

PACT EDUCATIONAL TRUST LIMITED

England & Wales · Charity number 1053810

Details

Other names OAKWOOD SCHOOL

Status Registered

Legal form Charitable company

Company number [03166207](#)

Registered 1996-03-14

Register [View on the Charity Commission register](#)

Contact

Address PACT Educational Trust
147 Central Hill
London
SE19 1RT

Phone 02086688080

Email finance@pactschools.org.uk

Website www.pactschools.org.uk

Activities

Objects: THE ADVANCEMENT OF EDUCATION AND THE DEVELOPMENT OF CHARACTER IN ACCORDANCE WITH CHRISTIAN PRINCIPLES AND IDEALS IN PARTICULAR THROUGH THE PROVISION AND MAINTENANCE OF SCHOOLS

Activities: The advancement of education and the development of character in accordance with Christian principles, particularly through the provision of schools. We pursue academic and personal excellence for all pupils, in particular in the acquisition of Christian virtues.

Classification

- **How:** Makes Grants To Individuals, Provides Services, Other Charitable Activities
- **What:** Education/training
- **Who:** Children/young People, Other Defined Groups, The General Public/mankind

Geography

- **Area of benefit:** NOT DEFINED - IN PRACTICE GREATER LONDON, KENT, SURREY, EAST SUSSEX AND WEST SUSSEX
- East Sussex
- Kent
- Surrey
- West Sussex
- Throughout London

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£7,155,897	£9,671,242	£1,494,620	108
2023-08-31	£6,915,603	£8,701,288	£4,009,965	113
2022-08-31	£7,182,981	£7,640,191	£5,830,972	86
2021-08-31	£5,137,076	£5,434,166	£6,392,144	89
2020-08-31	£5,485,676	£5,475,984	£6,689,234	96

Trustees

Name	Role	Appointed
Ita Murphy	Chair	2025-01-17
ADRIAN FORASTIER GUERRERO		2022-11-15
Adam Walker		2024-07-31
Laura Arrufat Farrel		2022-11-15
MARIA KEMP		2023-03-19
PABLO PASTOR QUINTANA		2023-02-08

PACT EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 1053810

Accounts

PACT EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

PACT EDUCATIONAL TRUST LIMITED

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PACT EDUCATIONAL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2024

Trustees	L Arrufat Farell (appointed 15 November 2022) T Newman-Sanders, Chair (appointed 31 July 2024, resigned 10 January 2025) A Forastier (appointed 15 November 2022) M Kemp (appointed 31 July 2024, resigned 10 January 2025) L Moral (appointed 3 June 2024, resigned 11 February 2026) P Pastor Quintana (appointed 8 February 2023) A Walker (appointed 31 July 2024) I Murphy (appointed 17 January 2025) R Sierra Salcines (appointed 23 February 2023, resigned 15 August 2024)
Company registered number	03166207
Charity registered number	1053810
Registered office	147 Central Hill London SE19 1RT
Company secretary	B C K Fowler
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	Barclays Bank Plc 1 Churchill Place London E14 5HP
Solicitors	Bates Wells & Braithwaite London LLP 10 Queen Street Place London EC4R 1BE
Headteachers	L Sanders D Rose

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2024

The trustees who are also directors for the purposes of company law, present their annual report for the year ended 31 August 2024 under the Charities Act 2022 including the Directors' and Strategic Reports under the Companies Act 2006 together with the audited financial statements for the year.

The accounts comply with Financial Report Standards applicable in the United Kingdom and Republic of Ireland (FRS 102), with all statutory requirements and the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the United Kingdom and Republic of Ireland.

The Trustees are satisfied with the performance of the charity during the year and the position at 31 August 2024. The Trustees consider that the charity is in a strong position to continue its activities, and that the charities assets and available financial facilities are adequate to fulfil its obligations.

1. Structure, Governance and Management

The charity is a company limited by guarantee, incorporated in England and Wales, and is governed by its Articles of Association. It is also a registered charity regulated by the Charity Commission.

The trustees are directors of the company and governors of the schools and the terms are used interchangeably in this report unless specific reference is made.

PACT has long operated in accordance with its Memorandum and Articles of Association dated 29th February 1996 as amended on 21st November 2007. Pursuant to Chapter 2 of Part 13 of Companies Act 2006, the directors of the Company approved a special resolution on June 22nd for the adoption of new Articles of Association of the Company, which were registered at Companies House on 12th July 2023.

The Board of Trustees (who are also the directors for the purposes of company law) is responsible for the governance and strategic direction of the charity. The trustees meet regularly and delegate day-to-day operations to the Headteachers and Senior Leadership Team (SLT), who manage the school's educational and operational functions.

New trustees are appointed in accordance with the Articles and are provided with an induction covering the school's operations, governance responsibilities, and regulatory obligations. Trustees are also encouraged to undertake ongoing training in areas such as safeguarding, charity finance, and education policy.

2. Objectives

Charitable Objects

The charity's objects, as set out in its governing document, are the advancement of education and the development of character in accordance with Christian principles and ideals in particular through the provision and maintenance of schools.

Statement of Values

The charity's principal activity is the education and pastoral care of its students. The school aims to offer a broad, balanced, and high-quality education, underpinned by Christian principles and particularly formation of character and support for parents as the first and principal educators of their children. All of the charity's assets, income and expenditure relate to that activity.

Public Benefit

The trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the aims and activities of the charity.

To deliver public benefit, the school:

- Offers means-tested bursaries to support access for pupils from lower-income households;
- Shares facilities and expertise with local schools and community groups; and,
- Promotes outreach activities and partnerships to extend educational opportunity.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2024

Objectives for the year

The Governing Board set the following objectives for the 2023-24 academic year:

- to maintain high academic standards
- to maintain high standards of pastoral care and, in particular, through the tutorial system
- to maintain and improve the range of co-curricular activities on offer
- to capitalise on opportunities for collaboration and efficiencies following the co-location of the three schools
- to continue to improve the school's facilities through capital projects including creation of a co-educational Sixth Form area and new entrance for The Laurels school.

3. Achievements and Performance

Principal activities of the year

The average number of students during the year was 459 (2023: 525). The drop in student numbers was primarily the result of relocating Oakwood School (prep) to the Upper Norwood campus. Student numbers at the senior schools – The Cedars and The Laurels – saw moderate growth.

Supporting access to the schools continues to be a priority for the trustees. In 2023-24, 52% of students received some form of fee discount, up to 100% of fees in some cases.

Total expenditure in the current year has been significantly adversely impacted by the costs incurred in collocating the 3 schools. This led to a deficit for the year of £2,515,345 (2023: deficit of £1,785,685).

At 31 August 2024, the company had net assets of £1,494,620 (2023: £4,009,965), comprising a balance of £nil (2023: surplus £3,974) of restricted funds and £1,494,620 (2023: £4,005,991) of unrestricted funds.

The company's cash balance increased from £228,551 to £330,605.

Educational Performance

Students at The Cedars achieved 52% of GCSE awards at grades 9-7 (national average 26%). Sixth Form students achieved 75% of A-level awards at A*-B (national average 53%). All students received offers from their university of choice.

Students at The Laurels achieved 61.7% of GCSE awards at grades 9-7 (national average 26%). Sixth Form students achieved 42% of A-level awards A*-B (national average 53%). 83% of students received their first-choice university offer.

The school continued to prioritise pupil wellbeing and safeguarding, with staff training and pastoral initiatives embedded across the academic year.

4. Reserves Policy

The trustees have reviewed the Reserves Policy. The charity continues to invest substantial sums into its buildings and for the provision of educational equipment. The majority of funds are invested in the tangible fixed asset properties. The trustees continue to be satisfied that external financial facilities provide an additional and adequate safety net, if it should be required.

To ensure the financial stability of the schools, the trustees believe that, as a minimum, reserves should be held which are capable of paying for the running costs of all PACT schools for one term and therefore are aiming to build cash reserves out of future surpluses to a level of approximately £1 million. At 31 August 2024 PACT had net current liabilities of £(1,509,130) which is somewhat below the desired level. The Trustees are working to ensure the charity can move towards the desired level in the medium term.

All expenditure during the year has been incurred to enhance the personalised education of children and their character development to achieve the objectives set out above.

5. Investment Policy

The charity's investment policy is to balance income generation with capital preservation, in line with its charitable objectives and ethical considerations. Funds not required for immediate use may be held in interest-bearing deposit accounts or managed investment portfolios.

The performance of investments is reviewed regularly by the Finance Committee and reported to the full Board of Trustees.

6. Risk Management

The trustees have a risk management policy and maintain a risk register, which is reviewed regularly. Key risks identified include:

- Safeguarding and pupil welfare;
- Recruitment and retention of qualified staff;
- Financial sustainability and fee affordability;
- Regulatory compliance;
- Cybersecurity and data protection.

Mitigation measures are in place, including regular staff training, robust policies, insurance cover, and governance oversight.

7. Plans for Future Periods

The trustees remain committed to providing outstanding education and pastoral care. In the coming year, the school will focus on:

- Enhancing teaching and learning through curriculum development;
- Improving facilities through continued capital investment in the school's facilities;
- Expanding access via bursaries and outreach;
- Continuing to invest in staff development and wellbeing;
- Consolidation of the Trust's balance sheet through disposal of fixed assets (Lloyd Park site); and
- Moving to a co-educational operating model to improve efficiency

The trustees will also continue to monitor the external environment, including economic, political, and regulatory developments, to ensure the school's long-term sustainability.

Approved by order of the members of the board of Trustees and signed on their behalf by:



I Murphy
Chair of Trustees

Date: 26/02/2026

PACT EDUCATIONAL TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2024

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial . 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 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 then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:



I Murphy
Chair of Trustees

Date: 26/02/2026

PACT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED

Opinion

We have audited the financial statements of PACT Educational Trust Limited (the 'charitable company') for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 August 2024 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

PACT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Charities Act 2011, the Companies Act 2006, taxation legislation and data protection, safeguarding, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

PACT EDUCATIONAL TRUST LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED
(CONTINUED)**

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Blick Rothenberg Audit LLP

Mark Hart FCA CTA (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

Date: 26 February 2026

PACT EDUCATIONAL TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2024**

	Note	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Income from:					
Donations and legacies	3	-	49,794	49,794	19,691
Charitable activities	4	104,088	7,002,015	7,106,103	6,895,912
Total income		104,088	7,051,809	7,155,897	6,915,603
Expenditure on:					
Charitable activities	5	108,062	9,563,180	9,671,242	8,701,288
Total expenditure		108,062	9,563,180	9,671,242	8,701,288
Net movement in funds		(3,974)	(2,511,371)	(2,515,345)	(1,785,685)
Reconciliation of funds:					
Total funds brought forward		3,974	4,005,991	4,009,965	5,795,650
Net movement in funds		(3,974)	(2,511,371)	(2,515,345)	(1,785,685)
Total funds carried forward		-	1,494,620	1,494,620	4,009,965

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

The notes on pages 13 to 30 form part of these financial statements.

PACT EDUCATIONAL TRUST LIMITED
BALANCE SHEET

AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	10	11,438,261	10,642,105
Investments	11	1	1
		<u>11,438,262</u>	<u>10,642,106</u>
Current assets			
Stocks	12	16,277	76,092
Debtors	13	2,665,006	593,821
Cash at bank and in hand		330,590	228,551
		<u>3,011,873</u>	<u>898,464</u>
Current liabilities			
Creditors: amounts falling due within one year	14	(4,521,003)	(2,614,119)
		<u>(1,509,130)</u>	<u>(1,715,655)</u>
Net current liabilities			
		<u>(1,509,130)</u>	<u>(1,715,655)</u>
Total assets less current liabilities			
		<u>9,929,132</u>	<u>8,926,451</u>
Creditors: amounts falling due after more than one year	15	(8,434,512)	(4,916,486)
		<u>1,494,620</u>	<u>4,009,965</u>
Total net assets			
		<u>1,494,620</u>	<u>4,009,965</u>
Charity funds			
Restricted funds	16	-	3,974
Unrestricted funds	16	1,494,620	4,005,991
		<u>1,494,620</u>	<u>4,009,965</u>
Total funds			
		<u>1,494,620</u>	<u>4,009,965</u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

Ita Murphy

I Murphy
Trustee

Date: 26/02/2026

The notes on pages 13 to 30 form part of these financial statements.

PACT EDUCATIONAL TRUST LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	19	(939,624)	(1,691,874)
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,131,212)	(1,722,738)
Net cash used in investing activities		(1,131,212)	(1,722,738)
Cash flows from financing activities			
Cash inflows from new borrowing		2,543,207	3,876,007
Repayments of borrowing		(319,500)	(354,484)
Interest paid		(50,817)	-
Net cash provided by financing activities		2,172,890	3,521,523
Change in cash and cash equivalents in the year		102,054	106,911
Cash and cash equivalents at the beginning of the year		228,551	121,640
Cash and cash equivalents at the end of the year	20	330,605	228,551

The notes on pages 13 to 30 form part of these financial statements

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1. General information

PACT Educational Trust Limited is a company limited by guarantee and is incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The address of the registered office and the principal place of business is Pact Educational Trust, 147 Central Hill, London, SE19 1RT.

The financial statements are presented in Sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

PACT Educational Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The Trustees have assessed the College's ability to continue as a going concern for a period of at least twelve months from the date of approval of these financial statements. In making this assessment, the Trustees have considered:

- Current and projected pupil numbers and fee income
- Cash flow forecasts and sensitivity modelling
- The impact of cost pressures
- The introduction of VAT on independent school fees from 1 January 2025
- Existing loan covenants and financing arrangements
- Capital expenditure commitments
- The Trust's agreement with ProEduca Summa, SL, to provide long-term financial support

The Trustees have modelled downside scenarios including:

- A reduction in pupil numbers
- Increased staff cost inflation above forecast levels
- Delays in planned fundraising and capital receipts

Under these scenarios, the College remains compliant with its banking covenants and maintains sufficient liquidity headroom.

The Trustees have reviewed covenant calculations with regards to the Trust's loans and confirms that the Trust remains compliant with all covenant requirements. Forecasts demonstrate continued compliance for at least the next twelve months.

After reviewing the forecasts, sensitivities and available facilities, the Trustees have a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

2. Accounting policies (continued)

2.3 Fund accounting

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

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

2.4 Income

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

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

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school. Fees received in advance of education being provided are held as deferred income within liabilities until either taken to income in the academic year to which it relates or refunded

2.5 Expenditure

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to activities.

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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 asset and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land.

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

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 2-4% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 10% straight line
Computer equipment	- 25% straight line

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2. Accounting policies (continued)

2.10 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 Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price, which excludes transaction costs for those financial assets that are subsequently measured at fair value through profit and loss.

2. Accounting policies (continued)

Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Concessionary loans

Concessionary loans are initially recorded at the consideration received and are subsequently held at amortised cost based on the implied interest rate of the loan.

2.12 Pensions

The charity operates a defined contribution pension scheme for non-teaching staff and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Retirement benefits to teaching staff are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme and the assets are held separately from those of the charity.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity 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. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit scheme accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions payable are recognised in the period to which they relate.

2.13 Parental deposits

Parents pay a deposit on accepting a place for their child and this money is returned subject to offset of outstanding costs after their child leaves the school. Parental deposits are included in creditors and have been applied assuming that pupils remain in the school until completion of their final year.

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

3. Income from donations and legacies

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Donations	-	49,794	49,794	19,691
Total 2023	15,000	4,691	19,691	

4. Income from charitable activities

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £	Total funds 2023 £
Education	104,088	7,002,015	7,106,103	6,895,912
Total 2023	-	6,895,912	6,895,912	

5. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total 2024 £	Total 2023 £
Education	108,062	9,563,180	9,671,242	8,701,288
Total 2023	42,020	8,659,268	8,701,288	

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

6. Analysis of expenditure by activities

	Activities undertaken directly 2024 £	Total funds 2024 £	Total funds 2023 £
Education	9,671,242	9,671,242	8,701,288
Total 2023	8,701,288	8,701,288	

Analysis of direct costs

	Education 2024 £	Total funds 2024 £	Total funds 2023 £
Staff costs	5,506,771	5,506,771	5,211,108
Depreciation	334,530	334,530	302,075
Finance costs	336,223	336,223	496,736
Scholastic supplies	261,711	261,711	241,699
Canteen costs	414,047	414,047	487,060
Trips & travel	631,282	631,282	403,575
Marketing, PR & advertising	53,066	53,066	45,441
Staff related expenditure	39,290	39,290	17,208
Property costs	1,107,583	1,107,583	768,539
General and administrative costs	563,440	563,440	405,978
Legal and professional fees	88,290	88,290	116,650
Insurance	245,009	245,009	173,065
Loss on disposal of tangible fixed assets	23,174	23,174	-
Governance costs	66,826	66,826	32,154
	9,671,242	9,671,242	8,701,288
Total 2023	8,701,288	8,701,288	

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

7. Staff costs

	2024	2023
	£	£
Wages and salaries	4,333,256	4,168,890
Social security costs	438,235	403,020
Contribution to defined contribution pension schemes	735,280	639,198
	5,506,771	5,211,108

Included within the above figures are redundancy costs totalling £107,575 (2023; £99,413). These costs were associated with the restructuring of roles to reduce leadership costs in advance of the schools merging from 1 September 2025.

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

	2024	2023
	No.	No.
Teaching	87	69
Non teaching	21	44
	108	113

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

	2024	2023
	No.	No.
In the band £60,001 - £70,000	2	8
In the band £70,001 - £80,000	-	3
In the band £80,001 - £90,000	-	3
In the band £90,001 - £100,000	-	2
In the band £100,001 - £110,000	2	-
In the band £140,001 - £150,000	1	1
In the band £190,001 - £200,000	1	-
In the band £200,001 - £210,000	1	-

The key management personnel of the charity comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (excluding pension contributions) received by key management personnel for their services to the charity was £1,257,514 (2023: £455,108).

8. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2023 - £NIL).

During the year ended 31 August 2024, no Trustee expenses have been incurred (2023 - £NIL).

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

9. Net income/(expenditure)

This is stated after charging:

	2024 £	2023 £
Depreciation of tangible fixed assets: owned by the charity	334,530	302,075
Auditor's remuneration - audit	66,826	32,154
	<u> </u>	<u> </u>

10. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Assets in the course of con - struction £	Total £
Cost						
At 1 September 2023	5,486,161	6,119,205	92,986	934,325	359,716	12,992,393
Additions	43,162	358,173	-	74,592	655,285	1,131,212
Disposals	-	-	-	-	(23,174)	(23,174)
Transfers between classes	54,181	884,114	-	53,532	(991,827)	-
At 31 August 2024	<u>5,583,504</u>	<u>7,361,492</u>	<u>92,986</u>	<u>1,062,449</u>	<u>-</u>	<u>14,100,431</u>
Depreciation						
At 1 September 2023	1,485,628	193,395	72,682	598,583	-	2,350,288
Charge for the year	72,641	144,352	6,585	88,304	-	311,882
At 31 August 2024	<u>1,558,269</u>	<u>337,747</u>	<u>79,267</u>	<u>686,887</u>	<u>-</u>	<u>2,662,170</u>
Net book value						
At 31 August 2024	<u>4,025,235</u>	<u>7,023,745</u>	<u>13,719</u>	<u>375,562</u>	<u>-</u>	<u>11,438,261</u>
At 31 August 2023	<u>4,000,533</u>	<u>5,925,810</u>	<u>20,304</u>	<u>335,742</u>	<u>359,716</u>	<u>10,642,105</u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

11. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2023	1
At 31 August 2024	<u>1</u>
Net book value	
At 31 August 2024	1
At 31 August 2023	<u>1</u>

Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Registered office or principal place of business	Principal activity
The Laurels School Limited	08555840	The Cedars, Coombe Road, Croydon, CR0 5RD	Dormant
Class of shares	Holding	Included in consolidation	
Ordinary	100%	No	

12. Stocks

	2024 £	2023 £
School uniform stock	<u>16,277</u>	<u>76,092</u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

13. Debtors

	2024	2023
	£	£
Due within one year		
Trade debtors	2,479,246	529,405
Other debtors	35,688	-
Prepayments and accrued income	150,072	64,416
	2,665,006	593,821

Trade debtors at the reporting date includes school fees invoiced during the year which relate to the academic year commencing 1 September 2024.

14. Creditors: Amounts falling due within one year

	2024	2023
	£	£
Other loans	93,189	1,158,640
Payments received on account	114,689	47,000
Trade creditors	448,140	56,518
Other taxation and social security	217,180	82,688
Other creditors	198,808	68,347
Accruals and deferred income	3,448,997	1,200,926
	4,521,003	2,614,119

	2024	2023
	£	£
Deferred income at 1 September 2023	415,955	573,793
Resources deferred during the year	3,347,252	415,955
Amounts released from previous periods	(415,955)	(573,793)
	3,347,252	415,955

Deferred income at the reporting date represents school fees received during the year which relates to the academic year commencing 1 September 2024.

Included within other creditors are unpaid pension contributions of £192,631 (2023: £67,197).

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

15. Creditors: Amounts falling due after more than one year

	2024	2023
	£	£
Other loans	7,981,431	4,575,222
Other creditors	316,205	341,264
Accruals and deferred income	136,876	-
	<u>8,434,512</u>	<u>4,916,486</u>

Other loans also include loans from individuals and Trustees bearing interest from 0% to 3% per annum. Details of loans provided by Trustees are given in note 25. As these loans are provided at below the prevailing market rate of interest and are for the purposes of furthering the objectives of the charity, these loans are considered to be concessionary loans.

