

Prior Park Educational Trust
(a company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 August 2020



PRIOR PARK SCHOOLS
An Education for Life

Contents	Page
Governors, Officers and Advisers	3 – 4
Annual Report of the Governors	5 – 21
Independent Auditor's Report	22 - 24
Consolidated Statement of Financial Activities	25
Consolidated and Charity Balance Sheets	26
Consolidated Statement of Cash Flows	27
Notes to the Financial Statements	28 - 52

Prior Park Educational Trust (a company limited by guarantee)

REFERENCE INFORMATION

For the year ended 31 August 2020

Governors, Officers and Advisers

President, Patrons and Governors:

The members of the Governing Body who served in office as Governors throughout the year and subsequently, unless otherwise stated, are detailed below:

PRESIDENT

Sister Jane Livesey CJ, MA (Cantab)

PATRONS

Miss J Bisgood CBE

Mr C J B Davy CB

Mr D R Hayes

The Rt Rev DR Lang BA, Bishop of Clifton

Mr F J F Lyons KSG

Sir Cameron Mackintosh

The Rt Hon the Lord Patten of Barnes CH

The Rev Monsignor Canon R J Twomey VF

Commodore C York, KSG

GOVERNORS

Mr A M H King (Chair of Governors)

Mr A Alves MA (Cantab)

Mr A Bury MBA, BSc Hons

Mr S Head MA (Cantab)

Mr W Hutchison BA

Mr J Jarvis LLB, BVC

Mrs M Moore BA

Mr P S J O'Donoghue MA, FCA

Mrs N Pearson BA Hons PGCE

Rev Prebendary J N Rawlinson, MA, MB, BChir

FRCS, FRCEM, Cert Pall Med Dip Th

Ms A Shepherd MBE, BA Hons

Mr J Shinkwin MA (Oxon), PGCE

Mrs J Singleton BA Hons, Dip TEFL

Mr J Webster BA, BArch, MCD, RIBA, MRTPI

Dr J Haworth MBS, MSc

Rear Admiral N J Raby OBE, MSc

COMMITTEES

1

1 (Chair), 3

1, 4

7 (Chair)

8 (*appointed 19/06/2020*)

4

2 (*appointed 03/10/2020*)

1, 2 (Chair)

2, 8

2, 3

4 (Chair), 6 (Chair)

5 (Chair), 8

3 (Chair), 8 (Chair)

1, 3

7, 8 (*resigned 1/1/2020*)

1, 4, 7, 8 (*resigned 22/1/2020*)

ASSOCIATE GOVERNORS

Ms E Lang

4

Mr C Risso

4

Ms M Attack

4

Rear Admiral N J Raby OBE, MSc

4

Note:

- (1) Finance, Audit, Investment and Risk (FAIR) Committee;
- (2) Prior Park College Local Governance Committee;
- (3) The Paragon School Local Governance Committee;
- (4) Prior Park School Gibraltar Local Governance Committee;
- (5) Remuneration Committee;
- (6) Nominations Committee;
- (7) Safeguarding Committee;
- (8) Education Committee

Prior Park Educational Trust (a company limited by guarantee)

REFERENCE INFORMATION

For the year ended 31 August 2020

TRUST SCHOOLS:

Prior Park College
The Paragon School
Prior Park School Gibraltar

PRIOR PARK COLLEGE ADDRESS:

Prior Park College
Ralph Allen Drive
Bath, BA2 5AH

THE PARAGON SCHOOL ADDRESS:

The Paragon School
Lyncombe House
Lyncombe Vale
Bath, BA2 4LT

PRIOR PARK SCHOOL GIBRALTAR ADDRESS:

Prior Park School
Sacred Heart Terrace
Old Town
Gibraltar
GX11 1AA

KEY MANAGEMENT PERSONNEL & PROFESSIONAL ADVISERS:

The Head (College):

The Head (The Paragon School):

The Head (Gibraltar):

Director of Operations and Finance and Clerk to the Governors:

Mr B Horan MA (Hons)

Mr A W Harvey BA (Hons) (replaced by
Mrs R Allen on 1st September 2020)

Mr P Watts BSc

Mrs J Barr (replaced by Ms E Sandberg
on 1st June 2020)

SOLICITORS:

Stone King
13 Queen Square
Bath
BA1 2HJ

BANKERS:

Barclays Bank Plc
4-5 Southgate Street
Bath
BA1 1AQ

AUDITOR:

RSM UK Audit LLP
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol, BS1 6AD

UK REGISTRATION:

Charity No. 281242, Company No. 01521832

GIBRALTAR REGISTRATION:

Charity No. 000272, Company No. 00113158

WEBSITE:

www.priorparkschools.com

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

INTRODUCTION

The Board of Governors present their annual report for the year ended 31 August 2020 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for the year.

