



Prior's Court Foundation
**Report and
Financial
Statements**

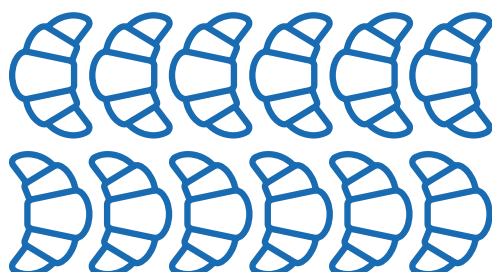
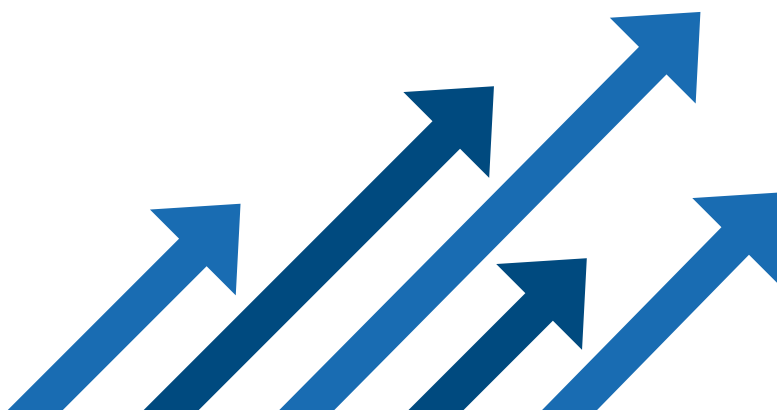
For the year ended 31 August 2019



Prior's Court

Embracing autism
Transforming lives

95 young
people
4% growth this year



12 young
people
trained in our bakery

550
staff members



Ofsted
outstanding



Artsmark
Gold

The Trustees present their Statutory Report (incorporating the Strategic Report) and Accounts for the year ended 31 August 2019

Contents

Trustees' Statutory Report (incorporating Strategic Report):

• Our purpose	4
• What we do	5
• Our ambition	6
• How did we do against plans for 18/19?	7
• Future plans	10
• Financial review	11
• Statement of Compliance, Reference and Administrative Details	14
• Governance	15
Statement of Trustees' Responsibilities	17
Independent Auditor's Report to the Members of Prior's Court Foundation	18
Financial Statements	20
Notes to the Financial Statements	23
List of members, Trustees, advisors, executive team and registered office	40

Strategic Report



Our purpose

Embrace Autism

- We see what people with autism CAN do
- We are experts in our field
- We help people understand autism

Transform lives

- We identify and build upon the strengths of people with autism
- We think big. We don't just change lives - we transform them
- We have a positive impact upon young people and their families

What we do

We provide specialist education and residential homes for 95 young people aged between 5 and 25, who have severe autism and other complex needs. We provide them with a toolkit of life skills, so they are able to have a job, they are happy and healthy and are as independent as they can be. We also provide training services to support parents and professionals working in the field of autism.





Our ambition

- To transform the lives of more people
- To raise the outcomes achieved by our young people to levels beyond our imagination

How did we do against plans for 18/19?

We must recognise the amazing efforts of all our staff members, who have helped achieve so much this year against the backdrop of the tragic minibus accident of October 11th 2018. The resilience and strength of the Prior's Court spirit has shone through in continuing to move the organisation forward providing support to all those directly affected, and honouring the memories of the three colleagues we have lost.



Increasing the numbers of people we impact

Planned	Delivered
Increase the numbers of young people benefiting from our existing services.	Numbers of young people using Prior's Court grew by 4% as we successfully achieved full occupancy of our new Seasons children's homes, which were officially opened in 2017.
Impact the lives of more young people through the introduction of new initiatives.	During the year our Bread & Beyond bakery provided vocational training opportunities for 12 young people. In addition, we planted an apple orchard and erected two polytunnels as part of our longer term horticulture enterprise.

Achieving outcomes beyond imagination

Planned	Delivered
Ensure our facilities meet the needs of our young people.	During the year we completed extensive refurbishment programmes for three of our children's homes. This means that all 12 children's homes are either newly built, or have received significant refurbishment, in the past three years. The overall investment in refurbishment alone during that period is in excess of £1.5m
Have the right numbers and quality of staff to provide the best possible support for our young people.	<p>This remains the single largest challenge facing Prior's Court and the level of activity has remained high throughout the year.</p> <ul style="list-style-type: none"> • Our 'what did you do today?' recruitment campaign - focusing on rewarding careers transforming lives - has been running locally, as well as in other parts of the UK and Europe. • Focus on retention has included the introduction of an employee benefits package offering a wide range of discounts, an extended training programme and a series of thank you incentives for staff.
Introduce systems to support a better understanding of autism and improve efficiency of our operational processes.	The new, unique Prior Insight IT system was launched to all staff in November 2018. In the initial phase of the project we introduced modules which covered the recording of events which occur throughout the course of the day and night. This included recording details of what a young person eats and drinks, how they sleep, activities they undertake during the day and any behavioural or seizure events. The accessibility of this data is already providing valuable information to enable better support to be provided to our young people. It has also enabled the removal of paper based daily activity journals, delivering savings in excess of £5,000 per year.

Other highlights



Let Me Shine at Abbey Road.

In November 2018 a group of young people and staff recorded a live version of the song "Let Me Shine" at the iconic Abbey Road studios in London. This was a great demonstration of the ambition we have for our young people and the accompanying mini documentary film of the event has been seen by over 250,000 people.



Prior's Court music festival.

The Prior's Court Let Me Shine music festival returned, bigger and better, for its second year. The event was attended by staff, young people, parents and family members, who were able to enjoy performances from the adult autistic choir and the band The Autistix as well as many other festival activities, including wandering circus performers.



Autism Conference, Beijing.

The global reputation for Prior's Court continues to grow. CEO, Mike Robinson, Director of Care, Sarah Butcher and Director of Education, Sue Piper presented at an International Autism Conference in Beijing, China to a combined in person and on line audience of over 25,000 people.

Future plans


The focus for 2019/20 remains to impact the lives of more young people affected by autism and to achieve outcomes for them which are beyond imagination.



Impacting the lives of more young people

- We will expand our reach through the progression of a project to find a second site for Prior's Court
- We will continue to develop further work placement opportunities within our Bread & Beyond bakery enterprise
- We will develop work placement opportunities in our emerging horticulture vocational enterprise

Achieving outcomes beyond imagination

- Introduce systems to support a better understanding of autism and improve efficiency of our operational processes
 - Launch new on-line single "This is Me" plan for young people, replacing the current multiple, paper based versions
 - Introduce young people progress tracking across all learning programmes
 - Ensure our facilities meet the needs of our young people
 - Complete the refurbishment of the young adult cottages
 - Produce a ten year planned maintenance plan
 - Have the right numbers and quality of staff to provide the best possible support for our young people
 - Complete the first year of a new graduate recruitment programme
 - Introduce systems to ensure staff deployment is optimised
- 

Financial review

Commentary on consolidated balance sheet and results for the year

This year marks the second year of consolidated group accounts including the first full financial year of trading within Prior's Court Trading Limited.