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024

16. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Balance at 31 August 2024 £
Unrestricted funds	<u>4,005,991</u>	<u>7,051,809</u>	<u>(9,563,180)</u>	<u>1,494,620</u>
Restricted funds	<u>3,974</u>	<u>104,088</u>	<u>(108,062)</u>	<u>-</u>
Total of funds	<u><u>4,009,965</u></u>	<u><u>7,155,897</u></u>	<u><u>(9,671,242)</u></u>	<u><u>1,494,620</u></u>

Statement of funds - prior year

	Balance at 1 September 2022 £	Income £	Expenditure £	Balance at 31 August 2023 £
Unrestricted funds				
Unrestricted funds	<u>5,764,656</u>	<u>6,900,603</u>	<u>(8,659,268)</u>	<u>4,005,991</u>
Restricted funds				
Restricted Funds - all funds	<u>30,994</u>	<u>15,000</u>	<u>(42,020)</u>	<u>3,974</u>
Total of funds	<u><u>5,795,650</u></u>	<u><u>6,915,603</u></u>	<u><u>(8,701,288)</u></u>	<u><u>4,009,965</u></u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

17. Summary of funds

Summary of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Balance at 31 August 2024 £
General funds	4,005,991	7,051,809	(9,563,180)	1,494,620
Restricted funds	3,974	104,088	(108,062)	-
	<u>4,009,965</u>	<u>7,155,897</u>	<u>(9,671,242)</u>	<u>1,494,620</u>

Summary of funds - prior year

	Balance at 1 September 2022 £	Income £	Expenditure £	Balance at 31 August 2023 £
General funds	5,764,656	6,900,603	(8,659,268)	4,005,991
Restricted funds	30,994	15,000	(42,020)	3,974
	<u>5,795,650</u>	<u>6,915,603</u>	<u>(8,701,288)</u>	<u>4,009,965</u>

18. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2024 £	Unrestricted funds 2024 £	Total funds 2024 £
Tangible fixed assets	-	11,438,261	11,438,261
Fixed asset investments	-	1	1
Current assets	291,828	2,720,060	3,011,888
Creditors due within one year	(154,952)	(4,366,066)	(4,521,018)
Creditors due in more than one year	(136,876)	(8,297,636)	(8,434,512)
Total	<u>-</u>	<u>1,494,620</u>	<u>1,494,620</u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**

18. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	3,974	10,638,131	10,642,105
Fixed asset investments	-	1	1
Current assets	-	898,464	898,464
Creditors due within one year	-	(2,614,119)	(2,614,119)
Creditors due in more than one year	-	(4,916,486)	(4,916,486)
Total	<u>3,974</u>	<u>4,005,991</u>	<u>4,009,965</u>

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

	2024 £	2023 £
Net expenditure for the period (as per Statement of Financial Activities)	<u>(2,515,345)</u>	<u>(1,785,685)</u>
Adjustments for:		
Depreciation charges	334,530	302,075
Interest payable	145,235	-
Loss on the sale of fixed assets	23,174	-
Decrease in stocks	59,815	70,947
Increase in debtors	(2,071,185)	(5,404)
Increase/(decrease) in creditors	3,084,152	(273,808)
Net cash used in operating activities	<u>(939,624)</u>	<u>(1,691,875)</u>

20. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	<u>330,605</u>	<u>228,551</u>

Of this balance, £28,771 (2023: £28,771) is not available for use by the entity as it is subject to restrictions.

21. Analysis of changes in net debt

	At 1 September 2023	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	228,551	102,039	330,590
Debt due within 1 year	(1,158,640)	1,065,451	(93,189)
Debt due after 1 year	(4,575,222)	(3,406,209)	(7,981,431)
	<u>(5,505,311)</u>	<u>(2,238,719)</u>	<u>(7,744,030)</u>

22. Pension commitments

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. The aim of the review is to ensure scheme costs are recognised and managed appropriately and the review specifies 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 2020. The valuation report was published by the Department for Education on 27 October 2023, with the SCAPE rate, set by HMT, applying a notional investment return based on 1.7% above the rate of CPI. The key elements of the valuation outcome are:

- Employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy). This is an increase of 5% in employer contributions and the cost control result is such that no change in member benefits is needed.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The result of this valuation will be implemented from 1 April 2024. The next valuation result is due to be implemented from 1 April 2028

The employer's pension costs paid to TPS in the period amounted to £675,759 (2023: £584,033).

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

22. Pension commitments (continued)

school has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out the above information available on the scheme.

Stakeholder pension scheme

The charity operates a defined contribution scheme for the benefit of its non-teaching employees. Contributions payable are charged to the profit and loss account in the year they are payable. Contributions payable to the pension scheme during the year were £55,830 (2023: £55,165).

23. Operating lease commitments

At 31 August 2024 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£	£
Not later than 1 year	241,250	160,000
Later than 1 year and not later than 5 years	1,500,006	1,090,000
Later than 5 years	8,783,750	6,380,000
	10,525,006	7,630,000

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

24. Related party transactions

Owing to the nature of the charity'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 the trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures.

Transactions with related parties are as follows:

Relationship	Transaction	Amount		Amount due (to)/from related parties	
		2024 £	2023 £	2024 £	2023 £
The Laurels School Limited Loan (subsidiary)	The Laurels School Limited Loan	-	-	1,304,798	1,304,798
	Provision against loan	-	-	(1,304,798)	(1,304,798)
Proeduca Summa, S..L (entity under common control)	Loan	2,694,189	-	(6,543,633)	(3,849,444)
	Interest payable	150,982	-	(150,982)	-

The loans from Trustees are secured by fixed charges over the charity's purposes.

25. Post balance sheet events

In June 2024, the Board of Trustees announced that the school would be moving to a co-educational model from 4-18, set to be implemented for September 2025. The Board also announced, in February 2025, the re-branding of the schools to become 'Fidelis College', which will also become the new trading name of PACT Educational Trust Limited. On 14 March 2025, the Trustees completed the sale of the Trust's property at Lloyd Park (formerly home to Oakwood and The Cedars schools), to Spaghetti Bridge, a special schools provider. Sale proceeds have been applied to strengthen the Trust's balance sheet position.

26. Controlling party

The Board of Trustees is the controlling party.

PACT EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 1053810

Accounts

PACT EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

PACT EDUCATIONAL TRUST LIMITED

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PACT EDUCATIONAL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2023

Trustees	A Forastier Guerrero (appointed 15 November 2022) M Kemp, Chair (appointed 19 March 2023) L Arrufat Farell (appointed 15 November 2022) P Pastor Quintana (appointed 8 February 2023) R Sierra Salcines (appointed 23 February 2023) D G Guillon (resigned 30 October 2022) M Kemp (appointed 28 October 2022, resigned 11 November 2022) R M L Kummelstedt (appointed 30 October 2022, resigned 16 March 2023) P J Leonard (resigned 13 March 2023) A M C Millington (resigned 30 October 2022) P D Millington (resigned 14 March 2023)
Company registered number	03166207
Charity registered number	1053810
Registered office	The Cedars School Coombe Road Croydon CR0 5RD
Chief executive officer	A Forastier Guerrero
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	Barclays Bank Plc Marcham Road Abingdon Oxfordshire OX14 1UB
Headteachers	L Sanders D Rose

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees, who are also directors under Company Law, present their annual report for the year ended 31 August 2023 under the Charities Act 2011 including the Directors' and Strategic Reports under the Companies Act 2006 together with the audited financial statements for the year.

The accounts comply with Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), with all statutory requirements and the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 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 Trustees are satisfied with the performance of the charity during the year and the position at 31 August 2023 given this has been a year of significant transition. The Trustees consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets and available financial facilities are adequate to fulfil its obligations.

Objectives and activities

a. Mission statement

The central aim of our schools is the development of the person as a whole.

- A unique approach to learning and development of the student allows for academic excellence; we want to create an environment that promotes a lifelong passion for learning;
- In any activity, be it curriculum or extra curriculum, the student is encouraged to practice good habits, that lead to a life of virtue, thus achieving personal maturity and inner freedom;
- There is no one size that fits all. Thanks to the tutorial system, we make sure each student receives personalised attention and care to guide the young person academically and personally;
- We want the parents to be the first and principal educators of their children. As schools, we support them in their most important mission, ie helping their children become the best version of themselves. The very name of our Charity reflects this: parents and teachers together for the good of the children;
- Our value system is rooted in a Christian understanding of the human person. That being said, we value religious freedom and welcome parents and students of all faiths or none, who subscribe to our general vision.

The objects of PACT are the advancement of education and the development of character in accordance with Christian principles and ideals in particular through the provision and maintenance of schools.

Our philosophy recognises parents as the primary educators of their children and this is the cornerstone of our approach. We pursue academic and personal excellence for all pupils but this is not just measured in test results and statistics. Our goal remains assisting each pupil to attain excellence both academically and in personal development in particular in the acquisition of Christian virtues. We do this within the framework of a supportive Catholic ethos.

Objectives and activities (continued)

b. Main objectives for the year

Our key objectives for the year to 31 August 2023 included:

- Building on the levels of academic excellence already achieved;
- Continue to excel academically and so attract increased numbers to our 6th form programme;
- Securing financing and donations necessary to further develop all our schools;
- Maintain our ability to offer bursaries to deserving students via a sponsorship programme;
- Continue to explore synergies within the schools whilst retaining their own unique identity whilst growing pupil numbers. Through the year, we identified an opportunity which was not part of our original plan at the beginning of the year, namely, to relocate all three schools to SE-19 under a single campus logic:
 - to enable a homogeneous 4-18 educational experience to pupils;
 - to facilitate logistics to parents;
 - to leverage on the investments on facilities, while maintaining distinctive premises for all three schools; and
 - to provide further career development to our staff by enabling them to teach on a wider perimeter.

c. Activities undertaken to achieve objectives

The trustees are responsible for planning (and monitoring progress) so as to achieve the objectives they have set. Ensuring that all pupils have the opportunity to realise their full potential and have the best preparation for their next stage of schooling, continues to underpin the objectives of PACT. The schools aim to provide a first-class all-round education to children between the ages of 4 and 18. As well as an excellent academic education, the schools provide pupils with a range of extracurricular activities including drama, music and sport.

Each school's aim is to develop the whole child through the care, guidance and support of all staff members and the building of close links in a three-way partnership between the school, the pupil and parents. PACT encourages pupils to explore, discover and develop their particular skills and talents to the full whether in the academic field, sport, art or music and to find the fulfilment and self-esteem necessary to enhance their lives. The schools aim to develop the values of respect and compassion while encouraging self-reliance and independence. PACT prepares pupils for life in the wider world by developing them as well-rounded individuals, comfortable with their peers, elders and themselves, able to appreciate their talents, eager to realise their potential and confident in meeting new challenges.

The objectives and the progress of the charity and schools to meet them are subject to reporting and monitoring at Board and Executive Committee meetings, and through specific academic and ethos committees. PACT's unique partnership-with-parents education model also brings regular feedback to Heads and governors.

Objectives and activities (continued)

In implementing our strategy we have:

- Completed major works on campus to: accommodate Oakwood; to renew our STEM building featuring new laboratories; to build on larger premises for teaching Art and Music; and to entirely renew our outdoor sports courts.
- Undertaken a market analysis study for each school to ascertain where it sits in its market, where it can improve, what the future prospects are for each school and re-acted according to this plan.
- In addition to the above a full financial study has been made of each school, not just for the immediate future but looking at the prospects of the schools over the following 10 years and ensuring we have a realistic plan against which to hold ourselves.
- Continued a disciplined approach to reviewing Policies and Statutory Requirements so that the schools remain compliant.
- Sought to benefit the public through the implementation of the charity's stated aims: the fees for each of the schools are set at a level to ensure financial viability while allowing the charity to pursue its strategy.
- We have continued to find private sponsorships to support us in our aims to make our schools reachable despite financial circumstances of families.

d. Discounts

PACT has a discount policy. It is important to PACT that access to the education offered by its schools is not restricted to those who can afford the fees. Bursaries are means tested to ensure that financial help is provided to those families which need it. To give practical support to the value PACT places on continuity for families, PACT also operates a family discount policy.

In addition to this the secondary schools offer Academic, Music, Art & Sporting Scholarships for those who excel.

In order that PACT can recruit and retain high calibre staff, PACT offers a discount scheme for staff that choose to educate their children at any of PACT's schools.

e. Volunteers

Encouraged by PACT's aim to operate its schools in partnership with the parents of each child, PACT continues to be assisted in its work by a large number of parent volunteers. Volunteers perform a range of tasks helping the schools to work towards the aims of the charity including supporting class teachers and teaching assistants on offsite excursions and running extra-curricular sessions on particular areas of interest. The Parental Activity Teams in each school run various activities throughout the school year including family barbecues, family fun days, the parents' dinner and Quiz night, as well as supporting the school by providing refreshments on various school occasions. They also fundraise to support school projects and other charities. Volunteer class coordinators also help the Heads arrange class discussions throughout the year.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Achievements and performance

a. Academic

In the latest report available, Oakwood improved to reach 21st place in The Times Top 100 Preparatory Schools with excellent academic results. The ranking is testament to the academic achievement of the school, especially when taking into account this is a non selective school.

The Laurels saw 100% of A levels awarded a pass grade.

The Cedars also saw 100% of A levels awarded a pass grade and students achieving places at top Universities including Oxford University, the University of Navarre and Notre Dame University. 80% of students achieved their first choice university.

b. The Arts

A large proportion of pupils learn at least one musical instrument and are encouraged to perform at regular musical events. Choral singing, verse speaking, LAMDA and music exams and school dramatic productions continue to be an important part of the all-round education offered by the PACT schools, which also promote the children's skills and general confidence. Peripatetic music teaching covers a variety of instruments, including brass, drums, cello, guitar, piano and violin. All children in Year 6 learn about harmonics through ukulele lessons and lower juniors take recorder lessons. Our Secondary schools have various choirs and orchestras.

c. Sport

PACT school sport is about participation, competitiveness and good sportsmanship and is an important part of a PACT all-round education. Pupils take part in a wide variety of sporting activities including football, rugby, netball, cricket, rounders, cross-country running, gymnastics, athletics, karate, fencing, swimming, squash, hockey and tennis. Competitions are arranged with local schools and The Cedars reputation in the sporting arena is known as being well above what would be expected for a small school.

d. Community service

PACT sees understanding charitable needs and fund raising for charities as an important part of developing the whole child and their sense of Christian mission and values, especially in acknowledging that there are people in the UK and all over the world who are less fortunate than the pupils themselves. While this is stressed throughout the year, there is a particular focus on charitable giving during Advent and through various Lenten appeals.

PACT regularly provides talks, workshops and other activities for parents, wider family and members of the community on issues connected with the development of character in accordance with Christian principles.

e. Public benefit

PACT's objectives are set to reflect the educational aims and ethos of the schools. In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to the guidance on advancing education and on fee-charging. The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. Based on the average stated cost to the taxpayer (of £7,460 per pupil for 2023/24), of providing education in the maintained school sector, PACT estimates that those parents who choose to send their children to PACT schools are contributing to a saving for taxpayers generally, and thus creating an annual benefit to the public of over £3.9 million.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Financial review

a. Going concern

The board of trustees confirms that, having considered its expectations and intentions for the next twelve months and the availability of working capital, the charity is a going concern. An embedded 10 year plan is in place and closely monitored. The trustees are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on the charity's ability to continue as a going concern.

In making this assessment the trustees have considered the working capital requirements of the business for a period of at least 12 months from the date of the approval of these financial statements and the ability of the charity to meet its liabilities as they fall due. The Trustees have prepared forecasts and considered future development plans for the charity, income anticipated from school fees and other sources, and anticipated capital and operational expenditure. In addition, the trustees have assessed the availability of bank and other loan finance including the ability to draw upon support from ProEduca Summa, SL as well as the ability to renegotiate or defer payments on existing loan finance, and their expectation regarding donations and other funding.

b. Reserves policy

The trustees have reviewed the Reserves Policy. The charity continues to invest substantial sums into its buildings and for the provision of educational equipment. The majority of funds are invested in the tangible fixed asset properties. The trustees continue to be satisfied that external financial facilities provide an additional and adequate safety net, if it should be required.

To ensure the financial stability of the schools, the trustees believe that, as a minimum, reserves should be held which are capable of paying for the running costs of all PACT schools for one term and therefore are aiming to build cash reserves out of future surpluses to a level of approximately £1 million. At 31 August 2023 PACT had net current liabilities of £(1,715,655) which is somewhat below the desired level. The Trustees are working to ensure the charity can move towards the desired level in the medium term.

All expenditure during the year has been incurred to enhance the personalised education of children and their character development to achieve the objectives set out above.

c. Principal funding

The charity's primary source of funds is school fees from parents, although funding is received in donations from private individuals. In September 2022, PACT and Spanish educational charity, Fundación Parentes (part of ProEduca Summa, SL), signed an agreement securing long term financial support to PACT schools, while preserving its academic and ethos current orientations. Funding from school fees is used to support the charity in its primary day to day operations whilst the use of donation funding is determined by the wishes of the individual donors (where specific wishes are expressed) or in a wider scope of activities where no details are given by the donor.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

d. Financial review of the year including ket performance indicators

The results as presented in the Statement of Financial Activities on page 16 show a full year of trading results for the 3 schools for the year ended 31 August 2023. However, the results as presented for the comparative period only include the results of The Laurels school from the hive up date of 30 April 2022 (4 months included therefore). Prior to that date, the results of The Laurels school were included within a separate entity, The Laurels School Limited.

Therefore, a year on year comparison between the results as presented is not meaningful. A more meaningful comparison of the underlying performance of the 3 schools year on year is as follows:

	2023	2022
	£	£
Income	6,915,603	5,408,145
Profit on disposal of properties	-	1,774,836
	<u>6,915,603</u>	<u>7,182,981</u>
Total expenditure	<u>(8,701,288)</u>	<u>(7,640,191)</u>
Net movement in funds	(1,785,685)	(457,210)

Total expenditure in the current year has been significantly adversely impacted by the costs incurred in co-locating the 3 schools. Redundancy costs during the year were approximately £600k and legal fees were approximately £100k. In addition, the depreciation charge was £160k higher than the previous year, reflecting the significant investment in the school's assets.

At 31 August 2023, the company had net assets of £4,009,965 (2022: £5,795,650), comprising a surplus of £3,974 (2022: £30,994) of restricted funds and £4,005,991 (2022: £5,764,656) of unrestricted funds. The company's net increase in cash was £106,911.

At 31 August 2023, the company had net assets of £4,009,965 (2022: £5,795,650) comprising a surplus of £3,974 (2022: £30,994) of restricted funds and £4,005,991 (2022: £5,764,656) of unrestricted funds.

The Trustees continue to believe that the key performance indicators are growth in pupil numbers from year to year. Each of the 3 schools have seen increased pupil numbers from the prior year as follows:

The Cedars – 261 pupils average (2022: 237)
The Laurels - 105 pupils average (2022: 98)
Oakwood - 159 pupils average (2022: 137)

The charity's funds are held in current and interest-bearing Business Premium accounts. The Board of Trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligation in respect of each fund.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management

a. Constitution

PACT Educational Trust Limited is a charitable company limited by guarantee. The charity is also known as PACT. The trustees are directors of the company and governors of the schools and the terms are used interchangeably in this report unless specific reference is made.

PACT has long operated in accordance with its Memorandum and Articles of Association dated 29th February 1996 as amended on 21st November 2007. Pursuant to Chapter 2 of Part 13 of Companies Act 2006, the directors of the Company approved a special resolution on June 22nd for the adoption of new Articles of Association of the Company, which were registered at Companies House on 12th July 2023,

PACT provides education through three schools under the PACT group umbrella. The preparatory school is Oakwood and teaches children aged 4-11 years. The two Secondary Schools are The Laurels and The Cedars. The Laurels teaches girls aged 11 – 18 and The Cedars teaches boys aged 11 – 18.

To enable a homogeneous 4-18 educational experience to pupils and facilitate logistics to parents, while maintaining distinctive premises, all three schools have been located into a single campus in Upper Norwood since September 2022. Naturally, we have equally simplified our formal structure with regards to the DfE from having three totally independent schools into two, while keeping all three distinctive schools' educational traits.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Structure, governance and management (continued)

b. Governance and management

The governance structure of the schools is designed to ensure the financial stability and future success of all three schools. The board focuses on:

- fundraising;
- governance;
- long-term strategy; and
- safeguarding and compliance.

The Board of governors of PACT meets at least once a term to:

- review, discuss and approve policies for each school;
- develop strategic plans;
- oversee the raising of funds for the development of PACT and its schools;
- review and enhance governance processes;
- deal with the appointment of PACT board members;
- the annual PACT budget and capital investment plans are approved by the finance committee which is a subcommittee of the board.; and
- approve senior appointments.

During the period the PACT Board met 10 times, 6 in the form of “full sessions” featuring presentations and meeting minutes and 4 as meetings “without session” to vote on some decisions in an efficient way.

Each PACT school has an Executive Committee meeting at least once a term, consisting of the ProEduca Senior Delegate, relevant school Director, Head-Teacher and their Senior Management Team (SMT). These support the Heads in their demanding jobs, with the day-to-day running of the schools being delegated to them and their SMT.

Additionally, the board has a dedicated trustee, Mr. Adrian Forastier, focused on the oversight of the charity's finances.

The day-to-day financial management of the charity is delegated to a PACT Bursar. An experienced professional consultant has temporarily filled that role until the appointment of a permanent bursar in December 2023. The Bursar is also responsible for supporting the ProEduca Senior Delegate in the implementation the trustees' long-term strategic plan and vision for the schools.

The ProEduca Senior Delegate works closely with the heads of the schools and their senior management teams. Working together, the Heads and ProEduca Senior Delegate:

- manage the PACT budget for each school on a month-by-month basis;
- appoint staff;
- deal with those matters affecting staff where the Heads have sought assistance; and
- deal with all on-going practical issues and decision making.

Additionally, besides managing the central finance office, the ProEduca Senior Delegate provides leadership in the following day-to-day operational management functions:

- Estates;
- Human Resources;
- Information Technology; and
- Marketing.

Structure, governance and management (continued)

Oakwood is a member of the Independent Association of Preparatory Schools which provides an opportunity to share expertise, knowledge and experience across the independent school sector. Both The Laurels and The Cedars are accredited members of the Independent Schools Association. The Catholic Independent Schools' Conference also provides valuable support to the Heads of all three schools.

c. Organisational structure and decision-making policies

The charity is governed by the Board of governors, who are also the company directors and charity trustees, and consists, for the period under review, of three schools, Oakwood School in Upper Norwood, Croydon, The Cedars School in Upper Norwood, Croydon and The Laurels School in Upper Norwood, Croydon.

The Board of governors requires breadth and depth of experience in order to carry out its duties effectively and efficiently. When recruiting new trustees it is considered essential that they have an understanding of and support for PACT's specific educational ethos and a genuine enthusiasm to engage in an environment where character development and personalised education is of the utmost importance. Potential new trustees are identified during discussions of the Board and then an interview process is pursued with each candidate to assess suitability.

Reflecting on the skills and experience necessary for effective governance and management, the governors deem that the Board should at a minimum comprise the following:

- one governor with a financial or accounting background;
- one with education experience;
- another with senior management or business experience;
- one for each school, each with direct knowledge of their specific school.