Prior Park Educational Trust ("the Trust") is a company limited by guarantee and not having a share capital it is governed by its Memorandum and Articles of Association and is known as "Prior Park Schools".

STRATEGIC REPORT

OBJECTS AND MISSION STATEMENT

The Objects of the Trust as defined in its Memorandum of Association are:-

- a. To provide for the advancement of education, and in connection therewith, to conduct, carry on, acquire and develop any boarding or day school (or schools) for the education of children, of either or both sexes of the Roman Catholic religion, with other Christian children, with or without non-Christian children.
- b. To provide for such other charitable works wheresoever and whatsoever so as to advance the Roman Catholic religion.

The Mission Statement of Prior Park Schools is:

- a. To provide Christian education, specifically Catholic, at all Prior Park Schools, of the highest quality for a boarding and day co-educational community.
- b. To develop as fully as possible the academic and other talents of each boy and girl, to ensure an education of the whole person.
- c. To provide pastoral care of an encouraging, supportive and disciplined nature for each student.
- d. To create an outward looking ethos which builds links with the parents and the local community, and also celebrates the richness of cultures from around the world.
- e. To enable school leavers to be confident, capable, compassionate and independently-minded.

In setting our objectives and planning our activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and, in particular, to its supplementary public benefit guidance on advancing education and on fee-charging. Further details of the Trust's benefit to the public over the academic year can be seen in the public benefit and cohesion section on page 12. The Trust runs Prior Park College, The Paragon School and Prior Park School, Gibraltar.

The College and the Paragon School are both situated in Bath. The Paragon School has been part of the Trust since Paragon Educational Trust and Prior Park Educational Trust merged on 10 March 2006. Prior Park School Gibraltar was opened in September 2016 and now caters for age groups from Year 8 to 13, including sixth form provision.

Prior Park Educational Trust (a company limited by guarantee)
ANNUAL REPORT OF THE GOVERNORS
For the year ended 31 August 2020

GOVERNORS' OBJECTIVES & KEY PERFORMANCE INDICATORS

The Governors directed that the objectives for 2019/20 should be in line with the objectives for the previous year, as follows:

OBJECTIVE	ASSESSMENT
To maintain the high level of all-round Catholic and Christian education within the schools of the Trust. An enduring objective.	With the recent appointments of new Heads at Prior Park College and the Paragon School and a new Director of Operations & Finance new initiatives will be undertaken to ensure the high level of education across Prior Park Schools. The Prior Executive Board is in place to ensure that the schools have the appropriate level of executive leadership.
To achieve a financial surplus in order to be able to make continued investment in the facilities needed to support the Trust's activities. An enduring objective.	Due to the challenges caused by the Covid-19 pandemic this objective has been put under strain in 2019/20 with the Trust nevertheless managing to make a small surplus for the year, largely helped by £0.5m of funding from the Government's Furlough Scheme. Rigorous cashflow management and scenario planning have taken place to ensure that the Trust survives this period and is in a good position to move forward once the pandemic eases.
To focus on affordability to ensure that a Prior Park education remains accessible to as wide a section of the population as possible.	Regular affordability discussions are held at both the FAIR and the full Governing Board meetings. This issue receives the full attention of both Governors and the Prior Executive Board. The decision was taken to hold the Michaelmas Term 2020 fees at the 2019/20 level for the UK schools to help parents through this period.
To continue to monitor opportunities to strengthen the existing schools in Bath and Gibraltar potentially through partnering or acquiring existing or new schools in support of the Trust's primary objective of the advancement of education within a Catholic/Christian ethos and environment.	We continue to review opportunities both in the United Kingdom and abroad to see if there is a fit with the Prior Park Schools' vision and ethos.

The Governors have agreed a set of performance measures with the Head of each school. These are in line with the vision of Prior Park Schools and the above objectives of the Governors. A detailed set of Key Performance Indicators ("KPIs") is being developed, by which to measure the performance of Prior Park Schools going forward.

VISION

Our Vision to 2025 restates our most deeply held values and commits us to the continued improvement of our pastoral support and educational offering. It reminds us that we are a growing community rooted in compassion, driven by our Christian ethos and committed to securing the best possible future for our children. Our focus looks beyond our immediate borders to connections overseas.

