

Charity Registration No. 1107640

Company Registration No. 05303883 (England and Wales)

CONFEDERATION OF SCHOOL TRUSTS
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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
Ian Bauckham CBE	
Lorrayne Hughes	
Martyn Oliver	
Mufti Hamid Patel CBE	
Stephen Snelson	
Luke Sparkes	
Pamela Tuckett	
Pamela Wright OBE	

Officers

Leora Cruddas	Chief Executive Officer
Stephen Rollett	Deputy Chief Executive Officer
Clare Robson-Farrelly	Chief Operating Officer & Company Secretary
Joanna Johnson	Senior Administrative Officer
Phillippa Scott	Administrative Officer
Megan Graham	Administrative Officer
Tina Dilks	Administrative Officer
Corinne Lakin	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 Mark Gurney FCCA
Dains LLP
15 Colmore Row
Birmingham
B3 2BH

CONFEDERATION OF SCHOOL TRUSTS

LEGAL AND ADMINISTRATIVE INFORMATION

Bankers

Lloyds Bank Plc
39 Threadneedle Street
London
EC2R 8AU

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

Solicitors

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

CONFEDERATION OF SCHOOL TRUSTS

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CONFEDERATION OF SCHOOL TRUSTS

TRUSTEES' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2020

The trustees present their report and financial statements for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the financial statements 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) (effective 1 January 2019)".

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 2019-20 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 and operationally to the global pandemic;
- 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.

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.

CONFEDERATION OF SCHOOL TRUSTS

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

FOR THE YEAR ENDED 31 AUGUST 2020

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 have grown considerably and as at end August 2020 we have over a third of the sector in membership - 3,314 academy schools educating 1.5 million pupils.

During the COVID-19 pandemic, we pivoted the organisation to offer direct support to members to help them navigate the complexities of leading in a pandemic. During the lockdown period, between 16th March and 17th July, we provided comprehensive daily briefings which were highly valued by members.

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 Trusts
 - A new narrative for school trusts, focusing on trusts as education charities that run schools to give children a better future.
 - Evidence to the Education Select Committee and influencing across the political spectrum.
 - Wide-ranging presence in the trade and national press including interviews with BBC News and Sky News.
 - Strong social media presence promoting evidence and rebutting inaccurate messages about school trusts.
- Speaking authoritatively to government and regulators:
 - Speaking authoritatively to ministers and special advisors on a range of issues, particularly through the COVID-19 pandemic.
 - Vice Chair of the Headteacher Standards Review Group and represented on several influential standing and advisory groups for the Department for Education, including NLE and NLG review groups.
- Making and influencing policy
 - Supported and influenced high profile policy - cited in press releases and official guidance from the Department for Education and Ofqual.
 - Working directly with ministers and senior officials, particularly during COVID-19.
 - Influential work with the Regional Schools Commissioners for example setting up governance leaders' learning sets.
- Leading the debate
 - Influential white paper on the future shape of the education system in England.
 - Defining the systems of meaning within which school trusts operate.
 - Locating school trusts as new civic structures.

CONFEDERATION OF SCHOOL TRUSTS

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

FOR THE YEAR ENDED 31 AUGUST 2020

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

- Connecting members to government, regulators and policy makers
 - High profile round tables for our members, including with the Secretary of State for Education.
 - Round table consultation events with senior civil servants' pre-policy announcements, for example on the arrangements for Ofsted visits in the Autumn.
 - Surveys and virtual meetings to engage members in our policy responses to COVID-19.
- Connecting executive and governance leaders to each other
 - Regular fortnightly zoom calls in open forum enabling executives and chairs to speak directly to us and each other in a confidential forum as part of an 'agile' response to COVID-19.
 - Convened several networks, including for system leaders of the larger trusts, improvement leaders, governance professionals, special school trusts and a London trust leaders' network.
 - Working with several local/sub-regional networks to aggregate insights into national policy.
- Connecting executive and governance leaders to what they need to know
 - Daily briefings during the 124 days of COVID-19 lockdown making sure you had the information you needed and getting answers for you where you didn't.
 - 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.
 - 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:

CST Professional Development

- A prominent and popular Governance Leadership Programme custom-built for trustees - 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.
- Popular and innovative masterclass programme covering topics including your scheme of delegation, joining and merging, growing sustainably, the Trust Dividend with Sir David Carter.
- Influential training seminars for National Leaders of Governance, supported by the Department for Education.
- National Teacher Accreditation (NTA) – the only independent, national appropriate body operating under constitutional arrangements to Ministers, offering a high quality NQT accreditation service to all types of schools and trusts. www.nta.org.uk.