All the directors of the company are also trustees of the charity, and their responsibilities include all the responsibilities of directors under the Companies Acts and of trustees under the Charities Acts.

d. Policies adopted for the induction and training of Trustees

New governors are provided with a comprehensive pack setting out the objects of the charity, its policies and procedures, its annual accounts and other relevant materials. They are trained through discussions with long standing existing governors, members of the senior management teams at each of the schools and through the very open discussions held during Board and Executive Committee meetings. Governors are expected to regularly dedicate time to their duties as a member of the Board.

e. Risk management

The Board of governors is responsible for the management of risks faced by the schools. Detailed consideration of risks is delegated to the Bursar and Senior Management Teams in each school. Risks are identified and assessed, and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on a bi-annual basis and in response to immediate risks which may arise. This monitoring process looks at the effectiveness of the system of internal controls and other viable means of avoiding risk and assists the governors to put in place insurance cover where appropriate. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

PACT EDUCATIONAL TRUST LIMITED

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023**

Disclosure of information to auditor

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

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

Approved by order of the members of the board of Trustees and signed on their behalf by:



A Forastier Guerrero
Trustee

Date: May 28th, 2024

PACT EDUCATIONAL TRUST LIMITED

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2023

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the members of the board of Trustees and signed on its behalf by:



A Forastier Guerrero
Trustee

Date: May 28th, 2024

PACT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED FOR THE YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of PACT Educational Trust Limited (the 'charitable company') for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

PACT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

We have nothing to report in respect of the following matters in relation to which 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 trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

PACT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Charities Act 2011, the Companies Act 2006, taxation legislation and data protection, safeguarding, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

PACT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2023

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Hart FCA CTA (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

28 May 2024

PACT EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Donations and legacies	3	15,000	4,691	19,691	11,995
Charitable activities	4	-	6,895,912	6,895,912	4,925,464
Other income	5	-	-	-	1,774,836
Total income		15,000	6,900,603	6,915,603	6,712,295
Expenditure on:					
Charitable activities	6	42,020	8,659,268	8,701,288	7,204,827
Total expenditure		42,020	8,659,268	8,701,288	7,204,827
Net movement in funds		(27,020)	(1,758,665)	(1,785,685)	(492,532)
Reconciliation of funds:					
Total funds brought forward		30,994	5,764,656	5,795,650	6,288,182
Net movement in funds		(27,020)	(1,758,665)	(1,785,685)	(492,532)
Total funds carried forward		3,974	4,005,991	4,009,965	5,795,650

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

The notes on pages 20 to 37 form part of these financial statements.

PACT EDUCATIONAL TRUST LIMITED

**BALANCE SHEET
AS AT 31 AUGUST 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	10,642,105	9,221,442
Investments	12	1	1
		10,642,106	9,221,443
Current assets			
Stocks	13	76,092	147,039
Debtors	14	593,821	588,417
Cash at bank and in hand		228,551	121,640
		898,464	857,096
Creditors: amounts falling due within one year	15	(2,614,119)	(2,575,276)
Net current liabilities		(1,715,655)	(1,718,180)
Total assets less current liabilities		8,926,451	7,503,263
Creditors: amounts falling due after more than one year	16	(4,916,486)	(1,707,613)
Total net assets		4,009,965	5,795,650
Charity funds			
Restricted funds	17	3,974	30,994
Unrestricted funds	17	4,005,991	5,764,656
Total funds		4,009,965	5,795,650

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



A Forastier Guerrero
Trustee

Date: May 28th, 2024

The notes on pages 20 to 37 form part of these financial statements.

PACT EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	20	(1,691,874)	(1,552,587)
Cash flows from investing activities			
Proceeds from the sale of tangible fixed assets		-	13,000,000
Purchase of tangible fixed assets		(1,722,738)	(6,189,918)
Purchase of investments		-	(1)
Cash acquired on acquisition of subsidiary		-	459,087
Net cash (used in)/provided by investing activities		(1,722,738)	7,269,168
Cash flows from financing activities			
Cash inflows from new borrowing		3,876,007	339,889
Repayments of borrowing		(354,484)	(6,074,791)
Net cash provided by/(used in) financing activities		3,521,523	(5,734,902)
Change in cash and cash equivalents in the year			
Cash and cash equivalents at the beginning of the year		121,640	139,961
Cash and cash equivalents at the end of the year	21	228,551	121,640

The notes on pages 20 to 37 form part of these financial statements

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

PACT Educational Trust Limited is a company limited by guarantee and is incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The address of the registered office and the principal place of business is The Cedars School, Coombe Road, Croydon, CR0 5RD.

The financial statements are presented in Sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

PACT Educational Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The board of Trustees confirms that, having considered its expectations and intentions for the next twelve months and the availability of working capital, the charity is a going concern. Following the impact of COVID-19 on the business the trustees undertook a thorough review of the schools within the group and as a result of this took action to ensure the schools could enjoy a stable financial future. The unfortunate outcome of this was the closure of Oliver House School which was seen to have significant operational issues which we could not resolve. On the final completion of Oliver House and old Oakwood site assets the overall cost of estates will be greatly reduced whilst also providing for growth for each of the schools. Financial controls continue to be strong within the trust and are regularly reviewed so as to ensure changes are implemented as and when required. As a result of these steps the trustees feel they are prepared for the next twelve months. The trustees are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on the charity's ability to continue as a going concern.

The Trustees have prepared forecasts and considered future development plans for the charity, income anticipated from school fees and other sources, anticipated capital and operational expenditure, availability of bank and other loan finance, the ability to renegotiate or defer payments on loan finance, and their expectation regarding donations and other funding. During the year, the charity received a loan of €4.5 million from Fundacion Parentes.

In making this assessment the trustees have considered the working capital requirements of the business for a period of at least 12 months from the date of the approval of these financial statements and the ability of the charity to meet its liabilities as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies (continued)

2.3 Fund accounting

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

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

2.4 Income

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

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

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school. Fees received in advance of education being provided are held as deferred income within liabilities until either taken to income in the academic year to which it relates or refunded

2.5 Expenditure

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to activities.

All expenditure is inclusive of irrecoverable VAT.

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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 asset and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 2-4% straight line
Motor vehicles	- 25% straight line
Fixtures and fittings	- 10% straight line
Computer equipment	- 25% straight line

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

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

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.10 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 Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2. Accounting policies (continued)

2.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price, which excludes transaction costs for those financial assets that are subsequently measured at fair value through profit and loss.

Financial liabilities

Basic financial liabilities, including trade and other creditors and loans from fellow group companies 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Concessionary loans

Concessionary loans are initially recorded at the consideration received and are subsequently held at amortised cost based on the implied interest rate of the loan.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

2. Accounting policies (continued)

2.12 Pensions

The charity operates a defined contribution pension scheme for non-teaching staff and the pension charge represents the amounts payable by the charity to the fund in respect of the year.

Retirement benefits to teaching staff are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme and the assets are held separately from those of the charity.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity 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. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit scheme accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions payable are recognised in the period to which they relate.

2.13 Parental deposits

Parents pay a deposit on accepting a place for their child and this money is returned subject to offset of outstanding costs after their child leaves the school. Parental deposits are included in creditors and have been applied assuming that pupils remain in the school until completion of their final year.

3. Income from donations and legacies

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Donations	15,000	4,691	19,691	11,995
Total 2022	-	11,995	11,995	

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

4. Income from charitable activities

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Education	6,895,912	6,895,912	4,925,464
	<u>6,895,912</u>	<u>6,895,912</u>	<u>4,925,464</u>
Total 2022	4,925,464	4,925,464	
	<u>4,925,464</u>	<u>4,925,464</u>	

5. Other income

	Unrestricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Profit on disposal of fixed assets	-	-	1,774,836
	<u>-</u>	<u>-</u>	<u>1,774,836</u>
Total 2022	1,774,836	1,774,836	
	<u>1,774,836</u>	<u>1,774,836</u>	

6. Analysis of expenditure on charitable activities

Summary by fund type

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total 2023 £	Total 2022 £
Education	42,020	8,659,268	8,701,288	7,204,827
	<u>42,020</u>	<u>8,659,268</u>	<u>8,701,288</u>	<u>7,204,827</u>
Total 2022	-	7,204,827	7,204,827	
	<u>-</u>	<u>7,204,827</u>	<u>7,204,827</u>	

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

7. Analysis of expenditure by activities

	Activities undertaken directly 2023 £	Total funds 2023 £	Total funds 2022 £
Education	8,701,288	8,701,288	7,204,827
Total 2022	7,204,827	7,204,827	

Analysis of direct costs

	Education 2023 £	Total funds 2023 £	Total funds 2022 £
Staff costs	5,211,108	5,211,108	3,469,434
Depreciation and amortisation and loss on disposal of fixed assets	302,075	302,075	1,351,742
Finance costs	496,736	496,736	317,797
Scholastic supplies	241,699	241,699	134,187
Canteen costs	487,060	487,060	289,334
Trips & travel	403,575	403,575	257,229
Marketing, PR & advertising	45,441	45,441	22,891
Staff related expenditure	17,208	17,208	17,469
Property costs	768,539	768,539	590,225
General and administrative costs	405,978	405,978	300,457
Legal and professional fees	116,650	116,650	306,086
Insurance	173,065	173,065	122,581
Charitable donations	-	-	108
Governance costs	32,154	32,154	25,287
	8,701,288	8,701,288	7,204,827
Total 2022	7,204,827	7,204,827	

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

8. Staff costs

	2023	2022
	£	£
Wages and salaries	4,168,890	2,778,576
Social security costs	403,020	272,312
Contribution to defined contribution pension schemes	639,198	418,546
	5,211,108	3,469,434

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

	2023	2022
	No.	No.
Teaching	69	47
Non teaching	44	39
	113	86

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

	2023	2022
	No.	No.
In the band £60,001 - £70,000	8	3
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	3	-
In the band £90,001 - £100,000	2	1
In the band £140,001 - £150,000	1	-

The key management personnel of the charity comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (excluding pension contributions) received by key management personnel for their services to the charity was £455,108 (2022: £462,365).

9. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2022 - £NIL).

During the year ended 31 August 2023, no Trustee expenses have been incurred (2022 - £NIL).

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

10. Net income/(expenditure)

This is stated after charging:

	2023 £	2022 £
Depreciation of tangible fixed assets: owned by the charity	302,075	142,792
Auditor's remuneration - audit	32,154	25,287
	<u>334,229</u>	<u>168,079</u>

11. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Assets in the course of construction £	Total £
Cost						
At 1 September 2022	5,696,553	5,004,058	66,646	887,762	92,246	11,747,265
Additions	122,785	-	26,340	43,595	1,530,018	1,722,738
Disposals	(477,610)	-	-	-	-	(477,610)
Transfers between classes	144,433	1,115,147	-	2,968	(1,262,548)	-
At 31 August 2023	<u>5,486,161</u>	<u>6,119,205</u>	<u>92,986</u>	<u>934,325</u>	<u>359,716</u>	<u>12,992,393</u>
Depreciation						
At 1 September 2022	1,889,062	51,805	66,646	518,310	-	2,525,823
Charge for the year	74,176	141,590	6,036	80,273	-	302,075
On disposals	(477,610)	-	-	-	-	(477,610)
At 31 August 2023	<u>1,485,628</u>	<u>193,395</u>	<u>72,682</u>	<u>598,583</u>	<u>-</u>	<u>2,350,288</u>
Net book value						
At 31 August 2023	<u>4,000,533</u>	<u>5,925,810</u>	<u>20,304</u>	<u>335,742</u>	<u>359,716</u>	<u>10,642,105</u>
At 31 August 2022	<u>3,807,491</u>	<u>4,952,253</u>	<u>-</u>	<u>369,452</u>	<u>92,246</u>	<u>9,221,442</u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

12. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 September 2022	1
At 31 August 2023	<u>1</u>
Net book value	
At 31 August 2023	<u>1</u>
At 31 August 2022	<u>1</u>

Principal subsidiaries

The following was a subsidiary undertaking of the company:

Name	Company number	Registered office or principal place of business	Principal activity
The Laurels School Limited	08555840	The Cedars, Coombe Road, Croydon, CR0 5RD	Provision of Education

Class of shares	Holding
Ordinary	100%

13. Stocks

	2023 £	2022 £
School uniform stock	<u>76,092</u>	<u>147,039</u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

14. Debtors

	2023	2022
	£	£
Due within one year		
Trade debtors	529,405	529,157
Prepayments and accrued income	64,416	59,260
	<u>593,821</u>	<u>588,417</u>

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Other loans	1,158,640	819,076
Payments received on account	47,000	80,510
Trade creditors	56,518	197,599
Other taxation and social security	82,688	349,174
Other creditors	68,347	126,572
Accruals and deferred income	1,200,926	1,002,345
	<u>2,614,119</u>	<u>2,575,276</u>

	2023	2022
	£	£
Deferred income at 1 September 2022	573,793	507,788
Resources deferred during the year	415,955	573,793
Amounts released from previous periods	(573,793)	(507,788)
	<u>415,955</u>	<u>573,793</u>

Deferred income at the reporting date represents school fees received during the year which relates to the academic year commencing 1 September 2023.

The bank and other loans are secured by fixed and floating charges over the charity's properties.

Included within other creditors are unpaid pension contributions of £67,197 (2022: £124,172).

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

16. Creditors: Amounts falling due after more than one year

	2023	2022
	£	£
Other loans	4,575,222	1,393,263
Other creditors	341,264	314,350
	<u>4,916,486</u>	<u>1,707,613</u>

Other loans also include loans from individuals and Trustees bearing interest from 0% to 3% per annum. Details of loans provided by Trustees are given in note 25. As these loans are provided at below the prevailing market rate of interest and are for the purposes of furthering the objectives of the charity, these loans are considered to be concessionary loans.

The other loans are secured by fixed and floating charges over the charity's properties.

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

17. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Balance at 31 August 2023 £
Unrestricted funds	<u>5,764,656</u>	<u>6,900,603</u>	<u>(8,659,268)</u>	<u>4,005,991</u>
Restricted funds	<u>30,994</u>	<u>15,000</u>	<u>(42,020)</u>	<u>3,974</u>
Total of funds	<u><u>5,795,650</u></u>	<u><u>6,915,603</u></u>	<u><u>(8,701,288)</u></u>	<u><u>4,009,965</u></u>

Statement of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Unrestricted funds					
Unrestricted funds	(1,053,919)	6,712,295	(7,204,827)	7,311,107	5,764,656
Revaluation reserve	7,311,107	-	-	(7,311,107)	-
	<u>6,257,188</u>	<u>6,712,295</u>	<u>(7,204,827)</u>	<u>-</u>	<u>5,764,656</u>
Restricted funds					
Restricted Funds	<u>30,994</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,994</u>
Total of funds	<u><u>6,288,182</u></u>	<u><u>6,712,295</u></u>	<u><u>(7,204,827)</u></u>	<u><u>-</u></u>	<u><u>5,795,650</u></u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

18. Summary of funds

Summary of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Balance at 31 August 2023 £
Unrestricted funds	5,764,656	6,900,603	(8,659,268)	4,005,991
Restricted funds	30,994	15,000	(42,020)	3,974
	<u>5,795,650</u>	<u>6,915,603</u>	<u>(8,701,288)</u>	<u>4,009,965</u>

Summary of funds - prior year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Unrestricted funds	6,257,188	6,712,295	(7,204,827)	-	5,764,656
Restricted funds	30,994	-	-	-	30,994
	<u>6,288,182</u>	<u>6,712,295</u>	<u>(7,204,827)</u>	<u>-</u>	<u>5,795,650</u>

19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2023 £	Unrestricted funds 2023 £	Total funds 2023 £
Tangible fixed assets	3,974	10,638,131	10,642,105
Fixed asset investments	-	1	1
Current assets	-	898,464	898,464
Creditors due within one year	-	(2,614,119)	(2,614,119)
Creditors due in more than one year	-	(4,916,486)	(4,916,486)
Total	<u>3,974</u>	<u>4,005,991</u>	<u>4,009,965</u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

19. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	30,994	9,190,448	9,221,442
Fixed asset investments	-	1	1
Current assets	-	857,096	857,096
Creditors due within one year	-	(2,575,276)	(2,575,276)
Creditors due in more than one year	-	(1,707,613)	(1,707,613)
Total	<u>30,994</u>	<u>5,764,656</u>	<u>5,795,650</u>

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

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	<u>(1,785,685)</u>	<u>(492,532)</u>
Adjustments for:		
Depreciation charges	302,075	142,792
Amortisation charges	-	1,208,950
Loss/(profit) on the sale of fixed assets	-	(1,774,836)
Decrease/(increase) in stocks	70,947	(89,337)
Increase in debtors	(5,404)	(945,773)
Increase/(decrease) in creditors	(273,808)	362,827
Net cash used in operating activities	<u>(1,691,875)</u>	<u>(1,587,909)</u>

21. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	<u>228,551</u>	<u>121,640</u>

Of this balance, £28,771 is not available for use by the entity as it is subject to restrictions.

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

22. Analysis of changes in net debt

	At 1 September 2022	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	121,640	106,911	228,551
Debt due within 1 year	(819,076)	(339,564)	(1,158,640)
Debt due after 1 year	(1,393,263)	(3,181,959)	(4,575,222)
	<u>(2,090,699)</u>	<u>(3,414,612)</u>	<u>(5,505,311)</u>

23. Pension commitments

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £584,033 (2022: £415,487).

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

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

23. Pension commitments (continued)

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

Stakeholder pension scheme

The charity operates a defined contribution scheme for the benefit of its non-teaching employees. Contributions payable are charged to the profit and loss account in the year they are payable. Contributions payable to the pension scheme during the year were £55,165 (2022: £44,845).

24. Operating lease commitments

At 31 August 2023 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	160,000	10,000
Later than 1 year and not later than 5 years	1,090,000	40,000
Later than 5 years	6,380,000	7,300,164
	<u>7,630,000</u>	<u>7,350,164</u>

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

25. Related party transactions

Owing to the nature of the charity'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 the trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures.

Transactions with related parties are as follows:

Relationship	Transaction	Amount		Amount due (to)/from related parties	
		2023 £	2022 £	2023 £	2022 £
Trustees	Donation	-	-	-	-
	Interest free loans	-	(80,000)	(50,000)	(50,000)
	Reimbursed expenses	-	-	-	-
Charities with common Trustees	Interest free loan	-	284,019	-	(1,051,732)
	Rental payments	-	140,000	-	-
The Laurels School Limited (subsidiary)	Management fees	-	83,333	-	-
	Loan	-	-	1,304,798	1,340,121
	Provision against loan	-	-	(1,304,798)	(1,340,121)
Proeduca Summa, S..L (entity under common control)	Loan	-	-	3,849,444	-

The loans from Trustees are secured by fixed charges over the charity's purposes.

26. Controlling party

The Board of Trustees is the controlling party.

PACT EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 1053810

Accounts

Registered number: 03166207
Charity number: 1053810

PACT EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

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PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2022**

Trustees
D G Guillon, Chair
P D Millington
P J Leonard
A M M Millington (appointed 1 June 2022)
A F G Alting Von Geusau (resigned 1 July 2022)
M Bollore (resigned 1 July 2022)
M L Newman-Sanders (resigned 1 July 2022)
M P S Stables (resigned 1 July 2022)
S Cassidy (resigned 1 July 2022)
J Valero (resigned 18 February 2022)

**Company registered
number** 03166207

**Charity registered
number** 1053810

Registered office
The Cedars School
Coombe Road
Croydon
CR0 5RD

Company secretary B Millington

Chief executive officer B Millington

Independent auditor
Blick Rothenberg Audit LLP
Chartered Accountants
16 Great Queen Street
Covent Garden
London
WC2B 5AH

Bankers
Barclays Bank Plc
Marcham Road
Abingdon
Oxfordshire
OX14 1UB

Headteachers
C Candia
L Sanders
R Teague

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2022

The trustees, who are also directors, present their annual report for the year ended 31 August 2022 under the Charities Act 2011 including the Directors' and Strategic Reports under the Companies Act 2006 together with the audited financial statements for the year.

The accounts comply with Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), with all statutory requirements and the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 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 2015).

The board of trustees is pleased with the performance of the charity during the year and the position at 31 August 2022. The Trustees consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets and available financial facilities are adequate to fulfil its obligations.

Objectives and activities

a. Mission statement

The central aim of our schools is the development of the person as a whole.

- A unique approach to learning and development of the student allows for academic excellence; we want to create an environment that promotes a lifelong passion for learning;
- In any activity, be it curriculum or extra curriculum, the student is encouraged to practice good habits, that lead to a life of virtue, thus achieving personal maturity and inner freedom;
- There is no one size that fits all. Thanks to the tutorial system, we make sure each student receives personalized attention and care to guide the young person academically and personally;
- We want the parents to be the first and principal educators of their children. As schools, we support them in their most important mission, ie helping their children become the best version of themselves. The very name of our Charity reflects this: parents and teachers together for the good of the children;
- Our value system is rooted in a Christian understanding of the human person. That being said, we value religious freedom and welcome parents and students of all faiths or none, who subscribe to our general vision.

The objects of PACT are the advancement of education and the development of character in accordance with Christian principles and ideals in particular through the provision and maintenance of schools.

Our philosophy recognises parents as the primary educators of their children and this is the cornerstone of our approach. We pursue academic and personal excellence for all pupils but this is not just measured in test results and statistics. Our goal remains assisting each pupil to attain excellence both academically and in personal development in particular in the acquisition of Christian virtues. We do this within the framework of a supportive Catholic ethos.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Objectives and activities (continued)

b. Main objectives for the year

Our key objectives for the year to 31 August 2022 included:

- Bedding in of the three schools in their new estates, continue to explore synergies within the schools whilst retaining their own unique identity whilst growing pupil numbers.
 - The Cedars and The Laurels operated from their new site in SE19 from Sept 2021. Whilst the schools remain single sex they benefit from the collaboration that is now possible from co-location. A small number of teachers work across both schools and thus increase opportunity for learning and career development.
 - Oakwood also had a successful year in its new site and having settled in well is benefitting from a rapid increase in admissions enquiries.
- Continue to excel academically and so attract increased numbers to our 6th form programme.
- Increase our ability to offer bursaries to deserving students via a sponsorship programme.
- Building on the levels of academic excellence already achieved;
- Securing financing and donations necessary to further develop all our schools; and
- It has been an ambition of PACT for some years now to bring The Laurels School Limited back under the PACT umbrella and this was achieved on 1 July 2022 when the shares of The Laurels School Limited were purchased by PACT so the school is now fully owned by PACT.

c. Activities undertaken to achieve objectives

The trustees are responsible for planning (and monitoring progress) so as to achieve the objectives they have set. Ensuring that all pupils have the opportunity to realise their full potential and have the best preparation for their next stage of schooling, continues to underpin the objectives of PACT. The schools aim to provide a first-class all-round education to children between the ages of 3 and 18. As well as an excellent academic education, the schools provide pupils with a range of extracurricular activities including drama, music and sport.

Each school's aim is to develop the whole child through the care, guidance and support of all staff members and the building of close links in a three-way partnership between the school, the pupil and parents. PACT encourages pupils to explore, discover and develop their particular skills and talents to the full whether in the academic field, sport, art or music and to find the fulfilment and self-esteem necessary to enhance their lives. The schools aim to develop the values of respect and compassion while encouraging self-reliance and independence. PACT prepares pupils for life in the wider world by developing them as well-rounded individuals, comfortable with their peers, elders and themselves, able to appreciate their talents, eager to realise their potential and confident in meeting new challenges.

The objectives and the progress of the charity and schools to meet them are subject to reporting and monitoring at Board and Executive Committee meetings, and through specific academic and ethos committees. PACT's unique partnership-with-parents education model also brings regular feedback to Heads and governors.

In implementing our strategy we have:

- Undertaken a market analysis study for each school to ascertain where it sits in its market, where it can improve, what the future prospects are for each school and re-acted according to this plan.
- In addition to the above a full financial study has been made of each school, not just for the immediate future but looking at the prospects of the schools over the following 10 years and ensuring we have a realistic plan against which to hold ourselves.
- Continued a disciplined approach to reviewing Policies and Statutory Requirements so that the schools remain compliant.
- Sought to benefit the public through the implementation of the charity's stated aims: the fees for each of the schools are set at a level to ensure financial viability while allowing the charity to pursue its strategy.
- We have continued to find private sponsorships to support us in our aims to make our schools reachable despite financial circumstances of families.