The Vision has been written by the Heads of Prior Park Schools and is fully endorsed by the entire Governing Body.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

Our Vision to 2025 has the following key themes:

- a. to continue to develop deeply rooted Catholic Christian values throughout our community;
- b. to be a beacon of pastoral care and encouragement for our community;
- c. to offer a truly innovative and creative learning environment for all pupils (age 3-18);
- d. to continue to invest in the first-class facilities that underpin our educational offer at Prior Park Schools; and
- e. to ensure that our family of schools is secure and thriving, we remain open to growing our community should appropriate opportunities arise at home or abroad.

STRUCTURE AND DELIVERY OF GOVERNANCE

Responsibility for Prior Park Schools lies with the Board of Governors. The Governors are the Trustees of Prior Park Educational Trust and are the Directors of the Company. They are also the Members of the Company. In the course of administering the Charity, Governors have paid due regard to the published Charity Commission guidance on the operation of the public benefit requirement.

Governors are selected and appointed by a general meeting of the Members following the considerations and review of the Nominations Committee. The Articles of Association require that the majority of Governors are Roman Catholics. There is a written policy for the recruitment of Governors, and care is taken to ensure that they are drawn from a spread of educational, church, business and other backgrounds, besides maintaining a mix of genders. Written policies also cover the induction and training of Governors, the avoidance of conflicts of interest and other responsibilities at this level.

The Board of Governors meets once per term to consider matters of policy and strategy. The Board delegates many of its responsibilities to other committees, but maintains oversight and responsibility for the decisions of these committees. The most significant of these sub-committees is the Finance, Audit, Investment and Risk (FAIR) Committee, which meets at least 4 times a year to exercise financial oversight and to make decisions on other matters on behalf of the full Board. In addition to the Governors appointed to FAIR, the Chairs of the Local Governance Committees are also invited to attend. Other Governors may attend FAIR if they wish. The three Local Governance Committees (LGCs), provide more immediate support and guidance for each school than can normally be provided by either the full Governing Body or the FAIR Committee. Prior Park School Gibraltar is a separate company limited by guarantee and a charity registered in Gibraltar. Prior Park Educational Trust is its sole subscriber and exercises effective control via a majority of common directors. Other sub-committees cover Estates, Remuneration, Nominations, Safeguarding and Education. These committees report to the Governing Body (via the FAIR Committee), for their respective areas of responsibility.

The Heads of each Prior Park school and the Director of Operations and Finance, each of whose name is given on page 4, are responsible to the Governors for the day to day management of each school and are the senior executives of Prior Park Schools. The recent changes to the executive team are also shown on page 4. They meet frequently to review operational performance and to deliver the Governors' strategic intent. In addition, each school has an internal governance structure that includes weekly Senior Leadership Team ("SLT") meetings and weekly senior support staff meetings.

The remuneration of key management personnel is considered by the Remuneration Committee and agreed by the Board of Governors, with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the success of the Trust.

PERFORMANCE AND ACHIEVEMENTS 2019 – 2020

The number of pupils in Prior Park Schools between 1 September 2019 and 31 August 2020 averaged 1,055 compared to 1,011 in 2018-19.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

Prior Park College

Prior Park College (the College) started the year with a new headmaster, Mr Ben Horan and continued to build on the previous achievements of Mr James Murphy O'Connor. During the year the Senior Leadership Team was restructured to give the school a renewed focus for the future and an initiative to provide each pupil with a personal learning device was implemented to be ready for the start of the following school year.

With the onset of the Covid-19 pandemic the College closed its doors on 20 March and a very successful remote learning programme commenced for all year groups with the continuation of teaching across all years and subjects.

An outline of the 2019-20 school year is given below:

- a. **Headmaster:** Mr Ben Horan joined Prior Park College in September 2019.
- b. **College Roll:** The College roll was 600 at the start of the school year.
- c. **Facilities:** The Boarding Houses refurbishment programme continued with the completion of works to the 6th form bedrooms and St Mary's House.
- d. **Exam Results:** At A Level, 90.7% of all grades awarded were at A*- C grade, 44% were awarded A*/A. One Oxbridge place confirmed, and one student will go on to study medicine. At GCSE, 100% of students achieved a minimum of 5 GCSEs. 56.5% were awarded grades 9-7.
- e. **Arkwright Engineering Scholarships:** One student was awarded a scholarship. To become an Arkwright Scholar, you have been recognised as one of the most talented STEM students in the UK
- f. **External speakers:** Clive Lawton (OBE) who spoke on Judaism, Dr Sam Willis and Professor James Daybell who spoke on Histories of the Unexpected; Susan Pollack who spoke about her experiences surviving Auschwitz and Bergen Belsen; Fr Augusto Zampini Davies who spoke on the Amazon Synod that was held in Rome in 2019.
- g. **Remote Learning:** The College, in common with all schools across the country, closed for onsite delivery of education on 19 March and remote learning began on 23 March. Feedback from parents and students was overwhelmingly positive, with many saying it brought "structure, purpose and valuable interaction with teachers and peers." The College also produced a Remote Co-curriculum Brochure on 30 March, the start of the Easter holiday, which included plenty of ideas to inspire and challenge families to try something new during Lockdown.
- h. **PPE equipment for key workers:** The D&T department produced over 17,000 face visors for key workers during the Covid19 pandemic lockdown. Our Textiles departments produced laundry bags and scrubs for NHS staff.
- i. **Sport:** The College was ranked 2nd in the country for girls' tennis by LTA (NGB) schools' rankings. U16 boys won the County Round of National Schools Badminton Championships. U16 boys' hockey won the Tier 3 stage of regional finals to get through to the National Finals.
- j. **Performing Arts:** A Reduced number of performances were delivered this year due to Covid-19 but the College put on two well received shows: *12th Night* and *The Little Shop of Horrors*.
- k. **Music:** The music department worked with The Paragon School on a performance of *Ahoy!* in November. Members of the choir were engaged to work in a new film by the artist director Ben Rivers. They joined in at the premiere screening, *Subterranean Somerset*, held underground in the Wookey Hole caves.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

- l. **New school website:** Each Prior Park school launched a new website in July 2020. The sites were facilitated by Finals site and have highly advanced functionality. The sites have been built by each school's Marketing Manager and have been well received to date.
- m. **Virtual Open Morning:** The May Open Door morning was delivered virtually due to the Covid-19 restrictions. A video entitled 'A Virtual Introduction to Prior Park' was produced for prospective families and a series of Zoom discussions took place with prospective families and key members of the College staff.
- n. **Outreach:** Prior Park Schools Biathlon took place in October 2019 at Bath University with 450 students from over 40 schools (state and independent) attending. Other events, such as the sports masterclass and STEM day were cancelled due to Covid-19 restrictions.

The Paragon School

The Paragon School (The Paragon) started the year with 240 children on roll in the school and 18 children starting Squirrels Pre-School which increased to 245 by February 2020. The school continues to thrive as a busy, vibrant community, providing an educational environment that is stimulating, exciting and challenging. In February it was announced that an extra Reception class would open in September 2020 to accommodate demand for places and an open event and marketing plan were created to support this and the recruitment of children in the Early Years. Headmaster Andrew Harvey gave notice in October and his successor, Rosie Allen was announced in February to parents and the wider community.

When The Paragon, in common with all schools across the country, closed for onsite education on 20 March, a remote learning programme commenced for all year groups, with a continuation of provision of Art, Music and Sport. Children were able to keep in touch with their teacher and classmates via TEAMS calls and their work was marked daily with feedback given. Until the end of March, teaching and learning were enriched with high quality school trips, visitors, special days.

An outline of the 2019-20 school year is given below:

- a. **School Trips:** The following school trips took place during the first half of the year: Bristol Synagogue (Y5), Roman Baths (Y3), No 1 Royal Crescent (Y3), Holburne Museum (Y2), SS Great Britain (Y2), Bath at Work Museum (Y5), We the Curious (Y5), M Shed (Y6), Mary Rose (Y4).
- b. **Egg Theatre Sponsorship:** The ongoing partnership with The Egg theatre provided exciting opportunities for children across the school. The Egg's Christmas Early Years production *Squirrel* which was co-produced with The Paragon, sold out and received rave reviews from The Guardian.
- c. **Workshops:** The Paragon held a 'Shakespeare Week' during which two theatre companies visited and worked with the whole school.
- d. **Speakers:** The school welcomed a number of inspirational visitors, including; James Shone, Riverford Organics and then Tessa Yates and Mark Robertson, both authors and illustrators.
- e. **Sports:** Prior Park Schools' Biathlon was hosted by Bath University in October with many Paragon students entering. During Lockdown, Head of Sport Toby Goodman produced a series of videos with exercise challenges for Pre-Prep and Prep as well as a virtual Sports Day film with messages from celebrities such as Lord Coe.
- f. **Music:** The Paragon's Joyful Noise choir entered The Mid-Somerset Festival and won a couple of categories. Director of Music, Sarah Kettlety took a group of children to the O2 Young Voices – 'Largest School Choir in the World' event. During lockdown, Year 6 recorded *Greatest Day* by Take That which was orchestrated by Sarah Kettlety and compiled as a film by photographer Nick Spratling to share with parents.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