Governance Advisory Service for Trusts

- A confidential and quality-assured governance advisory service run by specialists in academy and multi-academy trust governance.
- Bespoke governance reviews for trust boards delivered by trust experts.

Expert guidance and tools

- A range of guidance documents commanding the respect of members
- Improvement tools including the influential Improvement Capacity Framework for Trust Governance, now being used by Regional School Commissioners.
- A dedicated portal for CST members on the Stone King website with access to a full set of model policies for school trusts.

CONFEDERATION OF SCHOOL TRUSTS

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

FOR THE YEAR ENDED 31 AUGUST 2020

Financial review

Total income for the year is £543,882 (17 month period 2019: £672,533). Subscription income of £233,200 represents a pro rata increase of £100,049 on 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 continued during this period. The income received for these two programmes was £175,500 during the period.

Total costs of £520,400 for the year (17 month period 2019: £683,985) 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.

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.

As a responsible employer, we undertook a full HSE-compliant risk assessment before re-opening the CST office in late August.

Plans for the future

The recruitment of a deputy chief executive creates capacity in the coming financial year and will enable us to consolidate and extend our market position.

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

1. Build our membership from 33% market share to at least 40%.
2. Build our networks by enabling local trust leader networks to affiliate to CST, thereby establishing a stronger regional presence.
3. Embed our work on changing the narrative about school trusts and develop the work on civic trusts.
4. Develop comprehensive and authoritative policy positions that gain traction with government and the opposition.
5. Build NTA and develop stronger synergies between CST and NTA to leverage membership of both.

CONFEDERATION OF SCHOOL TRUSTS

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

FOR THE YEAR ENDED 31 AUGUST 2020

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	(resigned 1 April 2020)
Ian Bauckham CBE	
Lorrayne Hughes	
Martyn Oliver	
Mufti Hamid Patel CBE	
Stephen Snelson	
Luke Sparkes	
Pamela Tuckett	(appointed 1 September 2020)
Carl Ward	(resigned 24 January 2020)
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.

None of the Trustees has any beneficial interest in the company. All of the Trustees are members of the company and guarantee to contribute £1 in the event of a winding up.

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



Robert McDonough

Trustee

Dated: 29 January 2021

CONFEDERATION OF SCHOOL TRUSTS

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2020

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 year.

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.

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

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 year ended 31 August 2020.

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.



Mark Gurney FCCA
Dains LLP
15 Colmore Row
Birmingham
B3 2BH

Dated: 29 January 2021

CONFEDERATION OF SCHOOL TRUSTS

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Current financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total Year 2020 £	Total 17 Months 2019 £
<u>Income and endowments from:</u>					
Donations	3	83,920	-	83,920	120,299
Income from charitable activities	4	259,482	175,500	434,982	509,167
Investments	5	6,030	-	6,030	9,744
Other income	6	18,950	-	18,950	33,323
Total income		368,382	175,500	543,882	672,533
<u>Expenditure on:</u>					
<u>Charitable activities</u>					
Member Services	7	344,223	-	344,223	471,436
Governance Leadership	7	-	167,077	167,077	159,499
Clerking	7	-	9,100	9,100	53,050
Total charitable expenditure		344,223	176,177	520,400	683,985
Net income/(expenditure) for the year/ Net movement in funds		24,159	(677)	23,482	(11,452)
Fund balances at 1 September 2019		501,448	68,585	570,033	581,485
Fund balances at 31 August 2020		525,607	67,908	593,515	570,033

The statement of financial activities includes all gains and losses recognised in the year.