Objectives and activities (continued)

d. Discounts

PACT has a discount policy. It is important to PACT that access to the education offered by its schools is not restricted to those who can afford the fees. Bursaries are means tested to ensure that financial help is provided to those families which need it. To give practical support to the value PACT places on continuity for families, PACT also operates a family discount policy.

In addition to this the secondary schools offer Academic, Music, Art & Sporting Scholarships for those who excel.

It is often important for parents hoping to send their children to a PACT school that they are able to spread their fees payments across the term and so a plan is in place for termly fees to be taken in instalments across three months.

In order that PACT can recruit and retain high calibre staff, PACT offers a discount scheme for staff that choose to educate their children at any of PACT's schools.

e. Volunteers

Encouraged by PACT's aim to operate its schools in partnership with the parents of each child, PACT continues to be assisted in its work by a large number of parent volunteers. Of the 10 governors serving during the year, two are parent volunteers, and an additional two used to be in recent years. Volunteers perform a range of tasks helping the schools to work towards the aims of the charity including supporting class teachers and teaching assistants on offsite excursions and running extra-curricular sessions on particular areas of interest. The Parental Activity Teams in each school run various activities throughout the school year including family barbecues, family fun days, the parents' dinner and Quiz night, as well as supporting the school by providing refreshments on various school occasions. They also fundraise to support school projects and other charities. Volunteer class coordinators also help the Heads arrange class discussions throughout the year.

Achievements and performance

a. Academic

Oakwood improved to reach 21st place in The Times Top 100 Preparatory Schools with excellent academic results. The ranking is testament to the academic achievement of the schools, especially when you bear in mind this is a non selective school.

COVID-19 has brought significant disruption to students and schools generally, despite this we have seen fantastic performance with 82.1% of grades awarded to A Level Students at The Laurels being between A* - B grades..

The Cedars also saw 100% of A levels awarded a pass grade and students achieving places at top Universities including the University of Navarre and Notre Dame University.

b. The Arts

A large proportion of pupils learn at least one musical instrument and are encouraged to perform at regular musical events. Choral singing, verse speaking, LAMDA and music exams and school dramatic productions continue to be an important part of the all-round education offered by the PACT schools, which also promote the children's skills and general confidence. Peripatetic music teaching covers a variety of instruments, including brass, drums, cello, guitar, piano and violin. All children in Year 6 learn about harmonics through ukulele lessons and lower juniors take recorder lessons. Our Secondary schools have various choirs and orchestras.

Achievements and performance (continued)

c. Sport

PACT school sport is about participation, competitiveness and good sportsmanship and is an important part of a PACT all-round education. Pupils take part in a wide variety of sporting activities including football, rugby, netball, cricket, rounders, cross-country running, gymnastics, athletics, karate, fencing, swimming, squash, hockey and tennis. Competitions are arranged with local schools and The Cedars reputation in the sporting arena is known as being well above what would be expected for a small school.

d. Community service

PACT sees understanding charitable needs and fund raising for charities as an important part of developing the whole child and their sense of Christian mission and values, especially in acknowledging that there are people in the UK and all over the world who are less fortunate than the pupils themselves. While this is stressed throughout the year, there is a particular focus on charitable giving during Advent and through various Lenten appeals.

PACT regularly provides talks, workshops and other activities for parents, wider family and members of the community on issues connected with the development of character in accordance with Christian principles.

Despite the economic uncertainty we face, our schools continue to grow in terms of student numbers across all schools – annual growth is an average of 10% year on year across the schools. The Board is not complacent and will continue to monitor market activities so we can react and ensure the schools survive this period of uncertainty.

e. Public benefit

PACT's objectives are set to reflect the educational aims and ethos of the schools. In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to the guidance on advancing education and on fee-charging. The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. Based on the average stated cost to the taxpayer (of £6,400 per pupil), of providing education in the maintained school sector, PACT estimates that those parents who choose to send their children to PACT schools are contributing to a saving for taxpayers generally, and thus creating an annual benefit to the public of over £3.2 million.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Financial review

a. Going concern

The board of trustees confirms that, having considered its expectations and intentions for the next twelve months and the availability of working capital, the charity is a going concern. An embedded 10 year plan is followed and we are currently exceeding expectations against this. The trustees are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on the charity's ability to continue as a going concern.

In making this assessment the trustees have considered the working capital requirements of the business for a period of at least 12 months from the date of the approval of these financial statements and the ability of the charity to meet its liabilities as they fall due. The Trustees have prepared forecasts and considered future development plans for the charity, income anticipated from school fees and other sources, anticipated capital and operational expenditure, availability of bank and other loan finance, the ability to renegotiate or defer payments on loan finance, and their expectation regarding donations and other funding.

b. Reserves policy

The trustees have reviewed the Reserves Policy. The charity continues to invest substantial sums into its buildings and for the provision of educational equipment. The majority of funds are invested in the tangible fixed asset properties. The trustees continue to be satisfied that external financial facilities provide an additional and adequate safety net, if it should be required.

To ensure the financial stability of the schools, the trustees believe that, as a minimum, reserves should be held which are capable of paying for the running costs of all PACT schools for one term and therefore are aiming to build cash reserves out of future surpluses to a level of approximately £1 million. At 31 August 2022 PACT had free reserves (current liabilities) of £(1,682,857) which is somewhat below the desired level. The Trustees are working to ensure the charity can move towards the desired level in the medium term.

All expenditure during the year has been incurred to enhance the personalised education of children and their character development to achieve the objectives set out above.

c. Principal funding

The charity's primary source of funds is school fees from parents, although funding is received in donations from private individuals. Funding from school fees is used to support the charity in its primary day to day operations whilst the use of donation funding is determined by the wishes of the individual donors (where specific wishes are expressed) or in a wider scope of activities where no details are given by the donor.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

d. Financial review of the year including key performance indicators

Income for the year ended 31 August 2022 increased to £7,182,981 (2021: £5,137,076) reflecting increased pupil numbers and a profit on disposal of properties of £1,774,836.

Expenses for the year ended 31 August 2022 increased to £7,640,191 (2021: £5,538,128). This is partly attributable to the rise in pupil numbers which has resulted in increases in the majority of expenses throughout the year and partly to do with an amortisation charge of £1,208,950 arising on the purchase of the subsidiary. The charity's net increase in cash was £17,002.

At 31 August 2022, the parent charity had net assets of £5,795,650 (2021: £6,288,182) comprising a surplus of £30,994 (2021: £30,994) of restricted funds and £5,764,656 (2021: £6,257,188) of unrestricted funds. Included within unrestricted funds are balances relating to the revaluation of property, totalling £nil (2021: £7,311,107).

The Trustees continue to believe that the key performance indicators are growth in pupil numbers from year to year. Oliver House closed during the year, but The Cedars saw a growth in pupil numbers of 16%.

The charity's funds are held in current and interest-bearing Business Premium accounts. The Board of Trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligation in respect of each fund.

Structure, governance and management

a. Constitution

PACT Educational Trust Limited is a charitable company limited by guarantee. The charity is also known as PACT. The trustees are directors of the company and governors of the schools and the terms are used interchangeably in this report unless specific reference is made.

PACT operates in accordance with its Memorandum and Articles of Association dated 29th February 1996 as amended on 21st November 2007. There are three schools under the PACT group umbrella. The preparatory school – Oakwood in Lloyd Park, Croydon (OW) – teaches children aged 3-11 years. The two Secondary Schools are co-located in Upper Norwood – The Laurels teaches girls aged 11 – 18 and The Cedars teaches boys aged 11 – 18 years.

PACT EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

b. Governance and management

The governance structure of the schools is designed to ensure the financial stability and future success of all three schools. The board focuses on:

- fundraising;
- governance;
- long-term strategy; and
- safeguarding and compliance.

The Board of governors of PACT meets at least once a term to:

- review, discuss and approve policies for each school;
- develop strategic plans;
- oversee the raising of funds for the development of PACT and its schools;
- review and enhance governance processes;
- deal with the appointment of PACT board members;
- the annual PACT budget and capital investment plans are approved by the finance committee which is a subcommittee of the board.; and
- approve senior appointments;

Each PACT school has an Executive Committee meeting at least once a term, consisting of the CEO, relevant school Director, Head-Teacher and their Senior Management Team (SMT). These support the Heads in their demanding jobs, with the day-to-day running of the schools being delegated to them and their SMT.

Additionally, the board convenes a Finance Committee to provide oversight of the charity's finances. A director, currently Alexander Alting von Geusau, chairs the committee and is joined by another board member with financial expertise, the Chair and the CEO. Moving into academic year 2022/23 Peter Millington will head up the finance committee – he has been a member of this committee for 4 years now so the step up is a natural one. The committee is convened at least once a term and meets more frequently when needed, especially in the run-up to preparing and finalising the budget.

The academic year 2022/23 will see some changes to the structure of the Board. Many Board members have been in place for a number of years and PACT feel it is healthy to rotate Board members to ensure the company continues to evolve and develop in line with its published objectives. Fundacion Parentes (FP) has supported PACT in the past and last financial year put forward funding for the MUGA as Oakwood moved to its new site in Lloyd Park – with a refresh of the Board the opportunity arose for PACT to further solidify its links with FP. In addition, subsequent to the year end, FP has extended the charity a loan for €1 million.

Moving forward PACT will have a Board of school governors who will be responsible for all matters relating to safeguarding and school policy – they will be directly responsible to the Charity Trustees who will provide strong financial guidance and leadership. Charity Trustees will generally not cross over with the school governor Board and some of these members will also be members of FP. PACT company articles will be updated to confirm this amendment to the structure.

The day-to-day management of the charity is delegated to the Chief Executive Officer. Mrs Bernadette Millington currently fills that role and was appointed by the board in July 2018. She is additionally charged with implementing the trustees' long-term strategic plan and vision for the schools. She works closely with the heads of the schools and their senior management teams. Working together, the Heads and CEO:

- manage the PACT budget for each school on a month-by-month basis;
- appoint staff;
- deal with those matters affecting staff where the Heads have sought assistance; and
- deal with all on-going practical issues and decision making.

Structure, governance and management (continued)

Additionally, besides managing the central finance office, the CEO provides leadership in the following day-to-day operational management functions:

- Estates;
- Human Resources;
- Information Technology; and
- Marketing.

Oakwood is a member of the Independent Association of Preparatory Schools which provides an opportunity to share expertise, knowledge and experience across the independent school sector. Both The Laurels and The Cedars are accredited members of the Independent Schools Association. The Catholic Independent Schools' Conference also provides valuable support to the Heads of all three schools.

c. Organisational structure and decision-making policies

The charity is governed by the Board of governors, who are also the company directors and charity trustees, and consists, for the period under review, of three schools, Oakwood School in Lloyd Park, Croydon, The Cedars School in Upper Norwood, Croydon and The Laurels School in Upper Norwood, Croydon. This academic year saw all schools operating from new and larger premises but despite these moves saw an increase in student numbers.

The Board of governors requires breadth and depth of experience in order to carry out its duties effectively and efficiently. When recruiting new trustees it is considered essential that they have an understanding of and support for PACT's specific educational ethos and a genuine enthusiasm to engage in an environment where character development and personalised education is of the utmost importance. Potential new trustees are identified during discussions of the Board and then an interview process is pursued with each candidate to assess suitability.

Reflecting on the skills and experience necessary for effective governance and management, the governors deem that the Board should at a minimum comprise the following:

- one governor with a financial or accounting background;
- one with education experience;
- another with senior management or business experience;
- one for each school, each with direct knowledge of their specific school.

All the directors of the company are also trustees of the charity, and their responsibilities include all the responsibilities of directors under the Companies Acts and of trustees under the Charities Acts.

d. Policies adopted for the induction and training of Trustees

New governors are provided with a comprehensive pack setting out the objects of the charity, its policies and procedures, its annual accounts and other relevant materials. They are trained through discussions with long standing existing governors, members of the senior management teams at each of the schools and through the very open discussions held during Board and Executive Committee meetings. Governors are expected to regularly dedicate time to their duties as a member of the Board.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Structure, governance and management (continued)

e. Risk management

The Board of governors is responsible for the management of risks faced by the schools. Detailed consideration of risks is delegated to the CEO and Senior Management Teams in each school. Risks are identified and assessed, and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on a bi-annual basis and in response to immediate risks which may arise. This monitoring process looks at the effectiveness of the system of internal controls and other viable means of avoiding risk and assists the governors to put in place insurance cover where appropriate. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the Company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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

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

PACT EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Approved by order of the members of the board of Trustees and signed on their behalf by:



D G Guillon
Trustee

Date: 31 OCTOBER 2022

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED

FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of PACT Educational Trust Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the Consolidated statement of financial activities, the consolidated balance sheet, the company balance sheet, the consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 Group's and of the parent charitable company's affairs as at 31 August 2022 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report.

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

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 Group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with trustees and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Charities Act 2011, the Companies Act 2006, taxation legislation and data protection, safeguarding, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Blick Rothenberg Audit LLP

Mark Hart FCA CTA (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

4 November 2022

PACT EDUCATIONAL TRUST LIMITED**(A company limited by guarantee)****CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:					
Donations and legacies	2	-	11,995	11,995	270,587
Charitable activities	3	-	5,396,150	5,396,150	4,866,573
Other trading activities	4	-	-	-	(84)
Other income	5	-	1,774,836	1,774,836	-
Total income		-	7,182,981	7,182,981	5,137,076
Expenditure on:					
Charitable activities	6	-	7,640,191	7,640,191	5,538,128
Total expenditure		-	7,640,191	7,640,191	5,538,128
Net movement in funds		-	(457,210)	(457,210)	(401,052)
Reconciliation of funds:					
Total funds brought forward		30,994	6,257,188	6,288,182	6,689,234
Net movement in funds		-	(457,210)	(457,210)	(401,052)
Total funds carried forward		30,994	5,799,978	5,830,972	6,288,182

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

The notes on pages 22 to 45 form part of these financial statements.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	10	-	-
Tangible assets	11	9,221,442	14,303,909
Investments	12	-	1
		<u>9,221,442</u>	<u>14,303,910</u>
Current assets			
Stocks	14	147,039	57,702
Debtors	15	588,417	1,147,509
Cash at bank and in hand		156,963	139,961
		<u>892,419</u>	<u>1,345,172</u>
Creditors: amounts falling due within one year	16	(2,575,276)	(4,543,733)
		<u>(1,682,857)</u>	<u>(3,198,561)</u>
Net current liabilities		(1,682,857)	(3,198,561)
Total assets less current liabilities		7,538,585	11,105,349
Creditors: amounts falling due after more than one year	17	(1,707,613)	(4,817,167)
Total net assets		5,830,972	6,288,182

PACT EDUCATIONAL TRUST LIMITED

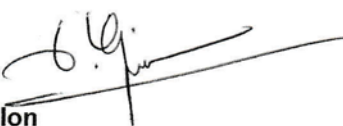
(A company limited by guarantee)

**CONSOLIDATED BALANCE SHEET (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Charity funds			
Restricted funds	20	30,994	30,994
Unrestricted funds			
General funds	20	5,799,978	(1,053,919)
Revaluation reserve		-	7,311,107
Total unrestricted funds	20	<u>5,799,978</u>	<u>6,257,188</u>
Total funds		<u><u>5,830,972</u></u>	<u><u>6,288,182</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:


D G Guillon
Trustee

Date: 31 OCTOBER 2022

The notes on pages 22 to 45 form part of these financial statements.

PACT EDUCATIONAL TRUST LIMITED**(A company limited by guarantee)****COMPANY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	11	9,221,442	14,303,909
Investments	12	1	1
		<hr/>	<hr/>
		9,221,443	14,303,910
Current assets			
Stocks	14	147,039	57,702
Debtors	15	588,417	1,147,509
Cash at bank and in hand		121,640	139,961
		<hr/>	<hr/>
		857,096	1,345,172
Creditors: amounts falling due within one year	16	(2,575,276)	(4,543,733)
		<hr/>	<hr/>
Net current liabilities		(1,718,180)	(3,198,561)
Total assets less current liabilities		<hr/> 7,503,263	<hr/> 11,105,349
Creditors: amounts falling due after more than one year	17	(1,707,613)	(4,817,167)
		<hr/>	<hr/>
Net assets excluding pension asset		5,795,650	6,288,182
Total net assets		<hr/> 5,795,650 <hr/>	<hr/> 6,288,182 <hr/>

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

	Note	2022 £	2021 £
Charity funds			
Restricted funds	20	30,994	30,994
Unrestricted funds			
General funds	20	5,764,656	(1,053,919)
Revaluation reserve		-	7,311,107
Total unrestricted funds	20	<u>5,764,656</u>	<u>6,257,188</u>
Total funds		<u><u>5,795,650</u></u>	<u><u>6,288,182</u></u>

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:



D G Guillon
Trustee

Date: 31 OCTOBER 2022

The notes on pages 22 to 45 form part of these financial statements.

PACT EDUCATIONAL TRUST LIMITED**(A company limited by guarantee)****CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022**

	2022 £	2021 £
Cash flows from operating activities		
Net cash used in operating activities	(1,552,586)	1,115,275
Cash flows from investing activities		
Proceeds from the sale of tangible fixed assets	13,000,000	-
Purchase of tangible fixed assets	(6,189,918)	(2,628,778)
Purchase of investments	(1)	-
Cash acquired on acquisition of subsidiary	459,087	-
Net cash provided by/(used in) investing activities	7,269,168	(2,628,778)
Cash flows from financing activities		
Cash inflows from new borrowing	375,212	2,393,402
Repayments of borrowing	(6,074,791)	(935,507)
Net cash (used in)/provided by financing activities	(5,699,579)	1,457,895
Change in cash and cash equivalents in the year	17,003	(55,608)
Cash and cash equivalents at the beginning of the year	139,961	195,569
Cash and cash equivalents at the end of the year	156,964	139,961

The notes on pages 22 to 45 form part of these financial statements

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

PACT Educational Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The consolidated statement of financial activities (SOFA) and consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of financial activities in these financial statements.

The financial statements are presented in Sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Company status

The company is a company limited by guarantee and is incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The address of the registered office and the principal place of business is The Cedars School, Coombe Road, Croydon, CR0 5RD.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. Accounting policies (continued)

1.3 Going concern

The board of trustees confirms that, having considered its expectations and intentions for the next twelve months and the availability of working capital, the charity is a going concern. Following the impact of COVID-19 on the business the trustees undertook a thorough review of the schools within the group and as a result of this took action to ensure the schools could enjoy a stable financial future. The unfortunate outcome of this was the closure of Oliver House School which was seen to have significant operational issues which we could not resolve. On the final completion of Oliver House and old Oakwood site assets the overall cost of estates will be greatly reduced whilst also providing for growth for each of the schools. Financial controls continue to be strong within the trust and are regularly reviewed so as to ensure changes are implemented as and when required. As a result of these steps the trustees feel they are prepared for the next twelve months. The trustees are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on the charity's ability to continue as a going concern.

The Trustees have prepared forecasts and considered future development plans for the charity, income anticipated from school fees and other sources, anticipated capital and operational expenditure, availability of bank and other loan finance, the ability to renegotiate or defer payments on loan finance, and their expectation regarding donations and other funding. Subsequent to the year end, the charity received a loan of €1 million from Fundacion Parentes.

In making this assessment the trustees have considered the working capital requirements of the business for a period of at least 12 months from the date of the approval of these financial statements and the ability of the charity to meet its liabilities as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.4 Fund accounting

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

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

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.5 Income

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

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

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

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school. Fees received in advance of education being provided are held as deferred income within liabilities until either taken to income in the academic year to which it relates or refunded.

1.6 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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to activities.

All expenditure is inclusive of irrecoverable VAT.

1.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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 asset and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Long-term leasehold property	-	4% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the consolidated statement of financial activities.

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

1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.10 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

1.11 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 Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The Group has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

The Group's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, and cash and bank balances, are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Other financial assets, including investments in equity instruments relating to subsidiaries are initially measured at fair value, which is normally the transaction price which excludes transaction costs for those financial assets that are subsequently measured at fair value through profit and loss.

Financial liabilities

Basic financial liabilities, including trade and other creditors, other 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Concessionary loans

Concessionary loans are initially recorded at the consideration received and are subsequently held at amortised cost based on the implied interest rate of the loan.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

1. Accounting policies (continued)

1.13 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

Retirement benefits to teaching staff of the charity are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity 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. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit scheme accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions payable are recognised in the period to which they relate.

1.14 Parental deposits

Parents pay a deposit on accepting a place for their child and this money is returned subject to offset of outstanding costs after their child leaves the school. Parental deposits are included in creditors and have been applied assuming that pupils remain in the school until completion of their final year.

2. Income from donations and legacies

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	-	11,995	11,995	204,310
Government grants	-	-	-	66,277
	<hr/>	<hr/>	<hr/>	<hr/>
	-	11,995	11,995	270,587
	<hr/>	<hr/>	<hr/>	<hr/>
Total 2021	15,000	255,587	270,587	
	<hr/>	<hr/>	<hr/>	

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

3. Income from charitable activities

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Education	5,396,150	5,396,150	4,866,573
	<u>5,396,150</u>	<u>5,396,150</u>	<u>4,866,573</u>
Total 2021	4,866,573	4,866,573	
	<u>4,866,573</u>	<u>4,866,573</u>	

4. Income from other trading activities

Income from fundraising events

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Fundraising	-	-	(84)
	<u>-</u>	<u>-</u>	<u>(84)</u>
Total 2021	(84)	(84)	
	<u>(84)</u>	<u>(84)</u>	

5. Other incoming resources

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Profit on disposal of fixed assets	1,774,836	1,774,836	-
	<u>1,774,836</u>	<u>1,774,836</u>	<u>-</u>

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

6. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Education	7,640,191	7,640,191	5,538,128
Total 2021	5,538,128	5,538,128	

7. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Total funds 2022 £	Total funds 2021 £
Education	7,640,191	7,640,191	5,538,128
Total 2021	5,538,128	5,538,128	

PACT EDUCATIONAL TRUST LIMITED**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022****7. Analysis of expenditure by activities (continued)****Analysis of direct costs**

	Education 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	3,760,600	3,760,600	3,885,973
Depreciation and amortisation	1,356,337	1,356,337	156,826
Finance costs	327,176	327,176	125,935
Scholastic supplies	142,927	142,927	97,379
Canteen costs	304,099	304,099	226,099
Trips & travel	283,625	283,625	25,320
Marketing, PR & advertising	28,884	28,884	22,325
Staff related expenditure	20,826	20,826	27,815
Property costs	644,369	644,369	615,402
General and administrative costs	313,463	313,463	237,890
Legal and professional fees	301,294	301,294	12,561
Insurance	130,251	130,251	82,150
Charitable donations	108	108	-
Fundraising	-	-	156
Governance costs	26,232	26,232	22,297
	<u>7,640,191</u>	<u>7,640,191</u>	<u>5,538,128</u>
Total 2021	<u>5,538,128</u>	<u>5,538,128</u>	

8. Staff costs

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	3,005,008	3,118,744	2,778,576	3,118,744
Social security costs	295,260	291,931	272,312	291,931
Contribution to defined contribution pension schemes	460,332	475,298	418,546	475,298
	<u>3,760,600</u>	<u>3,885,973</u>	<u>3,469,434</u>	<u>3,885,973</u>

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

8. Staff costs (continued)

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Teaching	47	67	47	67
Non teaching	39	26	39	26
	86	93	86	93

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

	Group 2022 No.	Group 2021 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	3
In the band £90,001 - £100,000	1	1

The key management personnel of the charity comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £462,365 (2021: £483,097).