- g. **Art:** Provision remains a key selling point of The Paragon. Work created at the school will be displayed in the Assembly Rooms in August and at the Black Swan Arts Theatre in Frome. During Lockdown, provision of Art was strongly maintained.
- h. **Charity:** The Paragon's chosen charity this year was the RUH Forever Friends appeal with over £3,000 raised towards the Help our Hospital Heroes appeal, helping hospital staff and families affected by Covid-19.
- i. **Fundraising:** The PTA raised money for the school library refurbishment with a sponsored walk which took place during World Book Week.
- j. **Open Events:** A Pre-Prep open morning was held in February attracting a dozen local families who toured Squirrels, the Pre-Prep and met the new Head of School, Rosie Allen.
- k. **Virtual introductions and an interview with Rosie Allen:** During Lockdown, Rosie Allen recorded an introduction and greeting for all staff and held 1:1 meetings with each member of staff via Zoom over the course of several weeks. A parent Q&A session was recorded on Zoom by photographer Nick Spratling in the format of an interview between Rosie Allen and Sarah Kettlety. This was shared with the parent community via Vimeo and was very well received.
- l. **Holiday Clubs:** Holiday clubs have continued to be successful with Camp Teepee, Art Club and Cookery school selling out each holiday period. This summer, camps have been running in pods of 15 with the Paragon pupils only and parents have been delighted to receive this holiday provision. Superpirates returned on site in late July for three days a week.
- m. **Summer Learning Programme:** In July, a Summer Learning Programme was put into place by new Head of School Rosie Allen. This catered for children who had struggled with the remote learning curriculum and offered intensive learning sessions two days a week with a class teacher at The Paragon. This was very well received by parents.
- n. **Leavers' Ceremony:** This took place on the steps of the Prior Park College Mansion on 7th July. The ceremony was recorded and photographed for parents who were absent. The PTA presented Andrew Harvey with an original painting by parent and artist Peter Brown and David Barratt received a framed print. The Governors also presented both Andrew and David with gifts. Andrew leaves to take up a Headship at Twyford and David will retire.
- o. **New school website:** Each Prior Park school launched a new website in July 2020. The sites were facilitated by Finalsite and have highly advanced functionality. The sites have been built by each school's Marketing Manager and have been well received to date.
- p. **Pupil recruitment:** Recruitment has been strong during the Summer Term with families relocating to Bath, and the current roll as of end of July is 259 pupils for the whole school.

Prior Park School, Gibraltar

In its fourth year of operation, Prior Park School, Gibraltar (PPSG) pupil numbers rose again to 197, with students spanning years 7 to 13. The school continues to establish its position within the heart of the Gibraltar community and to be known locally for excellent exam results. A significant expansion at the rear of the building was commenced in the Summer of 2020 to provide an outdoor sports facility for the pupils.

An outline of the 2019-20 school year is given below:

- a. **Recruitment:** The school continues to grow with 67 new pupils joining the school in September 2020, across years 7 & 8, with a small number also joining years 9, 10 and 12. Total student numbers for September 2020 are currently forecast to be 225 as the school continues to grow.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