Group incoming resources increased 5.8% year on year to £20,569,889 (2018: £19,435,778). This included donations of £253,405 in relation to the bakery operations, our Prior Insight IT system and a number of other smaller projects. The mix of pupil placements was stable with 52-week placements remaining the majority in school. Overall occupancy at the year-end stood at 93.5%.

Overall, the group net surplus was £1,186,728 (2018: £1,305,604). This slight fall was primarily driven by the fall in donation income due to no significant capital project appeals this year.

Unrestricted reserves increased to £2,484,738 in the year (2018: £1,275,030). This is making significant progress towards meeting the Trustees' objective to increase reserves to the £2.75m desired target.

Expenditure on fixed assets during the year totalled £688,501 (2018: £1,770,015) and included a £103,045 investment in intangible assets for the Prior Insight IT system. Other expenditure included the refurbishment of Beechcroft, Summerhill and Henley houses and the investment in the apple orchard and polytunnels for the horticulture commercial enterprise. The year on year fall reflects the lower number of refurbishments and the smaller sizes of those homes refurbished.

At the year end the group had a net debt of £3,335,540 (2018: £4,898,583). This reduction in net debt reflects the reduction in capital expenditure investment year on year.

With increasing demand for specialist provisions, the Trustees recognise that investment in the existing estate is critical to maintaining service quality. They also recognise the importance of exploring options to find and develop a second site for Prior's Court to impact the lives of more young people. In addition, investment into work placement opportunities for autistic young people, via our trading subsidiary, is recognised as a fundamental part of the Foundation's strategy to impact the lives of more young people and improve outcomes through a quality living and learning environment. The policy thus remains for surpluses generated to be reinvested in the group to support these goals, minimise net debt, and maintain a financially secure organisation to secure future benefits for autistic young people.

Prior's Court Trading Limited

Trading under the name 'Bread and Beyond', Prior's Court Trading Limited completed its first full year of sales. Further details can be found in note 7.

Prior's Court Services Limited

During the year Prior's Court Services Limited was incorporated with the purpose of transitioning the provision of all education and care services from the Foundation to this new wholly owned subsidiary.

Fundraising

The Foundation is registered with the Fundraising Regulator and we follow the Code of Fundraising Practice. We do not engage any third party fundraisers, and comply with the key principles and behaviours of the Code to ensure that we take all reasonable steps to protect vulnerable people from inappropriate or unwelcomed fundraising approaches. The Foundation has not received any complaints about any aspect of its fundraising.

Our donors take us above and beyond the core funding we receive from Local Authorities and enable us to provide new facilities, equipment, trips and activities for the young people at Prior's Court. This would not be possible without the support of so many and our thanks go to each and every individual and organisation that has helped the Foundation to secure the funds it needs or supported with gifts in kind to address our ambition for the children and young people we serve.

During the year the fundraising team raised £253,405 of voluntary income. Over 40% of donations were unrestricted in nature, whilst over 25% of raised funds were in support of the bakery project.

The remaining donations received can be found in note 6 and included specialist equipment and activities for the benefit of our young people and the Prior Insight project, which, through real time electronic data capture, is already starting to allow us to make the way we operate more efficient and dramatically improve the understanding of why our young people experience the anxieties they have.

We would like to acknowledge the generous support we have received as donations and pledges in the year from the following:

BNP PARIBAS LEASING SOLUTIONS UK

CADOGAN CHARITY

CARDY BEAVER FOUNDATION

CISCO SYSTEMS LTD

CYRIL SHACK TRUST

ECCLESIASTICAL MOVEMENT FOR GOOD

EAST WOODHAY GARDEN SAFARI

EDWARD GOSTLING FOUNDATION

EDWARDS LIFESCIENCES

ETON ACTION

FLEET MORTGAGES LTD

FUJITSU

GREENHAM TRUST

HOSPITAL SATURDAY FUND

ILIFFE FAMILY CHARITABLE TRUST

IVANTI

JOHN LEWIS & PARTNERS FOUNDATION

MARKS & SPENCER

MASONIC CHARITABLE FOUNDATION

MICROSOFT LTD

MORGAN CHARITABLE FOUNDATION

NEWBURY BUILDING SOCIETY

ORACLE CORPORATION UK LTD

PETER BAKER FOUNDATION

SAINSBURY'S DISTRIBUTION PLC*

SCHRODER CHARITY TRUST

SCREWFIX FOUNDATION

SPORT ENGLAND

ST JAMES'S PLACE CHARITABLE FOUNDATION

TELEFÓNICA UK LIMITED

THE NORTH FACE*

THE PHOENIX GROUP

UK ZURICH COMMUNITY TRUST

UKCLOUD LTD

VEOLIA UK*

VODAFONE GROUP PLC

● *Gifts in Kind ● Volunteers ● Financial Donations

We also acknowledge with gratitude all those whom we cannot list here or who wish to remain anonymous.

Reserves

The Trustees regularly review the Group's financial position, monthly cash flow budgets and spending against budget and against the background of the rolling five-year plan, which is updated annually. This stewardship is critical to monitor closely the local government fee income needed to fund the operating expenditure – mainly staff costs – required to provide the specialist care which our pupils need twenty-four hours each day throughout the year.

The Trustees are pleased to report that this year, through a combination of the Group's surplus and reduction in capital expenditure and thus net debt, has seen an increase in free reserves to £2.48m. This is making good progress towards the £2.75m target that the Trustees believe is appropriate for free reserves to cover contingencies arising from operating cash flow fluctuations. That target is the equivalent of six months' operating costs, net of controllable staff costs.

Going concern

Having reviewed the funding facilities available to the Foundation together with the expected on-going demand for places and the Foundation's future projected cash flows, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Investment policy

The Trustees are authorised under the Articles of Association to invest any monies in an investment authorised by law for charity funds.

The aim of the Foundation is to apply its income in support of its charitable objectives and investment of surplus funds will only be considered as an interim measure in respect of cash surpluses, as yet uncommitted. All investment activities involve risk and reward, and the policy of the Foundation is to achieve a satisfactory return whilst minimising risk. The overriding principle is to reduce risk rather than maximise return.

Overall responsibility for investment decisions lies with the Trustees. The management of investment activities is delegated to the Director of Finance, who reports regularly to Trustees on any investment activities as part of his regular financial reporting.