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

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2020

Prior financial year		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 17 Months 2019 £
	Notes			
<u>Income and endowments from:</u>				
Donations	3	120,299	-	120,299
Income from charitable activities	4	228,033	281,134	509,167
Investments	5	9,744	-	9,744
Other income	6	33,323	-	33,323
Total income		391,399	281,134	672,533
<u>Expenditure on:</u>				
<u>Charitable activities</u>				
Member Services	7	471,436	-	471,436
Governance Leadership	7	-	159,499	159,499
Clerking	7	-	53,050	53,050
Total charitable expenditure		471,436	212,549	683,985
Net income/(expenditure) for the year/ Net movement in funds		(80,037)	68,585	(11,452)
Fund balances at 1 April 2018		581,485	-	581,485
Fund balances at 31 August 2019		501,448	68,585	570,033

The statement of financial activities includes all gains and losses recognised in the year.

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 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Investments	10		1		1
Current assets					
Debtors	12	61,513		45,361	
Investments	13	300,988		431,913	
Cash at bank and in hand		453,748		239,872	
		<u>816,249</u>		<u>717,146</u>	
Creditors: amounts falling due within one year	14	(222,735)		(147,114)	
Net current assets			593,514		570,032
Total assets less current liabilities			<u>593,515</u>		<u>570,033</u>
Income funds					
Restricted funds	16		67,908		68,585
<u>Unrestricted funds</u>					
Designated funds	17	400,000		400,000	
General unrestricted funds		125,607		101,448	
		<u>525,607</u>		<u>501,448</u>	
			<u>593,515</u>		<u>570,033</u>

Balance Sheet continues on next page

CONFEDERATION OF SCHOOL TRUSTS

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2020

The company is entitled to the exemption from the audit requirement contained in section 477 of the Companies Act 2006, for the year ended 31 August 2020.

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 year 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 January 2021



Robert McDonough
Trustee



Roy Blackwell
Trustee

Company Registration No. 05303883

CONFEDERATION OF SCHOOL TRUSTS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	22		76,921		41,827
Investing activities					
Proceeds on disposal of investments		130,925		94,352	
Interest received		6,030		9,744	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			136,955		104,096
Net cash used in financing activities			-		-
			<u> </u>		<u> </u>
Net increase in cash and cash equivalents			213,876		145,923
Cash and cash equivalents at beginning of year			239,872		93,949
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u>453,748</u>		<u>239,872</u>

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Charity information

Confederation of School Trusts (CST) is a private company limited by guarantee incorporated in England and Wales. CST is also registered as a charity with the Charity Commission in England and Wales.

The registered office is Suite 10, Whiteley Mill Offices, 39 Nottingham Road, Stapleford, Nottingham, NG9 8AD.

The principal activity is given in the Trustees Report.

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) (effective 1 January 2019)". The charity is a Public Benefit Entity as defined by FRS 102.

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.

Since early 2020 the World has been suffering from a Coronavirus (or COVID-19) pandemic which has created huge restrictions and issues for the way that charities are able to deliver their charitable activities. CST has so far been able to continue our activities in an effective manner that has meant that we have been able to deliver on our charitable objects and so far have suffered no adverse financial issues.

Therefore, in the opinion of the Trustees, despite the potential effects of the COVID-19 outbreak, it is nonetheless considered that the Going Concern basis of the preparation of the financial statements remains appropriate. Similarly, in the opinion of the Trustees, no adjustments are required to the results or carrying values of assets or liabilities declared in these financial statements, and none have been made.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of their charitable objectives.

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.

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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 Income

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.

1.5 Expenditure

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. Investments in subsidiaries are valued at cost less provision for impairment.

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.

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

(Continued)

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.

1.9 Taxation

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

1.10 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.

1.11 Retirement benefits

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

1.12 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.

1.13 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.