- b. **Staffing:** The staff body also grew during 2019/20 with eleven new teachers, a Learning Support Assistant and Medical Administrator all being appointed. A School Counsellor was also appointed on a part time basis. In preparation for September 2020, PPSG has recruited 5 new teachers, 2 of whom will perform dual roles as an ICT technician/ICT Teacher and a Lay Chaplain/Science Teacher. A part-time science technician and two Learning Support Assistants have also been recruited.
- c. **New school website:** Each Prior Park school launched a new website in July 2020. The sites were facilitated by Finals site and have highly advanced functionality. The sites have been built by each school's Marketing Manager and have been well received to date.
- d. **Building:** Works began to restore the old basketball court at the top of the school site during Summer 2020, to provide an extra sports surface and recreational area for students. It is nearing completion and will be finalised by the end of December 2020.
- e. **Exam Results:** GCSE results from Summer 2020: 100% pass rate with 50% of all grades between 7 and 9 with 14% of all grades at grade 9.
- f. **Sixth Form:** Upper VI students who applied to University all received offers from various institutions (Durham, Nottingham, Warwick, UCL, Exeter).
- g. **Academic progress:** Middle Leadership roles implemented and Heads of Faculty now in place. Responsible for setting clear areas of focus and strategy for each academic department.
- h. **Remote Learning:** The outbreak of the Covid-19 pandemic meant that a large portion of the academic year was disrupted. PPSG quickly implemented a remote-learning programme for students during the government enforced lock-down, which meant that the school could continue to teach the curriculum to all year groups. Feedback on this programme was overwhelmingly positive.
- i. **Co-Curricular Activity & Sports:** The following activities took place during the year: Pupils took part in the very 1st inter-school competition between secondary schools in Netball and Hockey; there was a visit from Blue Planet underwater photographer, Michael Pitts in November; there was a visit from SAGE School – promoting links with Spanish schools in November; The following roles were developed over the year: Head Girl and Boy, Prefects, Student Council Development, Sports Captain and Prefects.
- j. **Trips:** The following trips took place: Annual Ski Trip to Italy, Creative Arts Trip to London and Languages Trip to Lyon.
- k. **Charity & Community Activities:** Hogar Bretania Charity Initiative – Students fundraise and volunteer for charity, which helps victims of domestic violence abuse and refugees; Fundraising for six local charities throughout the year; Participation in Clean up the World Day 2020.
- l. **Creative Arts:** A Winter concert was held in December 2019, Christmas concerts with other local school choirs were held at St Theresa's Church in November 2019.
- m. **Friends of Prior Park:** They ran a Quiz night fundraiser in November 2019 to raise funds for the school.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

PUBLIC BENEFIT AND COMMUNITY COHESION

Relief to Families

The Trust has confirmed its commitment to the provision of continued means-tested bursary funding for pupils whose parents would otherwise find the cost of an independent school education unaffordable and of continuing means-tested bursary support for pupils already in receipt of fee assistance through bursaries.

Bursaries are means-tested awards designed to assist pupils who otherwise would be unable to afford a Prior Park Schools education, or for current pupils whose parents have difficulty funding the fees following a change in family circumstances, thereby providing education continuity for the child.

Bursaries are awarded based on a family's financial circumstances. The School has limited resources from which it can offer bursaries. Parents who consider that they may need to apply for bursary support are encouraged to discuss the matter at an early stage, as bursary funds are limited.

Relief to the State

During the period, Prior Park Schools educated a total of 1,055 pupils at no cost to the state of either the UK or Gibraltar.

Local Community Cohesion

Indoor and outdoor facilities are made available to nearly 20 clubs and six groups within the local community for the advancement of education or the Roman Catholic faith and include:

- a. **Facilities:** Use of the College and the Paragon grounds and facilities for activities involving local schools, children and members of the community at large. These encompass worship and study, amateur dramatics and musical productions, sporting events and professional development.
- b. **Local Community:** Members of all three schools play an active role in their local communities by taking part in events at local Catholic and Anglican Churches, participating in the Duke of Edinburgh's Award scheme and numerous charities.
- c. **Fundraising:** Enthusiastic fundraising for a wide variety of charities raised nearly £8,000 in the year across all schools.
- d. **Sponsorship:** Support of Prior Park Schools Biathlon, with Pentathlon GB with approximately 450 competitors. Extending the reach of sport to children across the region.
- e. **Catholic Schools:** Prior Park Schools has continued to work alongside fellow Catholic schools in the area where it is appropriate & feasible.
- f. **Local Support:** We continue with an arrangement for several pupils from St Gregory's school in Bath to attend A-level lessons at Prior Park College.
- g. **Charity:** Staff and pupils regularly help out with the soup kitchen in Bath City Centre.
- h. **Covid-19 Appeal:** During the Summer term, we provided local and national NHS hospitals and clinics with thousands of items of free PPE made by our Design and Technology Team.
- i. **Swimming Pool:** We allow local Swimming clubs to use our pool on the College site on a regular basis.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

- j. **Sunday Mass:** Our regular Sunday mass is made open to all the local community to attend.
- k. **Sixth Form Prior 4 Life:** Includes community liaison such as: paired reading with students from St Mary's; music concerts / sing songs in old people homes and cleaning up a local cemetery.
- l. **Summer Camps:** During the summer holidays we held a month-long series of camps which saw local young people break free from the isolation of the Covid-19 lockdown. Summer Break Out allowed children and young people, as well as their families, to enjoy games and activities in a safe environment. Crucially, they were also able to enjoy a free, healthy meal.
- m. **Eco Prior:** A student body has been established to look into ways in which the schools can help to sustain the local environment through the use of greater recycling, reduced fuel consumption and other such initiatives. They link in with the school's operational team to move such projects forwards.