9. Net income/(expenditure)

This is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets: owned by the charity	142,792	156,826
Auditor's remuneration - audit	25,287	24,000
	168,079	180,826

During the year, no Trustees received any remuneration (2021 - £NIL).

During the year, no Trustees received any benefits in kind (2021 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2021 - £NIL).

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

10. Intangible assets

Group

	Goodwill £
Cost	
On acquisition of subsidiaries	1,208,950
At 31 August 2022	1,208,950
Amortisation	
Impairment charge	1,208,950
At 31 August 2022	1,208,950
Net book value	
At 31 August 2022	-
At 31 August 2021	-

Details of business combinations giving rise to intangible assets are found in note 19.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022****11. Tangible fixed assets****Group**

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Assets in the course of construction £	Total £
Cost or valuation						
At 1 September 2021	13,654,109	325,982	66,646	853,494	2,568,244	17,468,475
Additions	3,481,101	121,479	-	180,756	2,406,581	6,189,917
On acquisition of subsidiaries	-	-	-	65,763	-	65,763
Disposals	(11,764,639)	-	-	(212,251)	-	(11,976,890)
Transfers between classes	325,982	4,556,597	-	-	(4,882,579)	-
At 31 August 2022	<u>5,696,553</u>	<u>5,004,058</u>	<u>66,646</u>	<u>887,762</u>	<u>92,246</u>	<u>11,747,265</u>
Depreciation						
At 1 September 2021	2,431,064	44,795	66,646	622,061	-	3,164,566
Charge for the year	37,494	51,805	-	53,493	-	142,792
On disposals	(624,291)	-	-	(157,244)	-	(781,535)
Transfers between classes	44,795	(44,795)	-	-	-	-
At 31 August 2022	<u>1,889,062</u>	<u>51,805</u>	<u>66,646</u>	<u>518,310</u>	<u>-</u>	<u>2,525,823</u>
Net book value						
At 31 August 2022	<u><u>3,807,491</u></u>	<u><u>4,952,253</u></u>	<u><u>-</u></u>	<u><u>369,452</u></u>	<u><u>92,246</u></u>	<u><u>9,221,442</u></u>
At 31 August 2021	<u><u>11,223,045</u></u>	<u><u>281,187</u></u>	<u><u>-</u></u>	<u><u>231,433</u></u>	<u><u>2,568,244</u></u>	<u><u>14,303,909</u></u>

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

11. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Assets in the course of construction £	Total £
Cost or valuation						
At 1 September 2021	13,654,109	325,982	66,646	853,494	2,568,244	17,468,475
Additions	3,481,101	121,479	-	180,756	2,406,581	6,189,917
On acquisition of subsidiaries	-	-	-	65,763	-	65,763
Disposals	(11,764,639)	-	-	(212,251)	-	(11,976,890)
Transfers between classes	325,982	4,556,597	-	-	(4,882,579)	-
At 31 August 2022	<u>5,696,553</u>	<u>5,004,058</u>	<u>66,646</u>	<u>887,762</u>	<u>92,246</u>	<u>11,747,265</u>
Depreciation						
At 1 September 2021	2,431,064	44,795	66,646	622,061	-	3,164,566
Charge for the year	37,494	51,805	-	53,493	-	142,792
On disposals	(624,291)	-	-	(157,244)	-	(781,535)
Transfers between classes	44,795	(44,795)	-	-	-	-
At 31 August 2022	<u>1,889,062</u>	<u>51,805</u>	<u>66,646</u>	<u>518,310</u>	<u>-</u>	<u>2,525,823</u>
Net book value						
At 31 August 2022	<u>3,807,491</u>	<u>4,952,253</u>	<u>-</u>	<u>369,452</u>	<u>92,246</u>	<u>9,221,442</u>
At 31 August 2021	<u>11,223,045</u>	<u>281,187</u>	<u>-</u>	<u>231,433</u>	<u>2,568,244</u>	<u>14,303,909</u>

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

12. Fixed asset investments

Company	Investments in subsidiary companies £
Cost or valuation	
Additions	1
At 31 August 2022	<u>1</u>
Net book value	
At 31 August 2022	<u>1</u>

13. Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
The Laurels School Limited	08555840	The Cedars, Coombe Road, Croydon, CR0 5RD	Provision of Education

Class of shares	Holding	Included in consolidation
Ordinary	100%	Yes

The financial results of the subsidiary for the year were:

Name	Income £	Expenditure £	Profit/(Loss) / Surplus/ (Deficit) for the year £	Net assets £
The Laurels School Limited	364,515	463,918	(99,403)	(1,304,798)

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

14. Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
School uniform stock	147,039	57,702	147,039	57,702

15. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due within one year				
Trade debtors	529,157	335,589	529,157	335,589
Other debtors	-	751,615	-	751,615
Prepayments and accrued income	59,260	59,488	59,260	59,488
Grants receivable	-	817	-	817
	588,417	1,147,509	588,417	1,147,509

PACT EDUCATIONAL TRUST LIMITED**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022****16. Creditors: Amounts falling due within one year**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	-	2,275,000	-	2,275,000
Other loans	819,076	834,872	819,076	834,872
Payments received on account	80,510	130,121	80,510	130,121
Trade creditors	197,599	296,903	197,599	296,903
Other taxation and social security	349,174	73,007	349,174	73,007
Other creditors	126,572	168,272	126,572	168,272
Accruals and deferred income	1,002,345	765,558	1,002,345	765,558
	2,575,276	4,543,733	2,575,276	4,543,733
	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Deferred income at 1 September 2021	507,688	281,899	507,788	281,999
Resources deferred during the year	573,793	479,347	573,793	479,347
Amounts released from previous periods	(507,688)	(253,558)	(507,788)	(253,558)
	573,793	507,688	573,793	507,788

Deferred income at the reporting date represents school fees received during the year which relates to the academic year commencing 1 September 2022.

The bank and other loans are secured by fixed and floating charges over the charity's properties.

Included within other creditors are unpaid pension contributions of £124,172 (2021: £57,315).

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022****17. Creditors: Amounts falling due after more than one year**

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Bank loans	-	2,550,592	-	2,550,592
Other loans	1,393,263	1,992,713	1,393,263	1,992,713
Other creditors	314,350	273,862	314,350	273,862
	1,707,613	4,817,167	1,707,613	4,817,167

Other loans also include loans from individuals and Trustees bearing interest from 0% to 3% per annum. Details of loans provided by Trustees are given in note 28. As these loans are provided at below the prevailing market rate of interest and are for the purposes of furthering the objectives of the charity, these loans are considered to be concessionary loans.

The other loans are secured by fixed and floating charges over the charity's properties.

18. Financial instruments

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Financial assets				
Financial assets measured at fair value through income and expenditure	1	1	1	1
Financial assets that are debt instruments measured at amortised cost	529,157	1,088,021	1,869,278	1,088,021
	529,158	1,088,022	1,869,279	1,088,022
Financial liabilities				
Financial liabilities measured at amortised cost	3,280,544	8,595,342	3,280,544	8,595,342

Financial assets measured at fair value through income and expenditure comprise investments.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank and other loans, parental deposits, trade creditors and other creditors.

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

19. Business combinations

On 22/04/2022, the Company acquired The Laurels School Limited for £ 1, which was settled in cash.

	Book value	Fair value	Fair value
	£	adjustments	£
		£	£
Fixed Assets			
Tangible	45,185	-	45,185
	<u>45,185</u>	<u>-</u>	<u>45,185</u>
Current Assets			
Debtors	31,013	-	31,013
Cash at bank and in hand	459,087	-	459,087
	<u>535,285</u>	<u>-</u>	<u>535,285</u>
Total Assets			
Creditors			
Due within one year	(1,744,234)	-	(1,744,234)
	<u>(1,208,949)</u>	<u>-</u>	<u>(1,208,949)</u>
Total identifiable net liabilities			
Goodwill			1,208,950
Total purchase consideration			<u>1</u>

The goodwill arising on acquisition has been written off in the year.

The results of The Laurels School Limited since acquisition are as follows:

	Current
	period since
	acquisition
	£
Revenue	364,515
Loss for the period since acquisition	<u>(99,403)</u>

PACT EDUCATIONAL TRUST LIMITED**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022****20. Statement of funds****Statement of funds - current year**

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
Unrestricted funds					
General Funds - all funds	(1,053,919)	7,182,981	(7,640,191)	7,311,107	5,799,978
Revaluation reserve	7,311,107	-	-	(7,311,107)	-
	6,257,188	7,182,981	(7,640,191)	-	5,799,978
Restricted funds					
Restricted Funds - all funds	30,994	-	-	-	30,994
Total of funds	6,288,182	7,182,981	(7,640,191)	-	5,830,972

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
Unrestricted funds				
General Funds - all funds	(637,867)	5,122,076	(5,538,128)	(1,053,919)
Revaluation reserve	7,311,107	-	-	7,311,107
	<u>6,673,240</u>	<u>5,122,076</u>	<u>(5,538,128)</u>	<u>6,257,188</u>
Restricted funds				
Restricted Funds - all funds	15,994	15,000	-	30,994
	<u>15,994</u>	<u>15,000</u>	<u>-</u>	<u>30,994</u>
Total of funds	<u><u>6,689,234</u></u>	<u><u>5,137,076</u></u>	<u><u>(5,538,128)</u></u>	<u><u>6,288,182</u></u>

21. Summary of funds

Summary of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2022 £
General funds	6,257,188	7,182,981	(7,640,191)	-	5,799,978
Restricted funds	30,994	-	-	-	30,994
	<u>6,288,182</u>	<u>7,182,981</u>	<u>(7,640,191)</u>	<u>-</u>	<u>5,830,972</u>

Summary of funds - prior year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
General funds	6,673,240	5,122,076	(5,538,128)	6,257,188
Restricted funds	15,994	15,000	-	30,994
	<u>6,689,234</u>	<u>5,137,076</u>	<u>(5,538,128)</u>	<u>6,288,182</u>

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022**

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £
Tangible fixed assets	30,994	9,190,448	9,221,442
Current assets	-	892,419	892,419
Creditors due within one year	-	(2,575,276)	(2,575,276)
Creditors due in more than one year	-	(1,707,613)	(1,707,613)
Total	30,994	5,799,978	5,830,972

Analysis of net assets between funds - prior year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	30,994	14,272,915	14,303,909
Fixed asset investments	-	1	1
Current assets	-	1,345,172	1,345,172
Creditors due within one year	-	(4,543,733)	(4,543,733)
Creditors due in more than one year	-	(4,817,167)	(4,817,167)
Total	30,994	6,257,188	6,288,182

PACT EDUCATIONAL TRUST LIMITED

(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022****23. Reconciliation of net movement in funds to net cash flow from operating activities**

	Group 2022 £	Group 2021 £
Net expenditure for the year (as per Statement of Financial Activities)	(457,210)	(401,052)
Adjustments for:		
Depreciation charges	142,792	156,826
Amortisation charges	1,208,950	-
Profit on the sale of fixed assets	(1,774,836)	-
Increase in stocks	(89,337)	(26,341)
(Increase)/decrease in debtors	(945,772)	1,115,593
Decrease in creditors	362,827	259,739
Interest accrued not paid	-	10,510
Net cash provided by/(used in) operating activities	(1,552,586)	1,115,275

24. Analysis of cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash in hand	156,964	139,961
Total cash and cash equivalents	156,964	139,961

25. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	139,961	17,002	156,963
Debt due within 1 year	(3,109,872)	2,290,796	(819,076)
Debt due after 1 year	(4,543,305)	3,150,042	(1,393,263)
	(7,513,216)	5,457,840	(2,055,376)

26. Pension commitments

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £415,487 (2021: £429,557).

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 school has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out the above information available on the scheme.

Stakeholder pension scheme

The charity operates a defined contribution scheme for the benefit of its non-teaching employees. Contributions payable are charged to the profit and loss account in the year they are payable. Contributions payable to the pension scheme during the year were £44,845 (2021: £45,741).

PACT EDUCATIONAL TRUST LIMITED**(A company limited by guarantee)****NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022****27. Operating lease commitments**

At 31 August 2022 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2022 £	Group 2021 £
Not later than 1 year	10,000	240,000
Later than 1 year and not later than 5 years	40,000	960,000
Later than 5 years	7,300,164	3,905,800
	7,350,164	5,105,800

28. Related party transactions

Owing to the nature of the charity'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 the trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures..

Transactions with related parties are as follows:

Relationship	Transaction	Amount		Amount due (to)/from related parties	
		2022 £	2021 £	2022 £	2021 £
Trustees	Donations	-	600	-	-
	Interest free loans	(80,000)	130,000	(50,000)	(130,000)
Charities with common Trustees	Interest free loan	284,019	-	(1,051,732)	(767,713)
	Rental payments	140,000	240,000	-	-
The Laurels School Limited (subsidiary)	Sub-lease payments	-	174,000	-	-
	Management fees	83,333	39,996	-	(104,127)
	Loan	-	-	1,340,121	750,000

The loans from Trustees are secured by fixed charges over the charity's properties.

29. Controlling party

The board of trustees is the controlling party.

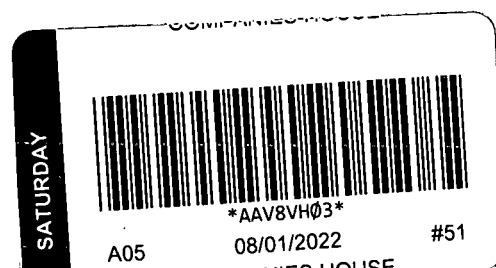
PACT EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 1053810

Accounts

Registered number: 03166207
Charity number: 1053810

**PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**



PACT EDUCATIONAL TRUST LIMITED
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PACT EDUCATIONAL TRUST LIMITED

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees	D. Guillon, Executive Chair P J Leonard, Deputy Chair A F G Alting Von Geusau, Chairman Finance Committee X Bosch (resigned 1 November 2020) M Bollore (appointed 15 January 2021) A P Newman-Sanders (resigned 23 December 2020) M L Newman-Sanders M P S Stables P Millington S Cassidy H Trust (resigned 22 December 2020) J Valero
Company registered number	03166207
Charity registered number	1053810
Registered office	Oakwood School Coombe Road Lloyd Park Croydon CR0 5RD
Company secretary	B Millington
Chief executive officer	B Millington
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	Barclays Bank PLC Marcham Road Abingdon Oxfordshire OX14 1UB
Headteachers	C Candia D Morrison L Sanders (of The Laurels School, a separate legal entity managed by PACT) R Teague

PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees, who are also directors, present their annual report for the year ended 31 August 2021 under the Charities Act 2011 including the Directors' and Strategic Reports under the Companies Act 2006 together with the audited financial statements for the year.

The accounts comply with Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), with all statutory requirements and the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 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 2015).

The Board of Trustees is pleased with the performance of the charity during the year and the position at 31 August 2021. The Trustees consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets and available financial facilities are adequate to fulfil its obligations.

Objectives and activities

a. Mission statement

The central aim of our schools is the development of the person as a whole.

- A unique approach to learning and development of the student allows for academic excellence; we want to create an environment that promotes a lifelong passion for learning;
- In any activity, be it curriculum or extra curriculum, the student is encouraged to practice good habits, that lead to a life of virtue, thus achieving personal maturity and inner freedom;
- There is no one size that fits all. Thanks to the tutorial system, we make sure each student receives personalized attention and care to guide the young person academically and personally.
- We want the parents to be the first and principal educators of their children. As schools, we support them in their most important mission, i.e. helping their children become the best version of themselves. The very name of our Charity reflects this: parents and teachers together for the good of the children.
- Our value system is rooted in a Christian understanding of the human person. That being said, we value religious freedom and welcome parents and students of all faiths or none, who subscribe to our general vision.

The objects of PACT are the advancement of education and the development of character in accordance with Christian principles and ideals in particular through the provision and maintenance of schools.

Our philosophy recognises parents as the primary educators of their children and this is the cornerstone of our approach. We pursue academic and personal excellence for all pupils but this is not just measured in test results and statistics. Our goal remains assisting each pupil to attain excellence both academically and in personal development in particular in the acquisition of Christian virtues. We do this within the framework of a supportive Catholic ethos.

PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

b. Main objectives for the year

Our key objectives for the year to 31 August 2021 included:

- Implementation of new estates strategy across 3 schools to reflect growing pupil numbers.
 - The Cedars and The Laurels are operating from a new site in SE19 from September 2021. Whilst the schools will remain single sex they will benefit from the collaboration that will be possible from co-location. Academic year 2020/21 saw the development of the school building.
 - With The Cedars School moving from Lloyd Park an opportunity arose for Oakwood to move to a larger site giving it greater possibilities in terms of facilities available. Again 2020/21 saw the conversion of the buildings from a Secondary School to a building suitable for a Prep School to operate from.
- Closure of Oliver House School due to a change in local demographics resulting in lower than sustainable pupil numbers. Whilst the closure of Oliver House was a difficult decision to make the aim was to support our parents and staff as much as possible during this period and also bring as many across to the new Oakwood site as possible - around 15 students and 5 members of staff moved across.
- Continue to excel academically and so attract increased numbers to our 6th form programme.
- Increase our ability to offer bursaries to deserving students via a sponsorship programme.
- Building on the levels of academic excellence already achieved.
- Securing financing and donations necessary to further develop all our schools.

PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

c. Strategies for achieving objectives

The trustees are responsible for planning (and monitoring progress) so as to achieve the objectives they have set. Ensuring that all pupils have the opportunity to realise their full potential and have the best preparation for their next stage of schooling, continues to underpin the objectives of PACT. The schools aim to provide a first-class all-round education to children between the ages of 3 and 18. As well as an excellent academic education, the schools provide pupils with a range of extracurricular activities including drama, music and sport.

Each school's aim is to develop the whole child through the care, guidance and support of all staff members and the building of close links in a three-way partnership between the school, the pupil and parents. PACT encourages pupils to explore, discover and develop their particular skills and talents to the full whether in the academic field, sport, art or music and to find the fulfilment and self-esteem necessary to enhance their lives. The schools aim to develop the values of respect and compassion while encouraging self-reliance and independence. PACT prepares pupils for life in the wider world by developing them as well-rounded individuals, comfortable with their peers, elders and themselves, able to appreciate their talents, eager to realise their potential and confident in meeting new challenges.

The objectives and the progress of the charity and schools to meet them are subject to reporting and monitoring at Board and Executive Committee meetings, and through specific academic and ethos committees. PACT's unique partnership-with-parents education model also brings regular feedback to Heads and governors.

In implementing our strategy we have:

- Undertaken a market analysis study for each school to ascertain where it sits in its market, where it can improve, what the future prospects are for each school and re-acted according to this plan.
- In addition to the above a full financial study has been made of each school, not just for the immediate future but looking at the prospects of the schools over the following 10 years and ensuring we have a realistic plan against which to hold ourselves.
- Continued a disciplined approach to reviewing Policies and Statutory Requirements so that the schools remain compliant.
- Sought to benefit the public through the implementation of the charity's stated aims: the fees for each of the schools are set at a level to ensure financial viability while allowing the charity to pursue its strategy.
- We have continued to find private sponsorships to support us in our aims to make our schools reachable despite financial circumstances of families.

All expenditure during the year has been incurred to enhance the personalised education of children and their character development to achieve the objectives set out above.

d. Discounts

PACT has a discount policy. It is important to PACT that access to the education offered by its schools is not restricted to those who can afford the fees. Bursaries are means tested to ensure that financial help is provided to those families which need it. To give practical support to the value PACT places on continuity for families, PACT also operates a family discount policy.

In addition to this the secondary schools offer Academic, Music, Art & Sporting Scholarships for those who excel.

It is often important for parents hoping to send their children to a PACT school that they are able to spread their fees payments across the term and so a plan is in place for termly fees to be taken in instalments across 3 months.

In order that PACT can recruit and retain high calibre staff, PACT offers a discount scheme for staff that choose to educate their children at any of PACT's schools.

PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities (continued)

e. Volunteers

Encouraged by PACT's aim to operate its schools in partnership with the parents of each child, PACT continues to be assisted in its work by a large number of parent volunteers. Of the 12 governors serving during the year, four are parent volunteers, and an additional 1 used to be in recent years. Volunteers perform a range of tasks helping the schools to work towards the aims of the charity including supporting class teachers and teaching assistants on offsite excursions and running extra-curricular sessions on particular areas of interest. The Parental Activity Teams in each school run various activities throughout the school year including family barbecues, family fun days, the parents' dinner and Quiz night, as well as supporting the school by providing refreshments on various school occasions. They also fundraise to support school projects and other charities. Volunteer class coordinators also help the Heads arrange class discussions throughout the year.

Achievements and performance

a. Academic

Oakwoods continue to feature in The Times Top 100 Preparatory Schools with excellent academic results. The numbers working at greater depth throughout the school are testament to the academic achievement of the schools, especially when you bear in mind this is a non selective school.

Both schools' achievements are considerably higher than either the state or independent school average. Of course this year, in light of the global health situation, SATS were not sat by any schools and so there was no Times Top 100 published.

COVID-19 has brought significant disruption to students and schools generally, despite this we have seen fantastic performance with all of our A Level Students at The Laurels achieving their first choice university place and GCSE's with an average score of 7.1 and average point score of 67.2.

Similarly The Cedars saw another set of excellent results with just under half of our students receiving all grade A and above for A Levels. At GCSE we saw 40% of all grades awarded at 8 or above.

b. The Arts

A large proportion of pupils learn at least one musical instrument and are encouraged to perform at regular musical events. Choral singing, verse speaking, LAMDA and music exams and school dramatic productions continue to be an important part of the all-round education offered by the PACT schools, which also promote the children's skills and general confidence. Peripatetic music teaching covers a variety of instruments, including brass, drums, cello, guitar, piano and violin. All children in Year 6 learn about harmonics through ukulele lessons and lower juniors take recorder lessons. Our Secondary schools have various choirs and orchestras.

c. Sport

PACT school sport is about participation, competitiveness and good sportsmanship and is an important part of a PACT all-round education. Pupils take part in a wide variety of sporting activities including football, rugby, netball, cricket, rounders, cross-country running, gymnastics, athletics, karate, fencing, swimming, squash, hockey and tennis. Competitions are arranged with local schools and The Cedars reputation in the sporting arena is known as being well above what would be expected for a small school.

PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Achievements and performance (continued)

d. Community service

PACT sees understanding charitable needs and fund raising for charities as an important part of developing the whole child and their sense of Christian mission and values, especially in acknowledging that there are people in the UK and all over the world who are less fortunate than the pupils themselves. While this is stressed throughout the year, there is a particular focus on charitable giving during Advent and through various Lenten appeals.

PACT regularly provides talks, workshops and other activities for parents, wider family and members of the community on issues connected with the development of character in accordance with Christian principles.

Despite the economic uncertainty we face as a result of the current health situation, our schools continue to grow in terms of student numbers. We have however seen the other side of this with Oliver House pupil numbers dropping, the understanding is that COVID was the final factor that drove pupil numbers down and the school could no longer be financially supported. The Board is not complacent and will continue to monitor market activities so we can react and ensure the schools survive this period of uncertainty.

e. Public benefit

PACT's objectives are set to reflect the educational aims and ethos of the schools. In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to the guidance on advancing education and on fee-charging. The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. Based on the average stated cost to the taxpayer (of £6,280 per pupil), of providing education in the maintained school sector, PACT estimates that those parents who choose to send their children to PACT schools are contributing to a saving for taxpayers generally, and thus creating an annual benefit to the public of over £3.3 million.

Financial review

a. Going concern

The board of trustees confirms that, having considered its expectations and intentions for the next twelve months and the availability of working capital, the charity is a going concern. The sale of Oliver House, which completed in October 2021, will allow us to support the business through the next few years until we can reach an operational breakeven point. The trustees are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on the charity's ability to continue as a going concern.

In making this assessment the trustees have considered the working capital requirements of the business for a period of at least 12 months from the date of the approval of these financial statements and the ability of the charity to meet its liabilities as they fall due. The Trustees have prepared forecasts and considered future development plans for the charity, income anticipated from school fees and other sources, anticipated capital and operational expenditure, availability of bank and other loan finance, the ability to renegotiate or defer payments on loan finance, and their expectation regarding donations and other funding.

PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Financial review (continued)

b. Reserves policy

The trustees have reviewed the Reserves Policy. The charity continues to invest substantial sums into its buildings and for the provision of educational equipment. The majority of funds are invested in the tangible fixed asset properties. The trustees continue to be satisfied that external financial facilities provide an additional and adequate safety net, if it should be required.

To ensure the financial stability of the schools, the trustees believe that, as a minimum, reserves should be held which are capable of paying for the running costs of all PACT schools for one term and therefore are aiming to build cash reserves out of future surpluses to a level of approximately £1 million.

All expenditure during the year has been incurred to enhance the personalised education of children and their character development to achieve the objectives set out above.

c. Principal funding

The charity's primary source of funds is school fees from parents, although funding is received in donations from private individuals. Funding from school fees is used to support the charity in its primary day to day operations whilst the use of donation funding is determined by the wishes of the individual donors (where specific wishes are expressed) or in a wider scope of activities where no details are given by the donor.

d. Financial review of the year including key performance indicators

Income for the year ended 31 August 2021 decreased to £5,137,076 (2020: £5,485,901) reflecting decreased pupil numbers.

Expenses for the year ended 31 August 2021 increased to £5,538,128 (2020: £5,475,984). This is partly attributable to increased rental expense. The charity's net decrease in cash was £55,608.

At 31 August 2021 the charity had net assets of £6,288,182 (2020: £6,689,234) comprising a surplus of £30,994 (2020: surplus of £15,994) of restricted funds and £6,257,188 (2020: £6,673,240) of unrestricted funds. Included within unrestricted funds are balances relating to the revaluation of property, totalling £7,311,107 (2020: £7,311,107).

The Trustees continue to believe that the key performance indicators are growth in pupil numbers from year to year. Whilst Oliver House and The Cedars have seen a decrease in numbers this is a pattern that is currently seen across many Schools in the London area and the UK as a whole. The pupil numbers at Oakwood have in fact increased by 5%.

The charity's funds are held in current and interest-bearing Business Premium accounts. The Board of Trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management

a. Constitution

The company is constituted under a Memorandum of Association dated 29 February 1996 and has a registered charity number 1053810.

PACT Educational Trust Limited is a charitable company limited by guarantee. The charity is also known as PACT. The trustees are directors of the company and governors of the schools and the terms are used interchangeably in this report unless specific reference is made.

PACT operates in accordance with its Memorandum and Articles of Association dated 29th February 1996 as amended on 21st November 2007. There were four schools under the PACT group umbrella. The preparatory schools – Oakwood in Purley, Surrey (OW) and Oliver House (OH) in Clapham, London – teach children aged 3-11 years. Oliver House School ceased to trade on 31 August 2021.

b. Governance and management

The governance structure of the schools is designed to ensure the financial stability and future success of the preparatory schools and the newer secondary schools. The board focuses on:

- fundraising;
- governance;
- long-term strategy; and
- safeguarding and compliance.

The Board of governors of PACT meets at least once a term to:

- review, discuss and approve policies for each school;
- develop strategic plans;
- oversee the raising of funds for the development of PACT and its schools;
- review and enhance governance processes;
- deal with the appointment of PACT board members;
- approve the annual PACT budget and capital investment plans, are approved by the finance committee which is a subcommittee of the board; and
- approve senior appointments.

The Executive Chair is one of the volunteering governors. He ensures the Board works effectively on its mission. He designs a clear long-term strategy, with growth prospects that are supported by adequate funding and an aligned estate strategy. As such he is the liaison between PACT and its members, its donors, and the various stakeholders. He ensures all members in the organisation share the same vision and work to support it. He has full responsibility over the strategy and the operational management, with exception to the appointment of new Heads that requires a vote by the Board.

He also serves as the direct link between management and the Board, and is leading the transition PACT wants to achieve within this period, moving to a model of schools nurturing close cooperation whilst keeping their distinct identities, whereby modern and adequate facilities will support the quality of education we want to achieve. As and when needed, the Executive Chair will provide guidance so that operational management is implementing the strategic plans, and conversely any long-term plan is rooted in the reality of the schools and their competitive environment. He is also involved in negotiating large contracts, building projects, overseeing architectural design, management of the work, management of the contractors, making sure all requirements of schools are properly met within well maintained facilities.

David Guillon has been appointed as Executive Chair in April 2020.

Each PACT school has an Executive Committee meeting half-termly, consisting of the CEO, relevant school Director, Head-Teacher and their Senior Management Team (SMT). These support the Heads in their demanding jobs, with the day-to-day running of the schools being delegated to them and their SMT.

PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

b. Governance and management (continued)

Additionally, the board convenes a Finance Committee to provide oversight of the charity's finances. A director, currently Alexander Alting von Geusau, chairs the committee and is joined by another board member with financial expertise, the Chair and the CEO. It is convened at least once a term and meets more frequently when needed, especially in the run-up to preparing and finalising the budget.

The day-to-day management of the charity is delegated to the Chief Executive Officer. Mrs Bernadette Millington currently fills that role and was appointed by the board in July 2018. She is additionally charged with implementing the trustees' long-term strategic plan and vision for the schools. She works closely with the heads of the schools and their senior management teams. Working together, the heads and CEO:

- manage the PACT budget for each school on a month -by-month basis;
- appoint staff;
- deal with those matters affecting staff where the Heads have sought assistance; and
- deal with all on-going practical issues and decision making which is not of a strategic nature.

Additionally, besides managing the central finance office, the CEO provides leadership in the following day-to-day operational management functions:

- Estates;
- Human Resources;
- Information Technology; and
- Marketing.

Our primary schools are members of the Independent Association of Preparatory Schools which provides an opportunity to share expertise, knowledge and experience across the independent school sector. Both senior schools are accredited members of the Independent Schools Association. The Catholic Independent Schools' Conference also provides valuable support to the Heads of all four schools.

c. Organisational structure

The charity is governed by the Board of governors, who are also the company directors and charity trustees, and consists, for the period under review, of four schools, Oakwood School in Purley, Surrey, Oliver House School in Clapham, London, The Cedars School in South Croydon, Surrey and The Laurels School in Chelsea, London. The beginning of academic year 2021/22 saw all schools operating from new, larger premises.

The Board of governors requires breadth and depth of experience in order to carry out its duties effectively and efficiently. When recruiting new trustees it is considered essential that they have an understanding of and support for PACT's specific educational ethos and a genuine enthusiasm to engage in an environment where character development and personalised education is of the utmost importance. Potential new trustees are identified during discussions of the Board and then an interview process is pursued with each candidate to assess suitability.

Reflecting on the skills and experience necessary for effective governance and management, the governors deem that the Board should at a minimum comprise the following:

- one governor with a financial or accounting background;
- one with education experience;
- another with senior management or business experience;
- one for each school, each with direct knowledge of their specific school.

All the directors of the company are also trustees of the charity, and their responsibilities include all the responsibilities of directors under the Companies Acts and of trustees under the Charities Acts.

PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Structure, governance and management (continued)

d. Policies adopted for the induction and training of Trustees

New governors are provided with a comprehensive pack setting out the objects of the charity, its policies and procedures, its annual accounts and other relevant materials. They are trained through discussions with long standing existing governors, members of the senior management teams at each of the schools and through the very open discussions held during Board and Executive Committee meetings. Governors are expected to regularly dedicate time to their duties as a member of the Board.

e. Risk management

The Board of governors is responsible for the management of risks faced by the schools. Detailed consideration of risks is delegated to the CEO and Senior Management Teams in each school. Risks are identified and assessed, and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on a bi-annual basis and in response to immediate risks which may arise. This monitoring process looks at the effectiveness of the system of internal controls and other viable means of avoiding risk and assists the governors to put in place insurance cover where appropriate. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law, the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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

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

PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

The Report of the Governors, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of PACT Educational Trust Limited, including in their capacity as company directors approving the Directors' and Strategic Reports contained therein, and is signed as authorised on its behalf by:


D G Guillon
Trustee

Date: 22/12/2021

PACT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of PACT Educational Trust Limited (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

PACT EDUCATIONAL TRUST LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2021

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.

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 Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report included within the Trustees' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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 trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

PACT EDUCATIONAL TRUST LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2021

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, the Companies Act 2006, taxation legislation and data protection, safeguarding, employment and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

PACT EDUCATIONAL TRUST LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED
(CONTINUED)**

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor's responsibilities for the audit of the financial statements (continued)

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Blick Rothenberg Audit LLP

Mark Hart FCA CTA (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

23 December 2021

PACT EDUCATIONAL TRUST LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations and legacies	2	15,000	255,587	270,587	418,704
Charitable activities	3	-	4,866,573	4,866,573	5,066,972
Other trading activities	4	-	(84)	(84)	-
Total income		15,000	5,122,076	5,137,076	5,485,676
Expenditure on:					
Charitable activities		-	5,538,128	5,538,128	5,475,984
Total expenditure	5	-	5,538,128	5,538,128	5,475,984
Net movement in funds		15,000	(416,052)	(401,052)	9,692
Reconciliation of funds:					
Total funds brought forward		15,994	6,673,240	6,689,234	6,679,542
Net movement in funds		15,000	(416,052)	(401,052)	9,692
Total funds carried forward		30,994	6,257,188	6,288,182	6,689,234

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

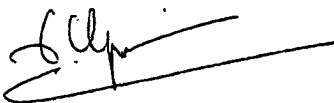
The notes on pages 19 to 37 form part of these financial statements.

PACT EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)
BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	8	14,303,909	11,831,957
Investments	9	1	750,001
		<u>14,303,910</u>	<u>12,581,958</u>
Current assets			
Stocks		57,702	31,361
Debtors	10	1,147,509	1,513,102
Cash at bank and in hand		139,961	195,569
		<u>1,345,172</u>	<u>1,740,032</u>
Creditors: amounts falling due within one year	11	(4,543,733)	(2,048,434)
Net current liabilities		<u>(3,198,561)</u>	<u>(308,402)</u>
Total assets less current liabilities		<u>11,105,349</u>	<u>12,273,556</u>
Creditors: amounts falling due after more than one year	12	(4,817,167)	(5,584,322)
Net assets excluding pension asset		<u>6,288,182</u>	<u>6,689,234</u>
Total net assets		<u><u>6,288,182</u></u>	<u><u>6,689,234</u></u>
Charity funds			
Restricted funds	14	30,994	15,994
Unrestricted funds			
General funds	14	(1,053,919)	(637,867)
Revaluation reserve		7,311,107	7,311,107
Total unrestricted funds	14	<u>6,257,188</u>	<u>6,673,240</u>
Total funds		<u><u>6,288,182</u></u>	<u><u>6,689,234</u></u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

D G Guillon
Trustee
Date:


22 / 12 / 2021

PACT EDUCATIONAL TRUST LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	17	1,115,275	62,636
Cash flows from investing activities			
Purchase of tangible fixed assets		(2,628,778)	(126,355)
Net cash used in investing activities		(2,628,778)	(126,355)
Cash flows from financing activities			
Repayments of borrowing		(935,507)	(221,745)
Cash inflows from new borrowing		2,393,402	300,000
Net cash provided by financing activities		1,457,895	78,255
Change in cash and cash equivalents in the year		(55,608)	14,536
Cash and cash equivalents at the beginning of the year		195,569	181,033
Cash and cash equivalents at the end of the year	18	139,961	195,569

The notes on pages 19 to 37 form part of these financial statements

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

PACT Educational Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The charity's functional and presentational currency is Sterling (£).

1.2 Company status

The company is a company limited by guarantee and is incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The address of the registered office and the principal place of business is The Cedars School, Coombe Road, Croydon, CR0 5RD.

1.3 Going concern

The board of trustees confirms that, having considered its expectations and intentions for the next twelve months and the availability of working capital, the charity is a going concern. Following the impact of COVID-19 on the business the trustees undertook a thorough review of the schools within the group and as a result of this took action to ensure the schools could enjoy a stable financial future. The unfortunate outcome of this was the closure of Oliver House School which was seen to have significant operational issues which we could not resolve. On the final completion of Oliver House and old Oakwood site assets the overall cost of estates will be greatly reduced whilst also providing for growth for each of the schools. Financial controls continue to be strong within the trust and are regularly reviewed so as to ensure changes are implemented as and when required. As a result of these steps the trustees feel they are prepared for the next twelve months. The trustees are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on the charity's ability to continue as a going concern.

The Trustees have prepared forecasts and considered future development plans for the charity, income anticipated from school fees and other sources, anticipated capital and operational expenditure, availability of bank and other loan finance, the ability to renegotiate or defer payments on loan finance, and their expectation regarding donations and other funding.

In making this assessment the trustees have considered the working capital requirements of the business for a period of at least 12 months from the date of the approval of these financial statements and the ability of the charity to meet its liabilities as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. Accounting policies (continued)

1.4 Fund accounting

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

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

1.5 Income

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

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

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

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school. Fees received in advance of education being provided are held as deferred income within liabilities until either taken to income in the academic year to which it relates or refunded.

1.6 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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to activities.

All expenditure is inclusive of irrecoverable VAT.

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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 asset and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimates residual value, over their expected useful lives on the following basis:

Freehold property	-	2% straight line
Long-term leasehold property	-	4% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

1.9 Government grants

Government grants received in respect of furlough claims are credited to the statement of financial activities as the related expenditure is incurred. Other grants are credited to the statement of financial activities as the related expenditure is incurred and disclosed as other income.

1.10 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 Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The charity has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Other financial assets, including investments in equity instruments which are not subsidiaries are initially measured at fair value, which is normally the transaction price which excludes transaction costs for those financial assets that are subsequently measured at fair value through profit and loss.

Financial liabilities

Basic financial liabilities, including trade and other creditors and bank and other 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Concessionary loans

Concessionary loans are initially recorded at the consideration received and are subsequently held at amortised cost based on the implied interest rate of the loan.

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. Accounting policies (continued)

1.12 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Retirement benefits to teaching staff of the charity are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity 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. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit scheme accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions payable are recognised in the period to which they relate.

1.13 Parental deposits

Parents pay a deposit on accepting a place for their child and this money is returned subject to offset of outstanding costs after their child leaves the school. Parental deposits are included in creditors and have been applied assuming that pupils remain in the school until completion of their final year.

2. Income from donations and legacies

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Donations	15,000	189,310	204,310	32,927
Government grants	-	66,277	66,277	385,777
	<u>15,000</u>	<u>255,587</u>	<u>270,587</u>	<u>418,704</u>
Total 2020	<u>16,775</u>	<u>401,929</u>	<u>418,704</u>	

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Income from charitable activities

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Education	<u>4,866,573</u>	<u>4,866,573</u>	<u>5,066,972</u>
Total 2020	<u>5,066,972</u>	<u>5,066,972</u>	

4. Fundraising income

Income from fundraising events

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Fundraising	<u>(84)</u>	<u>(84)</u>	<u>-</u>

5. Analysis of expenditure by activities

	Activities undertaken directly 2021 £	Total funds 2021 £	Total funds 2020 £
Education	<u>5,538,128</u>	<u>5,538,128</u>	<u>5,475,984</u>
Total 2020	<u>5,475,984</u>	<u>5,475,984</u>	

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

5. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	3,885,973	3,885,973	3,884,904
Depreciation	156,826	156,826	155,261
Finance cost	125,935	125,935	163,662
Scholastic supplies	97,379	97,379	106,933
Canteen costs	226,099	226,099	169,652
Trips and travel	25,320	25,320	21,344
Marketing, PR and advertising	22,325	22,325	16,082
Staff related expenditure	27,815	27,815	56,267
Property costs	615,402	615,402	491,636
General and administrative costs	237,890	237,890	243,637
Legal and professional fees	12,561	12,561	27,283
Insurance	82,150	82,150	72,164
Loss on disposal of fixed assets	-	-	44,946
Fundraising	156	156	-
Governance costs	22,297	22,297	22,213
	<u>5,538,128</u>	<u>5,538,128</u>	<u>5,475,984</u>
Total 2020	<u>5,475,984</u>	<u>5,475,984</u>	

6. Staff costs

	2021 £	2020 £
Wages and salaries	3,118,744	3,093,574
Social security costs	291,931	299,858
Contribution to defined contribution pension schemes	475,298	491,472
	<u>3,885,973</u>	<u>3,884,904</u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

6. Staff costs (continued)

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

	2021	2020
	No.	No.
Teaching	67	75
Non teaching	26	29
	93	104

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

	2021	2020
	No.	No.
In the band £60,001 - £70,000	2	3
In the band £70,001 - £80,000	3	3
In the band £90,001 - £100,000	1	-

The key management personnel of the charity comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £483,097 (2020: £541,091).

7. Net income/ (expenditure)

This is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets: owned by the charity	156,826	156,740
Auditor's remuneration - audit	24,000	21,000
	180,826	177,740

During the year, no Trustees received any remuneration (2020 - £NIL).

During the year, no Trustees received any benefits in kind (2020 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2020 - £NIL).

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Assets in the course of construction £	Total £
Cost or valuation						
At 1 September 2020	13,576,799	325,982	66,646	813,922	56,348	14,839,697
Additions	28,859	-	-	31,675	2,568,244	2,628,778
Transfers between classes	48,451	-	-	7,897	(56,348)	-
At 31 August 2021	<u>13,654,109</u>	<u>325,982</u>	<u>66,646</u>	<u>853,494</u>	<u>2,568,244</u>	<u>17,468,475</u>
Depreciation						
At 1 September 2020	2,364,702	18,726	66,646	557,666	-	3,007,740
Charge for the year	66,362	26,069	-	64,395	-	156,826
At 31 August 2021	<u>2,431,064</u>	<u>44,795</u>	<u>66,646</u>	<u>622,061</u>	<u>-</u>	<u>3,164,566</u>
Net book value						
At 31 August 2021	<u>11,223,045</u>	<u>281,187</u>	<u>-</u>	<u>231,433</u>	<u>2,568,244</u>	<u>14,303,909</u>
At 31 August 2020	<u>11,212,097</u>	<u>307,256</u>	<u>-</u>	<u>256,256</u>	<u>56,348</u>	<u>11,831,957</u>

Included in land and buildings is freehold land at valuation of £11,000,000 (2020: £11,000,000) which is not depreciated.

The freehold properties were valued as at 31 August 2016 by an independent valuer from Stanley Hicks, Chartered Surveyors, with a recognised and relevant professional qualification and with recent experience in the location and category of the property being valued, on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors.

The company has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2021 £	2020 £
Cost	12,573,647	9,944,869
Accumulated depreciation	(1,655,836)	(1,655,836)
	<u>10,917,811</u>	<u>8,289,033</u>

PACT EDUCATIONAL TRUST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

9. Fixed asset investments

	Unlisted securities £
Cost	
At 1 September 2020	750,001
Disposals	(750,000)
At 31 August 2021	<u>1</u>
Net book value	
At 31 August 2021	<u>1</u>
At 31 August 2020	<u>750,001</u>

The above represents an investment in The Laurels School Limited.

10. Debtors

	2021 £	2020 £
Due after more than one year		
Prepayments and accrued income	-	13,640
	<u>-</u>	<u>13,640</u>
Due within one year		
Trade debtors	335,589	227,636
Other debtors	751,615	1,174,206
Prepayments and accrued income	59,488	41,235
Grants receivable	817	56,385
	<u>1,147,509</u>	<u>1,513,102</u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

11. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Bank loans	2,275,000	206,576
Other loans	834,872	848,364
Payments received on account	130,121	55,000
Trade creditors	296,903	135,694
Other taxation and social security	73,007	214,542
Other creditors	168,272	66,521
Accruals and deferred income	765,558	521,737
	4,543,733	2,048,434

	2021
	£
Deferred income at 1 September 2020	281,899
Resources deferred during the year	479,347
Amounts released from previous periods	(253,558)
	507,688

Deferred income at the reporting date represents school fees received during the year which relates to the academic year commencing 1 September 2021.

The bank and other loans are secured by fixed and floating charges over the charity's properties.

Included within other creditors are unpaid pension contributions of £57,315 (2020: £57,703).

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loans	2,550,592	2,645,390
Other loans	1,992,713	2,484,442
Other creditors	273,862	454,490
	<u>4,817,167</u>	<u>5,584,322</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2021 £	2020 £
Repayable by instalments	<u>-</u>	<u>2,855,879</u>

The bank loans bear interest at rates of 3.1%, 3.1% over LIBOR and floating rates. The loans are repayable in either in quarterly instalments or in full on sale of any properties.

Other loans also include loans from individuals and Trustees bearing interest from 0% to 3% per annum. Details of loans provided by Trustees are given in note 23. As these loans are provided at below the prevailing market rate of interest and are for the purposes of furthering the objectives of the charity, these loans are considered to be concessionary loans.

The bank and other loans are secured by fixed and floating charges over the charity's properties.

For details of repayments post year end, see note 24.

