

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

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.

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

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
		11,438,262	10,642,106
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
		3,011,873	898,464
Current liabilities			
Creditors: amounts falling due within one year	14	(4,521,003)	(2,614,119)
Net current liabilities		(1,509,130)	(1,715,655)
Total assets less current liabilities		9,929,132	8,926,451
Creditors: amounts falling due after more than one year	15	(8,434,512)	(4,916,486)
Total net assets		1,494,620	4,009,965
Charity funds			
Restricted funds	16	-	3,974
Unrestricted funds	16	1,494,620	4,005,991
Total funds		1,494,620	4,009,965

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

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 No.	2023 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 No.	2023 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>334,530</u>	<u>302,075</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	1
Net book value	
At 31 August 2024	1
At 31 August 2023	1

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	16,277	76,092

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
	<u>2,665,006</u>	<u>593,821</u>

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
	<u>4,521,003</u>	<u>2,614,119</u>

	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)
	<u>3,347,252</u>	<u>415,955</u>

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	-
	8,434,512	4,916,486

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>4,009,965</u>	<u>7,155,897</u>	<u>(9,671,242)</u>	<u>1,494,620</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>5,795,650</u>	<u>6,915,603</u>	<u>(8,701,288)</u>	<u>4,009,965</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	3,974	4,005,991	4,009,965

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)	(2,515,345)	(1,785,685)
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	(939,624)	(1,691,875)

20. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash in hand	330,605	228,551

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2024**
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
	<u>10,525,006</u>	<u>7,630,000</u>

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)		-	-	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.