FINANCIAL PERFORMANCE

A summary of the financial results for the year is set out in the consolidated statement of financial activities on Page 25 of the Financial Statements. The key financial indicators are detailed below:

- a. The Group achieved an unrestricted fund surplus during the year of **£421,167** (3.1% of net fees) (2019: £908,300).

The net movement in restricted funds was a deficit of **£85,992** (2019: £9,505). Therefore, the total net increase in resources during the year was **£335,175** (2019: £898,795).

- b. The movements in fixed assets during the year are set out in note 10 to the financial statements. The Group spent **£214,698** on capital expenditure during the year (2019: £989,021).

These reduced results are a consequence of the shutdown caused by the Covid-19 pandemic from March to August 2020. This had a major effect on the group's income which saw a reduction of £1.4m against budget for the year due to remote learning discounts, pupil transfers mid-term and a complete shut down in lettings income, including the annual Summer School programme.

In order to mitigate against this lost income (which would have put the group into an annual deficit) we placed some 40% of UK staff on Furlough for the majority of the shut-down period and received £550,104 of Furlough payments from the UK and Gibraltar Governments. We also restricted all operating budget spend from March to August so that savings were maximised and put a temporary halt to all capital programmes.

As a result and helped by a recovery in our investment portfolio from an all-time low at Easter time, we managed to finish the year with a small surplus to report.

In the year ended 31 August 2020, means-tested bursarial awards with a value of £727,263 (2019: £806,445) (including awards of £120,336 (2019: £129,836) from restricted funds) were made. A total of 146 (2019: 163) pupils benefited from these awards. These awards helped to widen access to the School and helped support some current parents with payment towards their children's school fees during 2019/20. The Governors intend to continue to allocate a significant budget to the provision of means-tested bursary support available to prospective applicants to the School. The financial support available ranges from 5% of fees to, in exceptional circumstances, 100% of fees, depending on need. The School's total incoming resources limit the overall level of support available.

RESERVES POLICY

It is the general policy of Prior Park Educational Trust to apply as much of their surplus funds as possible towards its charitable objectives and to avoid accumulating excessive reserves. Where considered appropriate and being conscious not to over commit the Trust, borrowings are also undertaken to fund elements of significant capital projects.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

In setting the reserves policy, account is taken of the Trust's ongoing financial commitment in terms of staffing, technology projects and overheads, including the maintenance of its estates and buildings. The Trust also considers the risk that its income for any particular year may be impacted by a number of factors outside of its control such as political and economic changes, legislation in the industry and changes in the education sector.

The Governors' policy is to ensure that there is a surplus on the unrestricted funds each year, to be applied for further capital investment in school facilities or in the reduction of borrowings. The Governors' aim is for a surplus of 10% of net fees to be generated each year to allow for re-investment into the schools. This policy is supported by external financing as and when necessary, allocated to specific capital projects.

The Governors have also set up the Prior Park Schools 2030 Bursary Fund with the aim to build a bursary fund of £10m by 2030 to assist some parents with the payment of school fees via bursarial support. This fund will consist of a mix of Designated Funds from the Trust and Restricted Funds from donors.

Free reserves, as defined by the Charity Commission, are the undesignated general funds of the Charity excluding the funds invested in tangible fixed assets. If this adjustment was made to the school's unrestricted reserves, the free reserves would be a negative figure (£1,754,016) (2019: (£2,674,609)) which is typical of many Independent schools (see notes 19 & 20 to the accounts). This is due to the need for continuing capital expenditure out of retained reserves. The borrowings to finance the building programmes both at Prior Park College and Prior Park School, Gibraltar are at a level which the Governors are confident can be serviced, based on current cash flow projections.

All restricted funds (as highlighted in note 19 to the accounts) have either already been spent on developing the schools or are fully committed to particular projects such as bursarial support, the entrepreneurial programme or sports facilities development projects.