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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 Year 2020 £	Unrestricted funds 17 Months 2019 £
Donations	83,920	120,299

4 Income from charitable activities

	Member Services 2020 £	Seminars and Advice 2020 £	Total 2020 Year £	Member Services 2019 £	Seminars and Advice 2019 £	Total 2019 17 Months £
Membership subscriptions	233,200	-	233,200	188,631	-	188,631
Ancillary trading income	26,094	175,688	201,782	37,175	283,361	320,536
	<u>259,294</u>	<u>175,688</u>	<u>434,982</u>	<u>225,806</u>	<u>283,361</u>	<u>509,167</u>
Analysis by fund						
Unrestricted funds	259,294	188	259,482	225,806	2,227	228,033
Restricted funds	-	175,500	175,500	-	281,134	281,134
	<u>259,294</u>	<u>175,688</u>	<u>434,982</u>	<u>225,806</u>	<u>283,361</u>	<u>509,167</u>

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

5 Investments

	Unrestricted funds Year 2020 £	Unrestricted funds 17 Months 2019 £
Interest receivable	6,030	9,744

6 Other income

	Unrestricted funds Year 2020 £	Unrestricted funds 17 Months 2019 £
Other income	18,950	33,323

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

7 Charitable activities	Member Services		Governance Leadership		Clerking		Total 2020		Member Services		Governance Leadership		Clerking		Total 2019	
	2020	£	2020	£	2020	£	Year	£	2019	£	2019	£	2019	£	17 Months	£
Staff costs	191,156		20,418		325		211,899		233,849		20,670		2,750		257,269	
Other staff costs	10,380		-		-		10,380		923		-		-		923	
Travel and meeting costs	20,888		-		-		20,888		44,649		-		-		44,649	
Programme costs	-		146,659		8,775		155,434		-		138,829		50,300		189,129	
Insurance	2,599		-		-		2,599		4,829		-		-		4,829	
Office costs	24,004		-		-		24,004		16,600		-		-		16,600	
Computer costs	16,124		-		-		16,124		13,158		-		-		13,158	
Promotional and marketing	14,866		-		-		14,866		54,591		-		-		54,591	
Professional fees	61,740		-		-		61,740		57,000		-		-		57,000	
Governance costs	2,000		-		-		2,000		1,652		-		-		1,652	
Bank charges and other finance costs	466		-		-		466		685		-		-		685	
Rebranding costs	-		-		-		-		43,500		-		-		43,500	
	<u>344,223</u>		<u>167,077</u>		<u>9,100</u>		<u>520,400</u>		<u>471,436</u>		<u>159,499</u>		<u>53,050</u>		<u>683,985</u>	
Analysis by fund																
Unrestricted funds	344,223		-		-		344,223		471,436		-		-		471,436	
Restricted funds	-		167,077		9,100		176,177		-		159,499		53,050		212,549	
	<u>344,223</u>		<u>167,077</u>		<u>9,100</u>		<u>520,400</u>		<u>471,436</u>		<u>159,499</u>		<u>53,050</u>		<u>683,985</u>	

Governance costs comprise payments to the independent examiner of £2,000 (2019: £1,200) and legal and professional fees of £Nil (2019: £452).

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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.

During the period 6 trustees were re-imbursed for travel and subsistence and office costs totalling £2,355 (2019: 11 trustees re-imbursed £10,774).

9 Employees

Number of employees

The average monthly number of employees during the year was:

	2020 Year Number	2019 17 Months Number
Member services	6	6

Employment costs

	2020 Year £	2019 17 Months £
Wages and salaries	172,632	205,061
Social security costs	13,631	16,615
Other pension costs	25,636	35,593
	<u>211,899</u>	<u>257,269</u>

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

	2020 Number	2019 Number
£80,001 - £90,000	1	1

Contributions totalling £8,665 (17 month period 2019: £11,540) were made to defined contribution pension schemes on behalf of employees whose emoluments exceed £60,000.

