERIOD ENDED 31 AUGUST 2019

### 19 Related party transactions

(Continued)

#### Transactions with related parties

During the 17 month period the charity entered into the following transactions with related parties:

	Donations received		Administration and oversight charges received	
	2019	2018	2019	2018
	£	£	£	£
CST Professional Development Limited	82,799	23,016	37,175	14,688
National Teacher Accreditation Ltd	-	32,000	24,315	6,490
	<u>82,799</u>	<u>55,016</u>	<u>61,490</u>	<u>21,178</u>

At the end of the accounting period Confederation of School Trusts owed CST Professional Development Limited £3,672 (2018: was owed £801).

At the end of the accounting period National Teacher Accreditation Ltd owed Confederation of School Trusts £1,423 (2018: £2,004).

### 20 Subsidiaries

These financial statements are separate charity financial statements for Confederation of School Trusts.

Separate company financial statements are required to be prepared by law. Consolidated financial statements for the Confederation of School Trusts Group have not been prepared using the exemptions available to small groups.

Details of the charity's subsidiaries at 31 August 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
CST Professional Development	UK	Commercial activities	Ordinary	100.00	
National Teacher Accreditation Ltd	UK	Educational support activities	Guarantee	100.00	

The aggregate capital and reserves and the result for the last complete accounting year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
CST Professional Development	-	1
National Teacher Accreditation Ltd	11,035	38,249

The investments in subsidiaries are all stated at cost.