During the year, to take advantage of the 0.25% rise in Bank of England interest rates in August 2018, the Foundation invested in a number of short term 3-month deposits to maximise interest receivable. This, along with the establishment of an overnight sweep facility from the current account to an interest-bearing account, generated £5,250 income for the Foundation.



Statement of Compliance, Reference and Administrative Details

This report complies with the Charities Act 2011, the Companies Act 2006, as amended by the Companies Act 2006 (Strategic Report and Directors' Report Regulations 2013), Prior's Court Foundation's Articles of Association, which is its governing document, and the Statement of Recommended Practice – Accounting and Reporting by Charities (SORP), effective 1 January 2015 – Charities SORP (FRS 102).

Reference and administrative details

Legal constitution, operating names

Prior's Court Foundation is a company limited by guarantee, number 3583324 ("the Company") incorporated on 12 June 1998 and a registered charity number 1070227 ("the Charity"). The members of the Company, who are also the Directors of the company and the Trustees of the Charity, each agree to contribute up to £1 in the event of the Charity winding up; throughout this report they are collectively referred to as "the Trustees".

The Charity also operates under the name of Prior's Court School (the "School") and Prior's Court Young Adult Provision (the "Young Adult Provision").

The Charity owns 100% of the ordinary share capital of Prior's Court Trading Limited (a private company limited by shares number 10886137) which was incorporated on 27 July 2018 and trades under the trading name 'Bread and Beyond'.

The Charity also owns 100% of the ordinary share capital of Prior's Court Services Limited (a private company limited by shares number 11998772) which was incorporated during the year on 16 May 2019.

Public benefit

In setting the Charity's goals and planning activities the Trustees have given due consideration to the published Charity Commission guidance on the operation of the public benefit requirement of the Charities Act 2011. As places for young people are assessed on the needs of the students and the fees are entirely paid by Local Authorities the Trustees consider that the public benefit requirement has been met. Furthermore, the Charity makes specialist autism training and development services available to other schools and external organisations from across the country.

Objects and activities

The objects of the Charity are set out in the Articles of Association. The main object is summarised as:

"to promote the education, welfare and relief of people (and in particular, but not exclusively, children and young adults) who suffer from any one or more of the following:

- learning disabilities or
- physical disabilities or
- psychiatric illness and
- social or communication difficulties or disorders which are related to, or associated with, autism".

The Charity addresses its objects by offering:

- an independent day and residential special school for children and young people aged 5 to 20;
- a residential provision for young adults from 19 to 25 years; and
- a training centre developing expertise in autism best practice for Prior's Court's staff, parents and external professionals

Governance

Trustees, Executive Team and appointed advisors

The Trustees, (detailed, together with the sub-committees on which they serve, on page 40) determine the general policy of the Foundation. The Trustees are appointed by the company membership and serve for up to three years, retiring by rotation and being eligible to serve for two further terms under the Articles of Association.

The Board of Trustees, which may have up to 15 members, administers the Foundation. The Board meets quarterly, and its sub-committees cover the different areas within the Foundation. The Chief Executive leads the Executive Team and is responsible to the Trustees for overseeing all operations within the Foundation as well as the framework for staffing, education and residential care requirements for the School and the Young Adult Provision.

The role of parent-appointed and staff-appointed advisors (named on page 40) is to act as a link between the Trustees and the groups they represent.

The members of the Executive Team are listed on page 38. The Foundation's professional advisors are listed on page 39.

Key management personnel

Key management personnel and the Trustees are named on page 40.

The remuneration of key management personnel is set by the Board, following advice from the Nominations Committee. The policy objective is to provide appropriate incentives to encourage enhanced performance and to reward them fairly and responsibly for their individual contributions to the Foundation's success.

The remuneration policy is reviewed annually to ensure it remains appropriate and relevant. The committee benchmarks remuneration against similar organisations in the charity sector to ensure that Prior's Court remains sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit, subject to experience, at the median point within a band, providing scope for rewarding performance in the future. Delivery of the Foundation's charitable vision and purpose is primarily dependent on our key management personnel, and staff costs are the largest single element of our charitable expenditure.

Trustees' induction and training

New Trustees are appointed at full Trustee meetings upon approval by the existing membership and are briefed on their legal obligations under charity and company law, on the content of the Articles of Association, on the committee and decision-making processes, and on the business plan and recent financial performance of the Foundation. All Trustees are required to undertake regular safeguarding training. Further training is provided to give an overview of our autism best practice and relevant areas of education, residential care and organisational management such as risk management.

During their induction new Trustees meet key employees and other Trustees. Trustees are encouraged to attend appropriate external training events where these will facilitate the undertaking of their role.

Risk management

The Trustees recognise their responsibilities in the management of risk and have a risk management strategy which comprises:

- a quarterly review by the Board of Trustees of the principal risks the Foundation may face, in terms of both likelihood of occurrence and gravity of effect;
- the establishment of internal controls, systems and procedures, including cyber essentials to mitigate those risks identified in the reviews; and
- the implementation of procedures designed to minimise any potential impact on the Foundation should those risks materialise.

The risks rated as high by the Trustees, and the actions taken to mitigate them are currently:

- maintaining the right quality and quantity of staff to deliver the highest standards of care and education. The Trustees recognise that the organisation strives to be a great place to work through the provision of market rate remuneration packages, extensive training and support programmes and career development opportunities. In addition, the organisation has an active, ongoing recruitment programme to attract new staff. The Trustees have set a target for staff turnover to be below the sector average.

Provision of information to auditors

Each of the persons who is a director at the time when this report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company's auditors in connection with preparing their report and to establish that the Company's auditors are aware of that information.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Trustee Body of Prior's Court Foundation Limited on _____ including in their capacity as company directors, approving the Trustees' Report (incorporating the Strategic Report) contained therein, and is signed as authorised on its behalf by:

Christopher Barrett DL
Chair of Trustees
Date:

Neil Atherton
Company Secretary
Date:



Statement of Trustees' Responsibilities

The Trustees (who are also directors of Prior's Court Foundation for the purposes of company law) are responsible for preparing the Annual Report of the Foundation Trustees (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

Prior's Court Foundation Independent Auditor's Report to the Members of Prior's Court Foundation for the year ended 31 August 2019

Opinion

We have audited the financial statements of Prior's Court Foundation for the year ended 31 August 2019 which comprise Consolidated Statement of Financial Activities, the Consolidated and Foundation Balance sheet, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 the charitable company's affairs as at 31 August 2019 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or 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.