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Fixed asset investments

	Subsidiary undertakings
Cost	
At 1 September 2019 & 31 August 2020	1
Carrying amount	
At 31 August 2020	1
At 31 August 2019	1

11 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	300,988	431,913

12 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	55,076	18,928
Amounts owed by subsidiary undertakings	-	1,423
Other debtors	1,134	18,250
Prepayments and accrued income	5,303	6,760
	<u>61,513</u>	<u>45,361</u>

13 Current asset investments

	2020	2019
	£	£
Fixed term deposits	<u>300,988</u>	<u>431,913</u>

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Other taxation and social security		10,005	3,177
Deferred income	15	190,794	88,954
Trade creditors		4,759	2,275
Amounts owed to subsidiary undertakings		1,490	3,672
Other creditors		7,112	43,987
Accruals and deferred income		8,575	5,049
		<u>222,735</u>	<u>147,114</u>

15 Deferred income

	2020 £	2019 £
Arising from Membership Subscriptions	<u>190,794</u>	<u>88,954</u>

Deferred income is included in the financial statements as follows:

	2020 £	2019 £
Deferred income at 1 September 2019	88,954	77,592
Resources deferred during the year	190,794	88,954
Amounts released from previous period	(88,954)	(77,592)
	<u>190,794</u>	<u>88,954</u>

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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			Movement in funds		
	Incoming resources	Resources expended	Balance at 1 September 2019	Incoming resources	Resources expended	Balance at 31 August 2020
	£	£	£	£	£	£
Governor Leadership Programme	228,084	(159,499)	68,585	166,400	(167,077)	67,908
Clerking Programme	53,050	(53,050)	-	9,100	(9,100)	-
	<u>281,134</u>	<u>(212,549)</u>	<u>68,585</u>	<u>175,500</u>	<u>(176,177)</u>	<u>67,908</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.

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:

	Movement in funds		Movement in funds		Balance at 31 August 2020
	Balance at 1 September 2018	Incoming resources	Balance at 1 September 2019	Incoming resources	
	£	£	£	£	£
Contingency Fund	300,000	-	300,000	-	300,000
Development Fund	100,000	-	100,000	-	100,000
	<u>400,000</u>	<u>-</u>	<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.

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 Analysis of net assets between funds

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
Fund balances at 31 August 2020 are represented by:						
Investments	1	-	1	1	-	1
Current assets/ (liabilities)	525,606	67,908	593,514	501,447	68,585	570,032
	<u>525,607</u>	<u>67,908</u>	<u>593,515</u>	<u>501,448</u>	<u>68,585</u>	<u>570,033</u>

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Operating lease commitments

At the reporting end date the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	320	-
Between two and five years	960	-
	<u>1,280</u>	<u>-</u>

The operating lease represents a lease for a photocopier from third parties. The lease is negotiated over a term of 5 years and rentals are fixed for the entire term. There are no options in place for either party to extend the lease terms.

20 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020 £	2019 £
Aggregate benefits	<u>157,190</u>	<u>208,359</u>

Key management personnel includes the senior management team.

Transactions with related parties

During the year the charity entered into the following transactions with related parties:

	Donations received		Administration and oversight charges received	
	2020 £	2019 £	2020 £	2019 £
CST Professional Development Limited	83,920	82,799	26,094	37,175
National Teacher Accreditation Ltd	-	-	13,050	24,315
	<u>83,920</u>	<u>82,799</u>	<u>39,144</u>	<u>61,490</u>

At the end of the accounting period Confederation of School Trusts owed CST Professional Development Limited £1,486 (2019: £3,672).

At the end of the accounting period National Teacher Accreditation Ltd was owed by Confederation of School Trusts £4 (2019: owed £1,423).

CONFEDERATION OF SCHOOL TRUSTS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

21 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 2020 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	12,148	50,397

The investments in subsidiaries are all stated at cost.

22	Cash generated from operations	2020 £	2019 £
	Surplus/(deficit) for the year	23,482	(11,452)
	Adjustments for:		
	Investment income recognised in statement of financial activities	(6,030)	(9,744)
	Movements in working capital:		
	(Increase)/decrease in debtors	(16,152)	13,231
	(Decrease)/increase in creditors	(26,219)	38,430
	Increase in deferred income	101,840	11,362
	Cash generated from operations	76,921	41,827

23 Analysis of changes in net funds

The charity had no debt during the year.