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Financial instruments

	2021	2020
	£	£
Financial assets		
Financial assets measured at fair value through income and expenditure	1	750,001
Financial assets that are debt instruments measured at amortised cost	1,088,021	1,401,842
	<u>1,088,022</u>	<u>2,151,843</u>
	2021	2020
	£	£
Financial liabilities		
Financial liabilities measured at amortised cost	8,595,342	6,896,477
	<u>8,595,342</u>	<u>6,896,477</u>

Financial assets measured at fair value through income and expenditure comprise investments.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank and other loans, parental deposits, trade creditors and other creditors.

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

14. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
Unrestricted funds				
General Funds - all funds	(637,867)	5,122,076	(5,538,128)	(1,053,919)
Revaluation reserve	7,311,107	-	-	7,311,107
	<u>6,673,240</u>	<u>5,122,076</u>	<u>(5,538,128)</u>	<u>6,257,188</u>
Restricted funds				
Restricted Funds - all funds	<u>15,994</u>	<u>15,000</u>	<u>-</u>	<u>30,994</u>
Total of funds	<u><u>6,689,234</u></u>	<u><u>5,137,076</u></u>	<u><u>(5,538,128)</u></u>	<u><u>6,288,182</u></u>

Statement of funds - prior year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
Unrestricted funds				
General Funds - all funds	(649,562)	5,468,901	(5,457,206)	(637,867)
Revaluation reserve	7,311,107	-	-	7,311,107
	<u>6,661,545</u>	<u>5,468,901</u>	<u>(5,457,206)</u>	<u>6,673,240</u>
Restricted funds				
Restricted Funds - all funds	<u>17,997</u>	<u>16,775</u>	<u>(18,778)</u>	<u>15,994</u>
Total of funds	<u><u>6,679,542</u></u>	<u><u>5,485,676</u></u>	<u><u>(5,475,984)</u></u>	<u><u>6,689,234</u></u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

15. Summary of funds

Summary of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Balance at 31 August 2021 £
General funds	6,673,240	5,122,076	(5,538,128)	6,257,188
Restricted funds	15,994	15,000	-	30,994
	<u>6,689,234</u>	<u>5,137,076</u>	<u>(5,538,128)</u>	<u>6,288,182</u>

Summary of funds - prior year

	Balance at 1 September 2019 £	As restated Income £	As restated Expenditure £	Balance at 31 August 2020 £
General funds	6,661,545	5,468,901	(5,457,206)	6,673,240
Restricted funds	17,997	16,775	(18,778)	15,994
	<u>6,679,542</u>	<u>5,485,676</u>	<u>(5,475,984)</u>	<u>6,689,234</u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Restricted funds 2021 £	Unrestricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	30,994	14,272,915	14,303,909
Fixed asset investments	-	1	1
Current assets	-	1,345,172	1,345,172
Creditors due within one year	-	(4,543,733)	(4,543,733)
Creditors due in more than one year	-	(4,817,167)	(4,817,167)
Total	<u>30,994</u>	<u>6,257,188</u>	<u>6,288,182</u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	15,994	11,815,963	11,831,957
Fixed asset investments	-	750,001	750,001
Debtors due after more than one year	-	13,640	13,640
Current assets	-	1,726,392	1,726,392
Creditors due within one year	-	(2,048,434)	(2,048,434)
Creditors due in more than one year	-	(5,584,322)	(5,584,322)
Total	<u>15,994</u>	<u>6,673,240</u>	<u>6,689,234</u>

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

	2021 £	2020 £
Net income/expenditure for the year (as per Statement of Financial Activities)	<u>(401,052)</u>	<u>9,692</u>
Adjustments for:		
Depreciation charges	156,826	156,740
Loss on the disposal of fixed assets	-	44,946
Increase in stocks	(26,341)	(3,636)
Increase in debtors	1,115,593	(176,692)
Increase in creditors	259,739	19,060
Interest accrued not paid	10,510	14,005
Net cash provided by operating activities	<u>1,115,275</u>	<u>64,115</u>

18. Analysis of cash and cash equivalents

	2021 £	2020 £
Cash in hand	139,961	195,569
Total cash and cash equivalents	<u>139,961</u>	<u>195,569</u>

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

19. Analysis of changes in net debt

	At 1 September 2020	Cash flows	Other non- cash changes	At 31 August 2021
	£	£	£	£
Cash at bank and in hand	195,569	(55,608)	-	139,961
Debt due within 1 year	(1,054,940)	(2,393,402)	338,470	(3,109,872)
Debt due after 1 year	(5,129,832)	924,997	(338,470)	(4,543,305)
	<u>(5,989,203)</u>	<u>(1,524,013)</u>	<u>-</u>	<u>(7,513,216)</u>

20. Pension commitments

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £429,557 (2020: £440,115).

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

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Pension commitments (continued)

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

Stakeholder pension scheme

The charity operates a defined contribution scheme for the benefit of its non-teaching employees. Contributions payable are charged to the profit and loss account in the year they are payable. Contributions payable to the pension scheme during the year were £45,741 (2020: £51,357).

21. Operating lease commitments

At 31 August 2021 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Amounts payable:		
Not later than 1 year	240,000	1,046,188
Later than 1 year and not later than 5 years	960,000	4,567,250
Later than 5 years	3,905,800	20,403,200
Total	<u>5,105,800</u>	<u>26,016,638</u>

22. Financial commitments

The charity has guaranteed loans provided to a related party, The Laurels School Limited, totalling £750,000 (2020: £1,106,938).

PACT EDUCATIONAL TRUST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Related party transactions

Owing to the nature of the charity'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 the trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures.

Transactions with related parties are as follows:

Relationship	Transaction	Amount		Amount due (to)/from related parties	
		2021 £	2020 £	2021 £	2020 £
Trustees	Donations	600	300	-	-
	Interest-free loans	130,000	(100,000)	(130,000)	-
	Salary	-	-	-	-
Charities with common Trustees	Interest-free loan	-	-	(767,713)	(1,082,000)
	Rental payments	240,000	240,000	-	-
The Laurels School Limited (common directors and trustees)	Sub-lease payments	174,000	174,000	-	-
	Management fees	39,996	63,193	(104,127)	(1,172,475)
	Loan	-	-	750,000	1,107,000

The loans from Trustees are secured by fixed charges over the charity's properties.

24. Post balance sheet events

Subsequent to the year end, the charity sold a freehold property for proceeds of £10,000,000. The proceeds were used to repay bank and other loans totalling £3,670,000.

25. Controlling party

The board of trustees is the controlling party.

PACT EDUCATIONAL TRUST LIMITED

England & Wales - Charity number 1053810

Accounts

Registered number: 03166207
Charity number: 1053810

PACT EDUCATIONAL TRUST LIMITED
TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

PACT EDUCATIONAL TRUST LIMITED

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PACT EDUCATIONAL TRUST LIMITED

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2020

Trustees	P J Leonard, Chairman and Oakwood Director A G F M Alting Von Geusau, Chairman of financial committee X Bosch (resigned 1 November 2020) A P G Newman Sanders, The Cedars Director (resigned 23 December 2020) M L Newman Sanders, The Laurels Director P Millington, Oliver House Director J C Phillips (resigned 22 March 2020) M P Stables S M Cassidy D G Guillon (appointed 18 June 2020) H B Trust (appointed 18 June 2020, resigned 22 December 2020) J Valero (appointed 26 September 2020)
Company registered number	03166207
Charity registered number	1053810
Registered office	The Cedars School Coombe Road Croydon CR0 5RD
Company secretary	B T Millington
Chief executive officer	B T Millington
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH
Bankers	Barclays Bank PLC Marcham Road Abingdon Oxfordshire OX14 1UBG
Headteachers	C Candia D Morrison L Sanders (of The Laurels School) R Teague

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The trustees, who are also directors, present their annual report for the year ended 31 August 2020 under the Charities Act 2011 including the Directors' and Strategic Reports under the Companies Act 2006 together with the audited financial statements for the year.

The accounts comply with Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), with all statutory requirements and the requirements of the charity's governing document and the provisions of the Statement of Recommended Practice (SORP) 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 2015).

The Board of Trustees is pleased with the performance of the charity during the year and the position at 31 August 2020. The Trustees consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets and available financial facilities are adequate to fulfil its obligations.

Objectives and activities

a. Mission statement

Our mission, by encouraging the participation of parents in their child's education and the cooperation between teachers, pupils and parents, is to provide a full, balanced education for our pupils in intellectual, cultural and spiritual matters.

Through formal class teaching, small groups and individual attention we aim to achieve excellence across the whole curriculum. Our character and spiritual formation aims to arm pupils with the necessary virtues and sense of responsibility to become leaders in life and to reinforce their convictions in matters of faith through understanding and respect for the spiritual dimension of man.

We aspire to become a focal point of the local community, offering resources, services and support, seeking always to enrich the lives of those around us.

The objectives of PACT are the advancement of education and the development of character in accordance with Christian principles and ideals in particular through the provision and maintenance of schools.

Our philosophy recognises parents as the primary educators of their children and this is the cornerstone of our approach. We pursue academic and personal excellence for all pupils but this is not just measured in test results and statistics. Our goal remains assisting each pupil to attain excellence both academically and in personal development in particular in the acquisition of Christian virtues. We do this within the framework of a supportive Catholic ethos.

b. Main objectives for the year

Our key objectives for the year to 31 August 2020 included:

- Increasing pupil numbers at both OW and OH with particular focus on attracting Early Years pupils to feed through to the upper years while also at least maintaining current enrolment in light of the economic uncertainty that COVID 19 has brought;
- Continuing to increase pupil numbers at the secondary schools and increase our 6th form numbers;
- Increase the profile of The Laurels in its new location in Chelsea so as to grow applications for Sept 2021;
- Increase our ability to offer bursaries to deserving students via a sponsorship programme;
- Building on the levels of academic excellence already achieved;
- Continuing to maintain, develop and finance as efficiently as possible school buildings appropriate to the academic and general objectives both in the existing property portfolio and otherwise; and
- Securing financing and donations necessary to further develop all four schools.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

c. Strategies for achieving objectives

The trustees are responsible for planning (and monitoring progress) so as to achieve the objectives they have set. Ensuring that all pupils have the opportunity to realise their full potential and have the best preparation for their next stage of schooling, continues to underpin the objectives of PACT. The schools aim to provide a first-class all-round education to children between the ages of 3 and 18. As well as an excellent academic education, the schools provide pupils with a range of extracurricular activities including drama, music and sport.

Each school's aim is to develop the whole child through the care, guidance and support of all staff members and the building of close links in a three-way partnership between the school, the pupil and parents. PACT encourages pupils to explore, discover and develop their particular skills and talents to the full whether in the academic field, sport, art or music and to find the fulfilment and self-esteem necessary to enhance their lives. The schools aim to develop the values of respect and compassion while encouraging self-reliance and independence. PACT prepares pupils for life in the wider world by developing them as well-rounded individuals, comfortable with their peers, elders and themselves, able to appreciate their talents, eager to realise their potential and confident in meeting new challenges.

The objectives and the progress of the charity and schools to meet them are subject to reporting and monitoring at Board and Executive Committee meetings, and through specific academic and ethos committees. PACT's unique partnership-with-parents education model also brings regular feedback to Heads and governors.

In implementing our strategy we have:

- Continued to develop OH and OW academic syllabuses, teaching practices and examination results;
- In light of the situation with COVID 19 this academic year it has been difficult to develop co-curricular activities in the way planned;
- Continued a disciplined approach to reviewing Policies and Statutory Requirements so that the schools remain compliant;
- Sought to benefit the public through the implementation of the charity's stated aims: the fees for each of the schools are set at a level to ensure financial viability while allowing the charity to pursue its strategy;
- Boosted marketing and communication efforts via website, social media, Open Days, and in more recent months with a move towards Virtual Open Events which are now run regularly; and
- Despite the current economic climate, we were able to maintain enrolment numbers across our Secondary Schools via significant efforts in fundraising allowing us to put in place a Hardship Fund for parents directly financially impacted by COVID 19. In addition to this, a significant number of students are now in receipt of sponsorship from individuals who share our vision. This enables us to continue offering a PACT education to students who would otherwise not have been able to afford this.

All expenditure during the year has been incurred to enhance the personalised education of children and their character development to achieve the objectives set out above.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

d. Discounts

PACT has a discount policy. It is important to PACT that access to the education offered by its schools is not restricted to those who can afford the fees. Bursaries are means tested to ensure that financial help is provided to those families which need it. To give practical support to the value PACT places on continuity for families, PACT also operates a family discount policy.

In addition to this the secondary schools both offer Academic & Sporting Scholarships for those who excel.

It is often important for parents hoping to send their children to a PACT school that they are able to spread their fees payments across the term and so a plan is in place for termly fees to be taken in instalments across three months.

In order that PACT can recruit and retain high calibre staff, PACT offers a discount scheme for staff that choose to educate their children at any of PACT's schools.

e. Volunteers

Encouraged by PACT's aim to operate its schools in partnership with the parents of each child, PACT continues to be assisted in its work by a large number of parent volunteers. Of the nine governors serving during the year, five are parent volunteers, and an additional one used to be when their children were young enough to attend PACT schools. Volunteers perform a range of tasks helping the schools to work towards the aims of the charity including supporting class teachers and teaching assistants on offsite excursions and running extra-curricular sessions on particular areas of interest. The Parental Activity Teams in each school run various activities throughout the school year including family barbecues, family fun days, the parents' dinner and Quiz night, as well as supporting the school by providing refreshments on various school occasions. They also fundraise to support school projects and other charities. Volunteer class couples also help the Heads arrange class discussions throughout the year. There is also a very active group of volunteers who contribute in many ways for the various drama productions throughout the year, including making costumes, and getting the children ready for the performances.

Achievements and performance

a. Academic

Both Oliver House and Oakwood continue to feature in The Times Top 100 Preparatory Schools with excellent academic results. The numbers working at greater depth throughout both schools are testament to the academic achievement of the schools, especially when you bear in mind these are both non selective schools.

Both schools' achievements are considerably higher than either the state or independent school average. Of course this year, in light of the global health situation, SATS were not sat by any schools and so there was no Times Top 100 published.

This year saw our fourth set of GCSE exam results. Despite the unusual situation this year, the results continue to be excellent with 97% of GCSE grades at TL achieving levels 9 – 5, and TC achieving a similarly high number of 95% of grades at 9 – 5. A Level provided a similar story with 75% of all grades at TL between A* - B, and 90% of grades at TC awarded at A* - B.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

b. The Arts

A large proportion of pupils learn at least one musical instrument and are encouraged to perform at regular musical assemblies. Choral singing, verse speaking, LAMDA and music exams and school dramatic productions continue to be an important part of the all-round education offered by the PACT schools, which also promote the children's skills and general confidence. Peripatetic music teaching covers a variety of instruments, including brass, drums, cello, guitar, piano and violin. All children in Year 6 learn about harmonics through ukulele lessons and lower juniors take recorder lessons. Year 7 and Year 8 children learn music theory and history.

c. Sport

PACT school sport is about participation, competitiveness and good sportsmanship and is an important part of a PACT all-round education. Pupils take part in a wide variety of sporting activities including football, rugby, netball, cricket, rounders, cross-country running, gymnastics, athletics, karate, fencing, swimming, squash, hockey and tennis. Competitions are arranged with local schools and The Cedars reputation in the sporting arena continues to grow.

d. Community service

PACT sees understanding charitable needs and fund raising for charities as an important part of developing the whole child and their sense of Christian mission and values, especially in acknowledging that there are people in the UK and all over the world who are less fortunate than the pupils themselves. While this is stressed throughout the year, there is a particular focus on charitable giving during Advent and through various Lenten appeals.

All four schools have developed School Travel Plan programmes involving successful walking to school weeks to encourage a reduction in the use of cars, and an increase in exercise for parents and pupils. The secondary schools actively promote the use of public transport, with a majority of pupils arriving at TC by tram. At TL the girls take local trains and buses.

PACT regularly provides talks, workshops and other activities for parents, wider family and members of the community on issues connected with the development of character in accordance with Christian principles.

e. Public benefit

PACT's objectives are set to reflect the educational aims and ethos of the schools. In setting our objectives and planning our activities our trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to the guidance on advancing education and on fee-charging. The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers and duties. Based on the average stated cost to the taxpayer (of £5,000 per pupil at primary level and £6,200 per pupil at secondary level), of providing education in the maintained school sector, PACT estimates that those parents who choose to send their children to PACT schools are contributing to a saving for taxpayers generally, and thus creating an annual benefit to the public of over £3.2 million.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Financial review

a. Going concern

The board of trustees confirms that, having considered its expectations and intentions for the next twelve months and the availability of working capital, the charity is a going concern. The trustees are aware that the ongoing economic impact of COVID-19 is likely to be felt for some years to come. In order to protect the business against the likely financial impact they have put in place cost cutting initiatives, and increased fundraising efforts. In addition to this the business has taken out a Coronavirus Business Interruption Loan to provide a bridge for forecast shortfall in cash. As a result of these steps the trustees feel they are prepared for the next twelve months. The trustees are unaware of any events, conditions, or related business risks beyond the period of assessment that may cast significant doubt on the charity's ability to continue as a going concern.

In making this assessment the trustees have considered the working capital requirements of the business for a period of at least 12 months from the date of the approval of these financial statements and the ability of the charity to meet its liabilities as they fall due. The Trustees have prepared forecasts and considered future development plans for the charity, income anticipated from school fees and other sources, anticipated capital and operational expenditure, availability of bank and other loan finance, the ability to renegotiate or defer payments on loan finance, and their expectation regarding donations and other funding.

b. Reserves policy

The trustees have reviewed the Reserves Policy. The charity continues to invest substantial sums into new and upgraded buildings and for the provision of educational equipment. The majority of funds are invested in the tangible fixed asset properties. The trustees continue to be satisfied that external financial facilities provide an additional and adequate safety net, if it should be required.

To ensure the financial stability of the schools, the trustees believe that, as a minimum, reserves should be held which are capable of paying for the running costs of all PACT schools for one term and therefore are aiming to build cash reserves out of future surpluses to a level of approximately £1 million.

The Trustees recognise that the current level of free reserves is below the stated target of the reserves policy by a deficit of £639,346 and intend to build towards this balance over a period of time.

c. Principal funding

The charity's primary source of funds is school fees from parents, although funding is received in donations from private individuals. Funding from school fees is used to support the charity in its primary day to day operations whilst the use of donation funding is determined by the wishes of the individual donors (where specific wishes are expressed) or in a wider scope of activities where no details are given by the donor.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Financial review (continued)

d. Financial review of the year including key performance indicators

Income for the year ended 31 August 2020 increased to £5,485,901 (2019: £5,407,238) reflecting increased pupil numbers.

Expenses for the year ended 31 August 2020 decreased to £5,475,984 (2019: £5,657,778). This is partly attributable to increased cost controls. The charity's net increase in cash was £14,536.

At 31 August 2020 the charity had net assets of £6,689,234 (2019: £6,679,542) comprising a surplus of £15,994 (2019: surplus of £17,997) of restricted funds and £6,673,240 (2019: £6,661,545) of unrestricted funds. Included within unrestricted funds are balances relating to the revaluation of property, totalling £7,311,107 (2019: £7,311,107).

The Trustees continue to believe that the key performance indicators are growth in pupil numbers from year to year. Whilst the Preparatory Schools have seen a decrease in numbers this is a pattern that is currently seen across many Prep Schools in the London area and the UK as a whole. The pupil numbers at The Cedars have in fact increased by 10% year on year.

The charity's funds are held in current and interest-bearing Business Premium accounts. The Board of Trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

Structure, governance and management

a. Constitution

The company is constituted under a Memorandum of Association dated 29 February 1996 and has a registered charity number 1053810.

PACT Educational Trust Limited is a charitable company limited by guarantee. The charity is also known as PACT. The trustees are directors of the company and governors of the schools and the terms are used interchangeably in this report unless specific reference is made.

PACT operates in accordance with its Memorandum and Articles of Association dated 29 February 1996 as amended on 21 November 2007. There are four schools under the PACT group umbrella. The preparatory schools – Oakwood in Purley, Surrey (OW) and Oliver House (OH) in Clapham, London – teach children aged 3-11 years. In September 2013 PACT opened two new secondary schools, The Cedars (TC) in South Croydon for boys and The Laurels (TL) for girls, which moved to from Clapham to Chelsea in September 2019. TL is managed but not owned by PACT.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

b. Governance and management

The governance structure of the schools is designed to ensure the financial stability and future success of the preparatory schools and the newer secondary schools. The board focuses on:

- fundraising;
- governance;
- long-term strategy; and
- safeguarding and compliance.

The Board of governors of PACT meets at least once a term to:

- review, discuss and approve policies for each school;
- develop strategic plans and oversee their implementation;
- oversee the raising of funds for the development of PACT and its schools;
- review and enhance governance processes;
- deal with the appointment of PACT board members;
- approve the annual PACT budget and capital investment plans, including school budgets;
- approve senior appointments; and
- deal with other relevant strategic issues.

Each PACT school has an Executive Committee meeting half-termly, consisting of the COO, relevant school Director, Head-Teacher and their Senior Management Team (SMT). These support the Heads in their demanding jobs, with the day-to-day running of the schools being delegated to them and their SMT.

Additionally, the board convenes a Finance Committee to provide oversight of the charity's finances. A director, currently Alexander Alting von Geusau, chairs the committee and is currently joined by two other board members with financial expertise, the COO and when required, other members of the PACT finance team. It is convened at least once a term and meets more frequently when needed, especially in the run-up to preparing and finalising the budget.

The day-to-day management of the charity is delegated to the Chief Operating Officer. Mrs Bernadette Millington currently fills that role and was appointed by the board in July 2018. She is additionally charged with implementing the trustees' long-term strategic plan and vision for the schools. She works closely with the heads of the schools – Mr Ciro Candia (Head of OW), Mrs Debbie Morrison (Head of OH), Mrs Linda Sanders (Head of TL) and Mr Robert Teague (Head of TC), and their senior management teams. Working together, the heads and COO:

- manage the PACT budget for each school on a month -by-month basis;
- appoint staff (other than senior staff);
- deal with those matters affecting staff where the Heads have sought assistance; and
- deal with all on-going practical issues and decision making which is not of a strategic nature.

Additionally, besides managing the central finance office, the COO provides leadership in the following day-to-day operational management functions:

- Estates;
- Human Resources;
- Information Technology; and
- Marketing.

Both OW and OH are members of the Independent Association of Preparatory Schools which provides an opportunity to share expertise, knowledge and experience across the independent school sector. Both TL and TC are accredited members of the Independent Schools Association. The Catholic Independent Schools' Conference also provides valuable support to the Heads of all four schools.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

c. Organisational structure

The charity is governed by the Board of governors, who are also the company directors and charity trustees, and consists, for the period under review, of four schools, Oakwood School in Purley, Surrey, Oliver House School in Clapham, London, The Cedars School in South Croydon, Surrey and The Laurels School in Chelsea, London.

The Board of governors requires breadth and depth of experience in order to carry out its duties effectively and efficiently. When recruiting new trustees it is considered essential that they have an understanding of and support for PACT's specific educational ethos and a genuine enthusiasm to engage in an environment where character development and personalised education is of the utmost importance. Potential new trustees are identified during discussions of the Board and then an interview process is pursued with each candidate to assess suitability.