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic 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; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the 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 strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept; 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 set out on page 17, 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Janette Joyce
Senior Statutory Auditor

For and on behalf of
Crowe U.K. LLP
Statutory Auditor
Aquis House
49-51 Blagrove Street
Reading
Berkshire RG1 1PL, UK

Date:

Prior's Court Foundation

Report and Financial Statements for the year ended 31 August 2019

Consolidated Statement of Financial Activities

(including an income and expenditure account)

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income and Endowments from:					
Income from trading activities:	6	115,803	4,021	119,824	94,745
Donations:	5	108,566	144,839	253,405	579,142
Income from charitable activities:					
Provision of education & care		20,153,460	43,200	20,196,660	18,761,891
Total		20,377,829	192,060	20,569,889	19,435,778
Expenditure On:					
Expenditure on raising funds:					
Finance costs	8	173,574	–	173,574	157,454
Fundraising costs	9	158,679	–	158,679	124,918
Trading expenditure	7	76,105	–	76,105	49,007
Expenditure on charitable activities:					
Provision of education & care	10	17,995,619	111,063	18,106,682	16,893,227
Marketing and communications	10	240,197	–	240,197	397,452
Staff training	10	627,924	–	627,924	508,116
Total		19,272,098	111,063	19,383,161	18,130,174
Net income		1,105,731	80,997	1,186,728	1,305,604
Transfer between funds	21	65,697	(65,697)	–	–
Net movement in funds		1,171,428	15,300	1,186,728	1,305,604
Total funds brought forward		18,468,139	69,232	18,537,371	17,231,767
Total funds carried forward	21	19,639,567	84,532	19,724,099	18,537,371

The notes on pages 23 to 39 form part of these accounts

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Company number: 3583324

Consolidated Balance Sheet at 31 August 2019

	Note	Foundation		Group	
		2019 £	2018 £	2019 £	2018 £
Fixed assets					
Intangible assets	13	91,595	–	91,595	–
Tangible assets	14	22,625,737	23,108,569	22,968,044	23,435,954
Investment in subsidiary undertakings	15	1,000	500	–	–
		22,718,332	23,109,069	23,059,639	23,435,954
Current assets					
Stocks	16	6,954	11,891	9,368	11,891
Debtors	17	1,345,939	2,206,715	1,342,149	2,164,588
Cash at bank and in hand		2,455,367	1,720,039	2,468,070	1,773,376
		3,808,260	3,938,645	3,819,587	3,949,855
Creditors					
Amounts falling due within one year	18	(1,578,664)	(2,924,190)	(1,589,506)	(2,935,398)
Net current assets		2,229,596	1,014,455	2,230,081	1,014,457
Total assets less current liabilities		24,947,928	24,123,524	25,289,720	24,450,411
Creditors					
Amount falling due after more than one year	19	(5,565,621)	(5,913,040)	(5,565,621)	(5,913,040)
Net assets	20	19,382,307	18,210,484	19,724,099	18,537,371
Capital and reserves					
Restricted funds	22	84,532	69,232	84,532	69,232
Unrestricted funds – general	21	2,485,253	1,275,528	2,484,738	1,275,030
Unrestricted funds – designated	21	16,812,522	16,865,724	17,154,829	17,193,109
		19,382,307	18,210,484	19,724,099	18,537,371

The net income for the financial year dealt within the financial statements of the parent company was £1,171,823 (2018: £978,717).

The financial statements were approved and authorised for issue by the Board of Trustees on

Christopher Barrett DL
Chair of Trustees

William Powlett Smith
Chair of Financial Security Committee

The notes on pages 23 to 39 form part of these accounts

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Consolidated statement of cash flows

	2019 £	2018 £
Cash flows from operating activities		
Net income per statement of financial activities	1,186,728	1,305,604
Depreciation	1,033,560	912,374
Amortisation	11,450	–
(Profit)/loss on disposal of fixed assets	(7,219)	683
Bank interest paid	173,574	157,454
Decrease/(increase) in debtors	822,439	(383,613)
Decrease/(increase) in stock	2,523	(7,559)
Decrease in creditors	(1,355,276)	(548,182)
Cash generated by operating activities	1,867,779	1,436,761
Cash flows from investing activities		
Proceeds from sale of fixed assets	27,025	3,850
Purchase of fixed assets (intangible and tangible)	(688,501)	(1,770,015)
Cash used in investing activities	(661,476)	(1,766,165)
Cash flows from financing activities		
Bank loan repaid	(338,035)	(127,902)
Drawdown on bank loan in the year	–	1,524,225
Interest paid	(173,574)	(157,454)
Cash (used in)/generated by financing activities	(511,609)	1,238,869
Change in cash and cash equivalents in the year	694,694	909,465
Cash and cash equivalents at the beginning of the year	1,773,376	863,911
Total cash and cash equivalents at the end of the year	2,468,070	1,773,376
Cash at bank and in hand	2,468,070	1,773,376

The notes on pages 23 to 39 form part of these accounts

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements

1. Company Information

The Foundation's principal activity is the maintenance of Prior's Court School and Prior's Court young adult provision for students aged 5 to 25 with autism and severe and complex learning difficulties. The Foundation (charity number 1070227 and company number 3583324) is incorporated and domiciled in the UK. The address of the registered office is located on page 41.

2. Accounting Policies

Basis of preparation

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 (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Foundation 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 note(s).

Going concern

Having reviewed the funding facilities available to the Foundation together with the expected on-going demand for places and the Foundation's future projected cash flows, the Trustees have a reasonable expectation that the Foundation has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Consolidation

The consolidated financial statements incorporate the financial statements of Prior's Court Trading Limited (PCTL) and Priors Court Services Limited (PCSL) the charitable company's trading subsidiaries with company numbers 10886137 and 11998772 respectively. PCTL was incorporated on the 27 July 2017 and hence the prior year results included relate to a 13 month period. PCSL was incorporated on 16 May 2019 with its only transaction in the period to 31 August 2019 being the issue of share capital. No separate statement of financial activities is present for the Foundation as permitted by section 408 of the Companies Act 2006. The net incoming resources of the Foundation (excluding PCTL & PCSL) were £1,171,823 (2018: £978,717).

Incoming resources

All incoming resources are included in the Statement of Financial Activities when the amount and receipt becomes probable. Deferred income is generated where tuition fees for the forthcoming term are invoiced in advance of the period end.

Investment income

Investment income represents bank interest received on cash deposits.

Income from charitable activities

Provision of education and care represents fee income received for pupils and young adults who live in residential accommodation at Prior's Court Foundation and fee income received for pupils who attend the School on a daily basis.

Gifts in kind

These are included at a reasonable estimate of their gross value to the Foundation.

Restricted funds

Restricted funds, whose use is specified by the donor, are credited to income in the period in which they are received. Where amounts are not specifically allocated against expenditure in that period, the balance is deferred and added to the balance brought forward on the restricted fund to be used in future periods.

Designated funds

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of the designated funds is set out in Note 21 to the financial statements.

Resources expended – charitable activities

Costs of charitable activities include costs associated with providing services to the pupils and an apportionment of overheads and support costs as shown per Note 10. The costs relating to the pupils include teaching, care, staff training and premises.

Intangible fixed assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life, and are amortised over 3 years.

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

2. Accounting Policies (Continued)

Tangible fixed assets

The Foundation has applied the "deemed cost" provisions of FRS102 in that valuations of previously revalued land and buildings will no longer be undertaken.

Depreciation is provided to write off the cost or valuation, less estimated residual values, of all tangible fixed assets, except for freehold land and assets in the course of construction, evenly over their expected useful life. It is calculated at the following rates:

Freehold buildings	50 years
Fixtures, fittings and other equipment	5-10 years
Computer equipment	3 years
Motor vehicles	3 years

Within the Foundation individual items costing less than £1,000 are written off as expenses on acquisition. There is no de minimis limit in the trading subsidiary.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Pension costs

The Foundation operates a group personal pension plan for its non-teaching staff. Contributions are charged to the Statement of Financial Activities in the year in which they become payable.

The Foundation also contributes to the Teachers' Pension Defined Benefits Scheme at rates set out by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

Financial instruments

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 26 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to cash and debtor balances excluding prepayments, and financial liabilities referring to all creditor balances excluding deferred income and taxation and social security.

3. Significant Judgements and Estimates

In the application of the Foundation's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Trustees consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

4. Status of the Charity

The Foundation is a company limited by guarantee and is a registered charity. Each member's liability would be limited to an amount not exceeding £1 in the event of the Foundation winding up.

Prior's Court Foundation

Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

5. Donations – Group and Foundation	2019 £	2018 £
Donations comprise:		
Restricted Income		
Donations – Lemon Tree	2,500	389,428
Donations – Bakery	70,479	107,618
Donations – Memorial Funds	4,125	–
Donations – Prior Insight	3,639	35,000
Donations – Sensory Pool Project	–	20,064
Donations – Young Adult	–	15,449
Donations – Sports Equipment Xmas Appeal	43,181	–
Donations – Abbey Road	1,200	–
Donations – Enhancement works	3,000	–
Donations – Middle Playground	2,264	–
Donations – Sensory Beds	50	–
Donations – Summerhill Pathway	5,000	–
Donations – Bradbury Dining Hall	1,000	–
Donations – Horticulture	1,500	–
Donations – Robot	5,000	7,849
Donations – Day trips	–	1,052
Donations – Countryside Learning Centre	1,901	890
Donations – Egg to Chicken	–	500
	144,839	577,850
Unrestricted donations	108,566	1,292
Total	253,405	579,142
6. Trading activities	2019 £	2018 £
Training courses and conferences	55,890	46,530
Other fundraising activities	37,679	40,308
Mini Enterprise	4,021	6,782
Bakery income from Bread and Beyond	22,234	1,125
	119,824	94,745

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

7. Trading Income and Expenditure

Prior's Court Trading Limited is a 100% subsidiary of the Foundation, Company Number: 10886137). Its registered office is as per Note 1. The company was incorporated on 27 July 2017, in order to carry out the non-educational activities associated with the Foundation. The trading results extracted from its audited accounts were:-

	31 August 2019 £	13 months ended 31 August 2018 £
Turnover	22,234	1,125
Cost of sales	(10,697)	(5,804)
Gross profit	11,537	(4,679)
Administrative expenses	(102,219)	(60,492)
Other operating income	105,588	392,057
Profit on activities before taxation	14,906	326,886
Taxation	–	–
Profit for the financial year	14,906	326,886

The aggregate amount of share capital and reserves of Prior's Court Trading Limited at 31 August 2019 was £342,292.

Administrative expenses include a management charge paid to the Foundation of £7,128 (2018: £3,188). Other operating income represents a grant of £105,588 (2018: £392,057) towards revenue and capital expenditure. Both of these items are eliminated upon consolidation.

	£
Total costs per Prior's Court Trading Limited	112,916
Management charge eliminated	(7,128)
Depreciation allocated elsewhere on SOFA	(29,683)
Total costs per the SOFA for Trading Expenditure	76,105

8. Finance Costs	2019 £	2018 £
Interest paid	173,574	157,454

9. Fundraising Costs	2019 £	2018 £
Staff costs	139,326	39,581
Other fundraising costs	19,353	85,337
	158,679	124,918

Prior's Court Foundation

Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

10. Analysis of Charitable Expenditure

	Staff Costs £	Other Support Costs £	Depreciation/ Amortisation £	2019 £	2018 £
Provision of Education and care	13,998,155	3,114,283	994,244	18,106,682	16,893,227
Marketing and Communications	101,983	138,214	–	240,197	397,452
Staff training	164,128	413,030	50,766	627,924	508,116
	14,264,266	3,665,527	1,045,010	18,974,803	17,798,795

Support costs are allocated consistently based on the level of direct staff costs attributable to each charitable activity. Administration salaries have been included within staff costs above. Other support costs include utilities, legal & professional fees and other general administration expenses as well as the following major expenditure items:

	2019 £	2018 £
Governance costs	23,716	18,366
Repairs and maintenance	696,196	755,444
Other catering and provisions	482,703	473,475

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

11. Staff Costs	2019 £	2018 £
Staff costs consist of:		
Wages and salaries	11,424,641	11,057,558
Social security costs	918,477	922,101
Other pension costs	523,090	473,616
Total payroll costs	12,866,208	12,453,275
Agency and supply cover	1,537,384	1,152,057
Total staff costs*	14,403,592	13,605,332

*Reconciles to staff costs of £139,326 in note 9 and £14,264,266 in note 10.

Redundancy payments of £10,000 (2018: £9,906) were made during the year.

Expenses were reimbursed to 1 (2018: 2) Trustee during the year totalling £347 (2018: £3,629) in relation to travel expenses.

The number of employees whose annual emoluments exceeded £60,000 were:

	2019 Number	2018 Number
£60,001 - £70,000	–	1
£70,001 - £80,000	3	2
£80,001 - £90,000	1	2
£120,001 - £130,000	1	1
Number of higher paid employees contributing to a pension scheme	4	5
Total cost of employer's contributions in relation to the above	£ 24,463	£ 25,821

The average number of employees during the year, split by category, was as follows:

	2019 Number	2018 Number
Education	61	57
Residential care	321	323
Administration	69	57
	451	437

The above numbers do not include agency staff and flexible workers.

The Trustees received no remuneration during the current or preceding year.

At the end of the year Key management personnel comprised 8 (2018: 7) people who received aggregate remuneration (including employer's pensions and employer national insurance) of £677,266 (2018: £643,522). Key management personnel and the Trustees are named on page 40.