Reflecting on the skills and experience necessary for effective governance and management, the governors deem that the Board should at a minimum comprise the following:

- one governor with a financial or accounting background;
- one with education experience;
- another with senior management or business experience;
- someone with a legal background; whilst this is currently missing from the board a prospective new board member has been approached and would be able to close this gap.
- four trustees, one for each school, each with direct knowledge of their specific school.

All the directors of the company are also trustees of the charity, and their responsibilities include all the responsibilities of directors under the Companies Acts and of trustees under the Charities Acts.

d. Policies adopted for the induction and training of Trustees

New governors are provided with a comprehensive pack setting out the objects of the charity, its policies and procedures, its annual accounts and other relevant materials. They are trained through discussions with long standing existing governors, members of the senior management teams at each of the schools and through the very open discussions held during Board and Executive Committee meetings. An annual away day for the governors provides, amongst other things, an opportunity for highlighting any training needs of the governors which are then addressed through outside courses during the course of the year.

e. Risk management

The Board of governors is responsible for the management of risks faced by the schools. Detailed consideration of risks is delegated to the Senior Management Teams in each school. Risks are identified and assessed, and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on a bi-annual basis and in response to immediate risks which may arise. This monitoring process looks at the effectiveness of the system of internal controls and other viable means of avoiding risk and assists the governors to put in place insurance cover where appropriate. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The Board of PACT has acutely aware of the potential for a reduction in pupil numbers with the consequent loss of revenue, given the economic uncertainty we all currently face. With a number of Independent Schools already having confirmed closure we have managed to maintain, or grow, pupil number in three of our schools. Oliver House continues to face challenges in pupil recruitment and consideration is given at Board level to risk management strategies to deal with a loss of revenue, this includes marketing efforts for all PACT schools.

PACT EDUCATIONAL TRUST LIMITED

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Statement of Trustees' responsibilities

The Trustees (who are also the directors of the company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

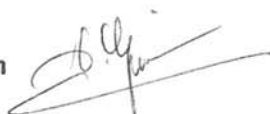
Disclosure of information to auditor

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

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

Approved by order of the members of the board of Trustees and signed on their behalf by:

D G Guillon
Trustee



Date: 13.01.2021

PACT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED

Opinion

We have audited the financial statements of PACT Educational Trust Limited (the 'charitable company') for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

PACT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED (CONTINUED)

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.

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 Trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the directors' report included within the Trustees' report has 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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.

PACT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PACT EDUCATIONAL TRUST LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company 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. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Blick Rothenberg Audit LLP

Mark Hart FCA CTA (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants

Statutory Auditor

16 Great Queen Street

Covent Garden

London

WC2B 5AH

14 January 2021

PACT EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:					
Donations and legacies	2	16,775	401,929	418,704	51,128
Charitable activities	3	-	5,066,972	5,066,972	5,353,188
Other trading activities	4	-	-	-	2,220
Investments	5	-	-	-	702
Total income		16,775	5,468,901	5,485,676	5,407,238
Expenditure on:					
Raising funds		-	-	-	382
Charitable activities		18,778	5,457,206	5,475,984	5,657,391
Total expenditure	6	18,778	5,457,206	5,475,984	5,657,773
Net movement in funds		(2,003)	11,695	9,692	(250,535)
Reconciliation of funds:					
Total funds brought forward		17,997	6,661,545	6,679,542	6,930,077
Net movement in funds		(2,003)	11,695	9,692	(250,535)
Total funds carried forward		15,994	6,673,240	6,689,234	6,679,542

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

The notes on pages 17 to 36 form part of these financial statements.

PACT EDUCATIONAL TRUST LIMITED

BALANCE SHEET FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	9	11,831,957	11,905,809
Investments	10	750,001	750,001
		<u>12,581,958</u>	<u>12,655,810</u>
Current assets			
Stocks		31,361	27,725
Debtors	11	1,513,102	1,336,410
Cash at bank and in hand		195,569	181,033
		<u>1,740,032</u>	<u>1,545,168</u>
Creditors: amounts falling due within one year	12	(2,048,434)	(1,311,022)
Net current liabilities / assets		<u>(308,402)</u>	<u>234,146</u>
Total assets less current liabilities		<u>12,273,556</u>	<u>12,889,956</u>
Creditors: amounts falling due after more than one year	13	(5,584,322)	(6,210,414)
Net assets excluding pension asset		<u>6,689,234</u>	<u>6,679,542</u>
Total net assets		<u>6,689,234</u>	<u>6,679,542</u>
Charity funds			
Restricted funds	15	15,994	17,997
Unrestricted funds			
General funds	15	(637,867)	(649,562)
Revaluation reserve		7,311,107	7,311,107
Total unrestricted funds	15	<u>6,673,240</u>	<u>6,661,545</u>
Total funds		<u>6,689,234</u>	<u>6,679,542</u>

The financial statements were approved and authorised for issue by the Trustees and signed on their behalf by:

D G Guillon
Trustee

Date: 13.01.2021

The notes on pages 17 to 36 form part of these financial statements.

PACT EDUCATIONAL TRUST LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	18	62,636	186,895
Cash flows from investing activities			
Purchase of tangible fixed assets		(126,355)	(266,191)
Loan to associated undertaking		-	(1,107,000)
Net cash used in investing activities		(126,355)	(1,373,191)
Cash flows from financing activities			
Repayments of borrowing		(221,745)	(290,949)
Cash inflows from new borrowing		300,000	1,107,000
Net cash provided by financing activities		78,255	816,051
Change in cash and cash equivalents in the year		14,536	(370,245)
Cash and cash equivalents at the beginning of the year		181,033	551,278
Cash and cash equivalents at the end of the year	19	195,569	181,033

The notes on pages 17 to 36 form part of these financial statements

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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 2015) - (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The company has elected to apply all amendments to FRS 102, as set out in the Financial Reporting Council's triennial review published in December 2017, and included in Update Bulletin 2 to the Charities SORP (FRS 102), prior to mandatory adoption for accounting periods beginning on or after 1 January 2019.

PACT Educational Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The charity's functional and presentational currency is Sterling (£).

1.2 Company status

The company is a company limited by guarantee and is incorporated in England and Wales. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

The address of the registered office and the principal place of business is The Cedars School, Coombe Road, Croydon, CR0 5RD.

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.3 Going concern

The Trustees are required to assess whether there are any material uncertainties related to events or conditions that may cast doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of approval of the financial statements.

The Cedars School (TC) offers secondary education for boys from age 11 to 18. The trustees are happy that the school is performing better than initial forecasts owing to higher than expected pupil numbers, the expectation is that it will continue to provide a modest, but growing, surplus. 2019/20 saw a profit of c£210,196. The expectation is that this surplus will reduce to c£140k in 2020/21 due to the impact of COVID-19. TC expects to hold domestic student numbers at an equal level to that seen for September 2020 enrolments, it will however feel the impact of lower uptake on the International Programme as International Travel continues to be restricted. The backing of NEA and the ability of the school to exceed pupil targets, lead the trustees to conclude that the organisation can continue for the foreseeable future as a going concern.

The Laurels School relocated to 1 Chelsea Embankment in September 2019 as pupil numbers could no longer be accommodated at the previous site. Due to the impact of COVID-19 the trustees anticipate holding pupil numbers at a steady level for 2020/21 and anticipate growth beyond this point. Significant marketing activity is being undertaken for The Laurels.

Oliver House has seen declining student enrolments due to BREXIT and the loss of International families in the area, COVID-19 has seen these numbers decline further. The trustees believe that this is a temporary decline and over a period of 2 to 3 years the numbers will begin to recover. In the meantime a cost reduction programme has been put in place to reflect lower student numbers and the resulting impact on fee income.

Oakwood has seen a modest increase in student enrolment moving into 20/21, however the bottom line has been declining at the school over the last few years – in order to address this a cost reduction programme was put in place during 19/20. The Trustees anticipate realising the impact of this programme during 20/21.

Given some of the uncertainties which the charity is facing (as is like the whole private school sector) the trustees have taken the precautionary measure to enter into a Coronavirus Business Interruption Loan Scheme arrangement. The trustees believe this loan provides the necessary working capital cushion for the charity to settle liabilities for the foreseeable future.

At the date of approval of these financial statements the trustees have a reasonable expectation that the charity has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.4 Fund accounting

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

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

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.5 Income

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

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

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school. Fees received in advance of education being provided are held as deferred income within liabilities until either taken to income in the academic year to which it relates or refunded.

1.6 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.

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to activities.

All expenditure is inclusive of irrecoverable VAT.

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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 asset and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimates residual value, over their expected useful lives on the following basis:

Freehold property	-	2% straight line
Long-term leasehold property	-	4% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	10% straight line
Computer equipment	-	25% straight line

1.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the statement of financial activities.

1.9 Government grants

Government grants received in respect of furlough claims are credited to the statement of financial activities as the related expenditure is incurred. Other grants are credited to the statement of financial activities as the related expenditure is incurred and disclosed as other income.

1.10 Interest receivable

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

1.11 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 Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.12 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

The charity has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the charity becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Other financial assets, including investments in equity instruments which are not subsidiaries are initially measured at fair value, which is normally the transaction price which excludes transaction costs for those financial assets that are subsequently measured at fair value through profit and loss.

Financial liabilities

Basic financial liabilities, including trade and other creditors and bank and other 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Concessionary loans

Concessionary loans are initially recorded at the consideration received and are subsequently held at amortised cost based on the implied interest rate of the loan.

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. Accounting policies (continued)

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

Retirement benefits to teaching staff of the charity are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit scheme and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charity 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. The TPS is a multi-employer scheme and there is insufficient information available to use defined benefit scheme accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions payable are recognised in the period to which they relate.

1.14 Parental deposits

Parents pay a deposit on accepting a place for their child and this money is returned subject to offset of outstanding costs after their child leaves the school. Parental deposits are included in creditors and have been applied assuming that pupils remain in the school until completion of their final year.

2. Income from donations and legacies

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Donations	16,775	16,152	32,927
Government grants	-	385,777	385,777
	16,775	401,929	418,704

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Donations	20,750	30,378	51,128

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

3. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Education	5,066,972	5,066,972	5,353,188

4. Fundraising income

Income from fundraising events

	Total funds 2020 £	Total funds 2019 £
Fundraising	-	2,220

5. Investment income

	Total funds 2020 £	Total funds 2019 £
Investment income	-	702

6. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Total funds 2020 £	Total funds 2019 £
Education	5,475,984	5,475,984	5,657,391
Total 2019	5,657,391	5,657,391	

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

6. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Education 2020 £	Total funds 2020 £	Total funds 2019 £
Staff costs	3,884,904	3,884,904	3,840,914
Depreciation	155,261	155,261	157,231
Finance cost	163,662	163,662	187,702
Scholastic supplies	106,933	106,933	143,288
Canteen costs	169,652	169,652	286,911
Trips and travel	21,344	21,344	32,836
Marketing, PR and advertising	16,082	16,082	42,449
Staff related expenditure	56,267	56,267	32,835
Property costs	491,636	491,636	523,400
General and administrative costs	243,637	243,637	240,441
Legal and professional fees	27,283	27,283	74,423
Insurance	72,164	72,164	66,754
Charitable donations	-	-	140
Loss on disposal of fixed assets	44,946	44,946	-
Governance costs	22,213	22,213	28,067
	<u>5,475,984</u>	<u>5,475,984</u>	<u>5,657,391</u>

7. Staff costs

	2020 £	2019 £
Wages and salaries	3,093,574	3,186,252
Social security costs	299,858	305,361
Contribution to defined contribution pension schemes	491,472	349,301
	<u>3,884,904</u>	<u>3,840,914</u>

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

	2020 No.	2019 No.
Teaching	74	75
Non teaching	29	29
	<u>103</u>	<u>104</u>

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

7. Staff costs (continued)

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

	2020	2019
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	3	1
In the band £80,001 - £90,000	-	1

The key management personnel of the charity comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £541,091 (2019: £346,250).

8. Net income/ (expenditure)

This is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets: owned by the charity	156,740	157,231
Auditor's remuneration - audit	21,000	21,000
	177,740	178,231

During the year, no Trustees received any remuneration (2019 - £NIL).

During the year, no Trustees received any benefits in kind (2019- £NIL).

During the year, no Trustees received any reimbursement of expenses (2019 - £NIL).

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

9. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures and fittings £	Assets in the course of construction £	Total £
Cost or valuation						
At 1 September 2019	13,545,450	839,984	68,125	785,383	24,999	15,263,941
Additions	28,409	15,669	-	25,929	56,348	126,355
Disposals	-	(550,599)	-	-	-	(550,599)
Transfers between classes	2,940	20,928	(1,479)	2,610	(24,999)	-
At 31 August 2020	<u>13,576,799</u>	<u>325,982</u>	<u>66,646</u>	<u>813,922</u>	<u>56,348</u>	<u>14,839,697</u>
Depreciation						
At 1 September 2019	2,300,582	494,602	65,322	497,626	-	3,358,132
Charge for the year	64,120	29,777	1,324	60,040	-	155,261
On disposals	-	(505,653)	-	-	-	(505,653)
At 31 August 2020	<u>2,364,702</u>	<u>18,726</u>	<u>66,646</u>	<u>557,666</u>	<u>-</u>	<u>3,007,740</u>
Net book value						
At 31 August 2020	<u>11,212,097</u>	<u>307,256</u>	<u>-</u>	<u>256,256</u>	<u>56,348</u>	<u>11,831,957</u>
At 31 August 2019	<u>11,244,868</u>	<u>345,382</u>	<u>2,803</u>	<u>287,757</u>	<u>24,999</u>	<u>11,905,809</u>

Included in land and buildings is freehold land at valuation of £11,000,000 (2019: £11,000,000) which is not depreciated.

The freehold properties were valued as at 31 August 2016 by an independent valuer from Stanley Hicks, Chartered Surveyors, with a recognised and relevant professional qualification and with recent experience in the location and category of the property being valued, on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors.

The company has adopted a policy of revaluation for tangible fixed assets. Had these assets been measured at historic cost, the carrying values would have been as follows:

	2020 £	2019 £
Cost	9,944,869	9,818,514
Accumulated depreciation	(1,655,836)	(1,459,466)
	<u>8,289,033</u>	<u>8,359,048</u>

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

10. Fixed asset investments

	Unlisted securities £
Cost	
At 1 September 2019	750,001
At 31 August 2020	<u>750,001</u>
Net book value	
At 31 August 2020	750,001
At 31 August 2019	<u>750,001</u>

The above represents an investment in The Laurels School Limited.

11. Debtors

	2020 £	2019 £
Due after more than one year		
Prepayments and accrued income	13,640	-
	<u>13,640</u>	<u>-</u>
Due within one year		
Trade debtors	227,636	182,369
Other debtors	1,174,206	1,107,080
Prepayments and accrued income	41,235	46,961
Grants receivable	56,385	-
	<u>1,513,102</u>	<u>1,336,410</u>

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

12. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	206,576	194,076
Other loans	848,364	151,765
Payments received on account	55,000	58,000
Trade creditors	135,694	209,829
Other taxation and social security	214,542	78,557
Other creditors	66,521	79,412
Accruals and deferred income	521,737	539,383
	<u>2,048,434</u>	<u>1,311,022</u>
		2020 £
Deferred income at 1 September 2019		(430,060)
Resources deferred during the year		281,899
Amounts released from previous periods		430,060
		<u>281,899</u>

Deferred income at the reporting date represents school fees received during the year which relates to the academic year commencing 1 September 2020.

The bank and other loans are secured by fixed and floating charges over the charity's properties.

Included within other creditors are unpaid pension contributions of £57,703 (2019: £46,563).

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

13. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans	2,645,390	2,427,870
Other loans	2,484,442	3,332,806
Other creditors	454,490	449,738
	<u>5,584,322</u>	<u>6,210,414</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Repayable by instalments	<u>2,855,879</u>	<u>3,237,910</u>

The bank loan bears interest at a rate of 3.1% over LIBOR. The loan is repayable in quarterly instalments calculated on a notional term of 25 years from the date of draw down, with the final balance due in December 2022.

The other loans include a loan from the Diocese of Southwark bearing an interest rate of 3% per annum. The loan is repayable in three installments per year of £59,922 with the final balance due in October 2025.

Other loans also include loans from individuals and Trustees bearing interest from 0% to 3% per annum. Details of loans provided by Trustees are given in note 24. As these loans are provided at below the prevailing market rate of interest and are for the purposes of furthering the objectives of the charity, these loans are considered to be concessionary loans.

The bank and other loans are secured by fixed and floating charges over the charity's properties.

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

14. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through income and expenditure	750,001	750,001
Financial assets that are debt instruments measured at amortised cost	1,401,842	1,289,449
	<u>2,151,843</u>	<u>2,039,450</u>
	<u><u>2,151,843</u></u>	<u><u>2,039,450</u></u>
	2020 £	2019 £
Financial liabilities		
Financial liabilities measured at amortised cost	6,896,477	6,903,496
	<u>6,896,477</u>	<u>6,903,496</u>

Financial assets measured at fair value through income and expenditure comprise investments.

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise bank and other loans, parental deposits, trade creditors and other creditors.

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

15. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
Unrestricted funds				
General Funds - all funds	(649,562)	5,485,676	(5,475,460)	(639,346)
Revaluation reserve	7,311,107	-	-	7,311,107
Unallocated amounts	-	(16,775)	18,254	1,479
	<u>6,661,545</u>	<u>5,468,901</u>	<u>(5,457,206)</u>	<u>6,673,240</u>
Restricted funds				
Restricted Funds - all funds	17,997	-	(2,003)	15,994
Unallocated amounts	-	16,775	(16,775)	-
	<u>17,997</u>	<u>16,775</u>	<u>(18,778)</u>	<u>15,994</u>
Total of funds	<u><u>6,679,542</u></u>	<u><u>5,485,676</u></u>	<u><u>(5,475,984)</u></u>	<u><u>6,689,234</u></u>

Statement of funds - prior year

	Balance at 1 September 2018 £	Income £	Expenditure £	Balance at 31 August 2019 £
Unrestricted funds				
Other general funds	(401,030)	5,386,488	(5,635,020)	(649,562)
Revaluation reserve	7,311,107	-	-	7,311,107
	<u>6,910,077</u>	<u>5,386,488</u>	<u>(5,635,020)</u>	<u>6,661,545</u>
Restricted funds				
Restricted Funds - unspent donations	20,000	20,750	(22,753)	17,997
Total of funds	<u><u>6,930,077</u></u>	<u><u>5,407,238</u></u>	<u><u>(5,657,773)</u></u>	<u><u>6,679,542</u></u>

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

16. Summary of funds

Summary of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Balance at 31 August 2020 £
General funds	6,661,545	5,468,901	(5,457,206)	6,673,240
Restricted funds	17,997	16,775	(18,778)	15,994
	<u>6,679,542</u>	<u>5,485,676</u>	<u>(5,475,984)</u>	<u>6,689,234</u>

Summary of funds - prior year

	Balance at 1 September 2018 £	As restated Income £	As restated Expenditure £	Balance at 31 August 2019 £
General funds	6,910,077	5,386,488	(5,635,020)	6,661,545
Restricted funds	20,000	20,750	(22,753)	17,997
	<u>6,930,077</u>	<u>5,407,238</u>	<u>(5,657,773)</u>	<u>6,679,542</u>

17. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	15,994	11,815,963	11,831,957
Fixed asset investments	-	750,001	750,001
Debtors due after more than one year	-	13,640	13,640
Current assets	-	1,726,392	1,726,392
Creditors due within one year	-	(2,048,434)	(2,048,434)
Creditors due in more than one year	-	(5,584,322)	(5,584,322)
Total	<u>15,994</u>	<u>6,673,240</u>	<u>6,689,234</u>

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

17. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	Restricted funds 2019 £	Unrestricted funds 2019 £	Total funds 2019 £
Tangible fixed assets	17,997	11,887,812	11,905,809
Fixed asset investments	-	750,001	750,001
Current assets	-	1,545,168	1,545,168
Creditors due within one year	-	(1,311,022)	(1,311,022)
Creditors due in more than one year	-	(6,210,414)	(6,210,414)
Total	17,997	6,661,545	6,679,542

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

	2020 £	2019 £
Net income for the period (as per Statement of Financial Activities)	9,692	(250,535)
Adjustments for:		
Depreciation charges	156,740	157,231
Loss on the disposal of fixed assets	44,946	-
Increase in stocks	(3,636)	(11,778)
(Increase)/decrease in debtors	(176,692)	147,259
Increase in creditors	19,060	132,438
Interest accrued not paid	14,005	12,280
Net cash provided by operating activities	64,115	186,895

19. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	195,569	181,033
Total cash and cash equivalents	195,569	181,033

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

20. Analysis of Net Debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	181,033	14,536	195,569
Debt due after 1 year	(5,760,676)	474,480	(5,286,196)
Debt due within 1 year	(345,841)	(552,735)	(898,576)
	<u>(5,925,484)</u>	<u>(63,719)</u>	<u>(5,989,203)</u>

21. Pension commitments

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI and the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £440,115 (2019: £259,543).

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

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

21. Pension commitments (continued)

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

Stakeholder pension scheme

The charity operates a defined contribution scheme for the benefit of its non-teaching employees. Contributions payable are charged to the profit and loss account in the year they are payable. Contributions payable to the pension scheme during the year were £51,357 (2019: £89,758).

22. Operating lease commitments

At 31 August 2020 the company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Amounts payable:		
Not later than 1 year	1,046,188	414,000
Later than 1 year and not later than 5 years	4,567,250	1,656,000
Later than 5 years	20,403,200	5,082,900
Total	26,016,638	7,152,900

23. Financial commitments

The charity has guaranteed loans provided to a related party, The Laurels School Limited, totalling £1,106,938 (2019: £1,106,938).

PACT EDUCATIONAL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

24. Related party transactions

Owing to the nature of the charity'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 the trustees have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the charity's financial regulations and normal procurement procedures.

Transactions with related parties are as follows:

Relationship	Transaction	Amount		Amount due (to)/from related parties	
		2020 £	2019 £	2020 £	2019 £
Trustees	Donations	300	-	-	-
	Interest-free loans	(100,000)	-	-	(100,000)
	Salary	-	1,203	-	-
Charities with common Trustees	Interest-free loan	-	(1,027,000)	(1,082,000)	(1,082,000)
	Rental payments	240,000	-	-	-
Companies controlled by Trustees	Lighting supplies	-	2,400	-	-
	Building supplies	-	1,019	-	-
The Laurels School Limited (common directors and trustees)	Sub-lease payments	174,000	174,000	-	-
	Management fees	63,193	90,718	(1,172,475)	(1,080,994)
	Loan	-	1,107,000	1,107,000	1,107,000

The loans from Trustees are secured by fixed charges over the charity's properties.

25. Controlling party

The board of trustees is the controlling party.