Prior's Court Foundation

Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

12. Net Income/(Expenditure)		
This has been arrived at after charging:	2019 £	2018 £
Depreciation	1,033,560	912,374
Amortisation	11,450	–
Auditor's remuneration – Audit and accountancy	18,450	18,375
– Non-audit	24,495	19,900

13. Intangible Assets	
Group and Foundation	Software development £
Cost	
At 1 September 2018	–
Additions	103,045
At 31 August 2019	103,045
Depreciation	
At 1 September 2018	–
Charge for the period	11,450
At 31 August 2019	11,450
Net Book Value at 31 August 2019	91,595
At 31 August 2018	–

Prior's Court Foundation

Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

14. Tangible Assets – Foundation

	Freehold Land & Buildings £	Fixtures, Fittings & Other Equipment £	Computer Equipment £	Motor Vehicles £	Assets in the Course of Construction £	Total £
Deemed cost						
At 1 September 2018	24,317,584	3,525,305	1,353,701	276,507	18,639	29,491,736
Additions	231,662	171,078	55,167	42,798	40,145	540,850
Disposals	–	(11,611)	–	(26,040)	–	(37,651)
<i>At 31 August 2019</i>	<i>24,549,246</i>	<i>3,684,772</i>	<i>1,408,868</i>	<i>293,265</i>	<i>58,784</i>	<i>29,994,935</i>
Depreciation						
At 1 September 2018	2,282,906	2,761,566	1,194,269	144,426	–	6,383,167
Charge for the period	563,226	271,870	117,552	51,228	–	1,003,876
Disposals	–	(581)	–	(17,264)	–	(17,845)
At 31 August 2019	2,846,132	3,032,855	1,311,821	178,390	–	7,369,198
Net Book Value						
At 31 August 2019	21,703,114	651,917	97,047	114,875	58,784	22,625,737
<i>At 31 August 2018</i>	<i>22,034,678</i>	<i>763,739</i>	<i>159,432</i>	<i>132,081</i>	<i>18,639</i>	<i>23,108,569</i>

All fixed assets are used for charitable purposes.

Tangible Assets – Group

	Freehold Land & Buildings £	Fixtures, Fittings & Other Equipment £	Computer Equipment £	Motor Vehicles £	Assets in the Course of Construction £	Total £
Deemed cost						
At 1 September 2018	24,617,269	3,554,917	1,353,701	276,507	18,639	29,821,033
Additions	237,459	195,592	55,167	57,093	40,145	585,456
Disposals	–	(11,611)	–	(26,040)	–	(37,651)
At 31 August 2019	24,854,728	3,738,898	1,408,868	307,560	58,784	30,368,838
Depreciation						
At 1 September 2018	2,284,571	2,761,813	1,194,269	144,426	–	6,385,079
Charge for the period	583,430	278,570	117,552	54,008	–	1,033,560
Disposals	–	(581)	–	(17,264)	–	(17,845)
At 31 August 2019	2,868,001	3,039,802	1,311,821	181,170	–	7,400,794
Net Book Value						
At 31 August 2019	21,986,727	699,096	97,047	126,390	58,784	22,968,044
<i>At 31 August 2018</i>	<i>22,332,698</i>	<i>793,104</i>	<i>159,432</i>	<i>132,081</i>	<i>18,639</i>	<i>23,435,954</i>

Included within Freehold Land and Buildings is a gift in kind from the Shirley Foundation. The original gift was professionally valued at £7,000,000 at 31 March 2005 when the gift was made.

Prior's Court Foundation

Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

15. Investments in Subsidiary Undertakings

	£
Cost	
At 1 September 2018	500
Additions	500
Disposals	–
At 31 August 2019	1,000

The investments are stated at cost and relate to the Foundation's investment in the subsidiary companies. These subsidiaries are deemed to be social investments.

Prior's Court Trading Limited was incorporated in the United Kingdom on 27 July 2017 with £500 of share capital and is a wholly owned subsidiary of the Foundation. See note 7 for 31 August 2019 financial position.

Priors Court Services Limited was incorporated in the United Kingdom on 16 May 2019 with £500 of share capital and is a wholly owned subsidiary of the Foundation. It did not trade during the period ended 31 August 2019.

16. Stocks

	Foundation		Group	
	2019 £	2018 £	2019 £	2018 £
Stock	6,954	11,891	9,368	11,891

17. Debtors

	Foundation		Group	
	2019 £	2018 £	2019 £	2018 £
Trade debtors*	959,827	1,964,097	962,755	1,965,012
Amounts owed by group undertakings	11,906	49,121	–	–
Other debtors	49	136,712	437	142,791
Prepayments and accrued income	374,157	56,785	378,957	56,785
	1,345,939	2,206,715	1,342,149	2,164,588

*See Note 18b)

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

18a. Creditors: Amounts falling due within one year

	Foundation		Group	
	2019 £	2018 £	2019 £	2018 £
Bank loans	351,811	342,427	351,811	342,427
Trade creditors	766,425	461,444	774,088	472,652
Other creditors	54,298	18,564	54,298	18,564
Accruals	268,761	448,295	271,940	448,295
Deferred income (see note 18b)	137,369	1,653,460	137,369	1,653,460
	1,578,664	2,924,190	1,589,506	2,935,398

18b. Deferred Income

	Foundation		Group	
	2019 £	2018 £	2019 £	2018 £
Deferred income at 1 September 2018	1,653,460	2,009,137	1,653,460	2,009,137
Resources deferred in the year	137,369	1,653,460	137,369	1,653,460
Amounts realised from previous years	(1,653,460)	(2,009,137)	(1,653,460)	(2,009,137)
Deferred income at 31 August 2019	137,369	1,653,460	137,369	1,653,460

Deferred income relates to income received in advance for the placement of young people within the Foundation. Deferred income (and trade debtors) both fell year on year due to the deferral of invoicing for education and care services. No 2019/20 academic year invoices were raised prior to the 31st August 2019 year end as from 1st September 2019 these are invoiced from Prior's Court Services Limited.

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

	Foundation		Group	
	2019 £	2018 £	2019 £	2018 £
Bank loans	5,565,621	5,913,040	5,565,621	5,913,040

The bank loans are repayable as follows:

Within one year (see note 18a)	351,811	342,427	351,811	342,427
Between one and two years	361,853	352,961	361,853	352,961
Between two and five years	1,148,716	1,120,090	1,148,716	1,120,090
Over five years	4,055,052	4,439,989	4,055,052	4,439,989
Bank loans (more than one year)	5,565,621	5,913,040	5,565,621	5,913,040
	5,917,432	6,255,467	5,917,432	6,255,467

Loans comprise a single LIBOR based 15-year loan of £6.302 million taken out in March 2018, of which £5.917 million (2018: £6.255 million) remained outstanding at the year end. The loan is charged at a margin of 2.05% plus LIBOR.

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

20. Allocation of Net Assets					
Foundation	Investments £	Fixed Assets £	Net Current Assets/ (Liabilities) £	Long term liabilities £	31 August 2019 £
Restricted funds	-	-	84,532	-	84,532
Unrestricted funds:					
General	1,000	-	2,484,253	-	2,485,253
Designated	-	22,717,332	(339,189)	(5,565,621)	16,812,522
	1,000	22,717,332	2,229,596	(5,565,621)	19,382,307
2018 Comparative note					
	Investments £	Fixed Assets £	Net Current Assets/ (Liabilities) £	Long term liabilities £	31 August 2018 £
Restricted funds	-	-	69,232	-	69,232
Unrestricted funds:					
General	500	-	1,275,028	-	1,275,528
Designated	-	23,108,569	(329,805)	(5,913,040)	16,865,724
	500	23,108,569	1,010,763	(5,913,040)	18,210,484

Group	Investments £	Fixed Assets £	Net Current Assets/ (Liabilities) £	Long term liabilities £	31 August 2019 £
Restricted funds	-	-	84,532	-	84,532
Unrestricted funds:					
General	-	-	2,484,738	-	2,484,738
Designated	-	23,059,639	(339,189)	(5,565,621)	17,154,829
	-	23,059,639	2,230,081	(5,565,621)	19,724,099
2018 Comparative note					
	Investments £	Fixed Assets £	Net Current Assets/ (Liabilities) £	Long term liabilities £	31 August 2018 £
Restricted funds	-	-	69,232	-	69,232
Unrestricted funds:					
General	-	-	1,275,030	-	1,275,030
Designated	-	23,435,954	(329,805)	(5,913,040)	17,193,109
	-	23,435,954	1,014,457	(5,913,040)	18,537,371

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

21. Funds					
Foundation	At 1 September 2018 £	Incoming Resources £	Resources Expended £	Transfers £	31 August 2019 £
Restricted funds (note 22)	69,232	192,060	(111,063)	(65,697)	84,532
Unrestricted funds:					
General	1,275,528	20,362,723	(18,256,571)	(896,427)	2,485,253
Designated:					
Fixed assets	16,853,102	–	(1,015,326)	962,124	16,799,900
Other	12,622	–	–	–	12,622
	18,210,484	20,554,783	(19,382,960)	–	19,382,307
<i>2018 Comparative note</i>					
<i>Foundation</i>	<i>At 1 September 2017 £</i>	<i>Incoming Resources £</i>	<i>Resources Expended £</i>	<i>Transfers £</i>	<i>31 August 2018 £</i>
<i>Restricted funds</i>	56,118	608,632	(595,518)	–	69,232
<i>Unrestricted funds:</i>					
<i>General</i>	(587,271)	18,841,397	(16,962,297)	(16,301)	1,275,528
<i>Designated:</i>					
<i>Fixed assets</i>	17,723,702	–	(910,462)	39,862	16,853,102
<i>Other</i>	39,218	–	(3,035)	(23,561)	12,622
	17,231,767	19,450,029	(18,471,312)	–	18,210,484

Group	At 1 September 2018 £	Incoming Resources £	Resources Expended £	Transfers £	31 August 2019 £
Restricted funds (note 22)	69,232	192,060	(111,063)	(65,697)	84,532
Unrestricted funds:					
General	1,275,030	20,377,829	(18,227,088)	(941,033)	2,484,738
Designated:					
Fixed assets	17,180,487	–	(1,045,010)	1,006,730	17,142,207
Other	12,622	–	–	–	12,622
	18,537,371	20,569,889	(19,383,161)	–	19,724,099
<i>2018 Comparative note</i>					
<i>Group</i>	<i>At 1 September 2017 £</i>	<i>Incoming Resources £</i>	<i>Resources Expended £</i>	<i>Transfers £</i>	<i>31 August 2018 £</i>
<i>Restricted funds (note 21)</i>	56,118	608,632	(595,518)	–	69,232
<i>Unrestricted funds:</i>					
<i>General</i>	(587,271)	18,827,146	(16,619,247)	(345,598)	1,275,030
<i>Designated:</i>					
<i>Fixed assets</i>	17,723,702	–	(912,374)	369,159	17,180,487
<i>Other</i>	39,218	–	(3,035)	(23,561)	12,622
	17,231,767	19,435,778	(18,130,174)	–	18,537,371

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

Restricted funds

The restricted funds represent monies received by the Foundation for specific projects that have not yet been completed. An analysis of these funds is shown in note 22.

Designated funds (fixed assets)

Funds have been designated by the Trustees that are allocated to fixed assets used in the Foundation's operation which are not, therefore, available to fund short term expenditure.

Included within designated funds is a loan to finance the construction of designated fixed assets.

Designated funds (Other)

Funds have been designated by the Trustees from specific fund raising events, which are to be used to provide for activities and minor equipment outside the normal School budget.

Transfer

The transfers between funds are primarily to reflect the fixed asset designated fund as noted above where capital spend has occurred.

Prior's Court Foundation

Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

22. Restricted Fund Analysis – Foundation and Group

	Brought forward £	Income £	Resources Expended £	Transfers £	31 August 2019 £
Bursaries	35,268	43,200	(43,961)	-	34,507
Lemon Tree	-	2,500	(2,500)	-	-
Countryside Learning Centre	-	1,901	(1,901)	-	-
Day Trips	1,052	-	-	-	1,052
Young Adults	12,520	-	-	(12,520)	-
Memorial Fund	-	4,125	(4,125)	-	-
Bakery	-	70,479	(43,479)	-	27,000
Prior Insight	-	3,639	(2,000)	-	1,639
Sport Equipment Xmas Appeal	-	43,181	-	(38,699)	4,482
Abbey Road	-	1,200	(1,200)	-	-
Enhancement works	-	3,000	-	-	3,000
Middle Playground	-	2,264	-	-	2,264
Sensory Beds	-	50	(50)	-	-
Summerhill Pathway	-	5,000	-	(5,000)	-
Bradbury Dining Hall	-	1,000	-	-	1,000
Horticulture	-	1,500	-	-	1,500
Egg to Chicken Project	398	-	-	-	398
Robot	7,849	5,000	-	(9,478)	3,371
Mini Enterprises	3,692	4,021	(3,394)	-	4,319
Sensory Pool Equipment	8,453	-	(8,453)	-	-
Total	69,232	192,060	(111,063)	(65,697)	84,532

2018 Comparative Note – Restricted Fund Analysis

	Brought forward £	Income £	Resources Expended £	Transfers £	31 August 2018 £
Bursaries	45,375	24,000	(34,107)	-	35,268
Lemon Tree	-	389,428	(389,428)	-	-
Countryside Learning Centre	-	890	(890)	-	-
Day Trips	-	1,052	-	-	1,052
Young Adults	-	15,449	(2,929)	-	12,520
Bakery	10,743	107,618	(118,361)	-	-
Prior Insight	-	35,000	(35,000)	-	-
Egg to Chicken Project	-	500	(102)	-	398
Robot	-	7,849	-	-	7,849
Mini Enterprises	-	6,782	(3,090)	-	3,692
Sensory Pool Equipment	-	20,064	(11,611)	-	8,453
	56,118	608,632	(595,518)	-	69,232

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

23. Pensions

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £106,379 (2018: £83,918) and at the year-end £ Nil (2018: £ Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that

transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Non-Teaching Staff Defined Contributions Scheme

The School also runs a defined contributions scheme for its non-teaching staff. The School's contributions to the Scheme during the year ended 31 August 2019 were £416,711 (2018: £389,698) and at the year-end £61,293 (2018: £Nil) was accrued in respect of contributions to this scheme. The number of active members at 31 August 2019 was 410 (2018: 402).

24. Commitments		
	31 August 2019 £	31 August 2018 £
Financial Commitments		
At 31 August 2019 the Foundation had the following contracted financial commitments:	563,440	639,693
In May 2018 a contractual agreement was entered into with Actualised Living Plc for the production of bespoke reporting software to aid and enhance the reporting capabilities of the Foundation in relation to its beneficiaries.		

Prior's Court Foundation Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

25. Related Party Transactions

Donations totalling £3,500 (2018: £2,500) have been given by Trustees during the year.

One member of the key management team has a daughter who is employed by the Foundation under a standard contract of employment and under the approval of the Trustees.

During the prior year a family member of the executive team was part of the team which delivered a production to the Foundation. This did not occur in the current year. The total value of the transaction for 2018 was £500.

See Note 7 for transactions with Prior's Court Trading Limited.

26. Financial Instruments

Financial instruments held at amortised cost are cash, trade debtors, intercompany balances and other debtors. Financial liabilities held at amortised cost are bank loans, trade creditors, other creditors and accruals.

Foundation	2019 £	2018 £
Financial assets measured at amortised cost	3,427,149	3,866,277
Financial liabilities measured at amortised cost	6,945,623	7,183,770

The Foundation's income, expense, gains and losses in respect of financial instruments are summarised below:

	2019 £	2018 £
Interest income and expense:		
Total interest expense for financial liabilities held at amortised cost	173,574	157,454

Group	2019 £	2018 £
Financial assets measured at amortised cost	3,431,262	3,881,179
Financial liabilities measured at amortised cost	6,956,077	7,194,978

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2019 £	2018 £
Interest income and expense:		
Total interest expense for financial liabilities held at amortised cost	173,574	157,454

Prior's Court Foundation

Report and Financial Statements for the year ended 31 August 2019

Notes to the financial statements (continued)

27. Comparative Consolidated Statement of Financial Activity			
	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Income and Endowments From:			
Income from trading activities	87,963	6,782	94,745
Donations	1,292	577,850	579,142
Income from charitable activities:			
Provision of education & care	18,737,891	24,000	18,761,891
Total	18,827,146	608,632	19,435,778
Expenditure on:			
Expenditure on raising funds:			
Finance costs	157,454	–	157,454
Fundraising costs	124,918	–	124,918
Trading expenditure	49,007	–	49,007
Expenditure on charitable activities:			
Provision of education & care	16,394,357	595,518	16,989,875
Marketing and raising profile	397,452	–	397,452
Staff training	508,116	–	508,116
Total	17,534,656	595,518	18,130,174
Net income/(expenditure)	1,292,490	13,114	1,305,604
Transfer between funds	–	–	–
Net movement in funds	1,292,490	13,114	1,305,604
Total funds brought forward	17,175,649	56,118	17,231,767
Total funds carried forward	18,468,139	69,232	18,537,371

List of Members, Trustees, Advisors, Executive Team and Registered Office

Founding patron:

Dame Stephanie Shirley

Members and Trustees:

Chris Barrett

Chair (and Chair of PCSL)

Gordon Bull

Deputy Chair (Retired 16 October 2019)

Ken Bisset

John Byrne

Susan Duncan

Claire Miller

Clive Nickolds

(Retired 17 July 2019)

William Powlett Smith

Deputy Chair

Buchan Scott

Margaret Shirman

(Resigned 11 December 2019)

Cathy Tissot

Alison Bateson

(Retired 13 March 2019)

Chris Morley

(Resigned 28 February 2019)

Executive Team:

Mike Robinson

Chief Executive

Sarah Butcher

Director of Care Services

Sue Piper

Director of Education & Lifelong Learning

Neil Atherton

Director of Finance

Nicola Beckley

Director of Support Services

Lynne Doherty (appointed 10 September 2018)

Head of Commercial Enterprises

Karen White (appointed 17 September 2018)

Head of Fundraising

Elaine Hudgell (appointed 1 March 2019)

Prior Insight Operational Project Lead

Financial Security Committee:

William Powlett Smith (Chair)

Chris Barrett

Ken Bisset

Gordon Bull

Buchan Scott

Nominations Committee:

Chris Barrett (Chair)

Ken Bisset

Gordon Bull

Claire Miller

William Powlett Smith

Young People Progress Committee:

John Byrne (Chair)

Gordon Bull

William Powlett Smith

Margaret Shirman

Keeping Young People Healthy and Safe:

Sue Duncan (Chair)

Margaret Shirman

Cathy Tissot

Great Place to Work Committee:

Claire Miller (Chair)

Susan Duncan

Buchan Scott

Prior's Court Trading Ltd Chair:

Clive Nickolds

Parent Advisors

Deepti Rajmohan

Staff Appointed Advisors

Samantha Wylde

Victoria Pearson

Registered Office:

Prior's Court School
Priors Court Road
Hermitage
Thatcham
Berkshire
RG18 9NU

Bankers:

HSBC Bank plc
Thames Corporate Banking Centre
Level 7, Thames Tower
Station Road
Reading
Berkshire
RG1 1AL

Auditors:

Crowe U.K. LLP
Aquis House
49-51 Blagrove Street
Reading
Berkshire
RG1 1PL



Prior's Court

Embracing autism
Transforming lives

Telephone: 01635 247202

Email: mail@priorscourt.org.uk

Website: www.priorscourt.org.uk

Prior's Court Foundation,
Hermitage, Thatcham, Berkshire RG18 9NU

Company no.: 3583324

Registered charity no.: 1070227