The Group balance sheet shows fixed assets of **£16,460,383** (2019: £17,042,483) but the majority of these could only be realised by disposing of fixed assets held by the Charity, principally the functional land and buildings from which the Charity carries out its activities.

Having considered the above factors it is considered prudent to hold unrestricted liquid reserves at a Group level of a minimum of £3.8m. This level of reserving would ensure that at least one terms worth of the schools' essential running costs are covered at any one time. Based on the position as at 31st August 2020, the Group's liquid reserves are in line with this policy. This calculation will be reviewed and updated annually, as required.

INVESTMENTS POLICY

The Trust adopted the following investment policy in May 2018:

- a. The Trust established an expendable Endowment Fund (Fund) with the financial objective of the Fund to eventually cover the award of bursaries, in accordance with our bursary policy, to parents wishing to have their children educated in Prior Park Schools (PPS). The capital remains invested to provide for future beneficiaries and both capital and income gains may be spent but over time, the Fund would need to be invested to recognise inflation. The annual returns not required for expenditure would be reinvested in the Fund.
- b. The Trustees may from time to time make additional lump sum additions to the Fund.
- c. The Trustees of PPET have delegated decision making on investment matters to the FAIR Committee.
- d. **Investment Objectives:** The Trust seeks to produce the best financial return within an acceptable and optimised level of risk. The investment objective is to generate a return of inflation (measured using CPI) plus 4% per annum over the long term, after expenses. The Trust wants to achieve a Fund value of £10m over the long term.
- e. **Attitude to Risk:** the Trust relies on the investment return to increase the total value of its Fund and its total returns to enable appropriate expenditure to be made in the future. The Trust's assets can be invested widely and should be diversified. Asset classes could include amongst others cash, bonds, equities and property. The FAIR Committee is charged with agreeing a suitable asset allocation strategy with the investment managers, which is set as to achieve the overall Trust investment objective.
- f. **Currency:** the base currency of the investment portfolio is Sterling.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

- g. **Credit:** The Trust's cash balances should be deposited with institutions with a minimum rating of Investment Grade.
- h. **Liquidity Requirements:** The Trust does not currently intend to draw down capital (as distinct from capital profits) from the Fund but if that position should change to meet the needs of the Trust, the Trustees would give adequate warning.
- i. **Time Horizon:** The Trust is expected to exist in perpetuity and investments should be managed to meet the investment objective and ensure this sustainability. The Trust can adopt a long-term investment time horizon.
- j. **Ethical Investment Policy:** The Trustees wish that the Trust's assets are invested according to ethical and environmental, social and governance (ESG) policies. The Trustees may from time to time give additional guidance regarding other investment sectors.

FUNDRAISING PERFORMANCE

Restricted donations totalling **£137,537** (2019: 244,307) were either received or pledged during the year. The major donations were towards:

The general and specific Bursary Funds (both restricted and designated) (£97,846) with slightly over half of this figure having been donated by parents towards the Covid-19 bursary appeal to help parents with school fee payments over the Summer; the Covid-19 PPE equipment appeal (£29,012); the Chapel Fund (£3,255) and the Heritage Fund (£1,931) in the UK. Prior Park School, Gibraltar also received donations of £5,493 towards the Bursary Fund.

As referred to above, the Governors established the Prior Park Schools 2030 Bursary Fund (designated) in October 2018 with an initial injection of funds totalling £2 million. The investment growth in these funds over this academic year was £66,286 (3%).

S172 STATEMENT

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

- (a) the likely consequences of any decision in the long term

All decisions taken by the Board of Governors are based on the long term objectives and overall sustainability of Prior Park Schools as defined in the vision statement on pages 5 and 6.

- (b) the interests of the company's employees

Our academic and support staff are integral to the ongoing success of Prior Park Schools and therefore they are considered at the forefront in any decision making by the board of Governors. Regular wellbeing surveys are conducted amongst staff to gauge the feelings of staff together with annual updates from Governors and Senior Management about the position of Prior Park Schools. Staff representative bodies were set up during 2019 to aid in the consultation process around the Teachers Pension Scheme and Academic pay scale.

- (c) the need to foster the company's business relationships with suppliers, customers and others

We understand that Prior Park Schools are an integral part of the local community of Bath and Gibraltar and therefore we work to build relationships with local suppliers in all areas of business including transport, catering and printing. We have a strong mutual relationship with all parents and pupils and this is then continued once a pupil leaves Prior Park Schools via the Prior Park Alumni Association and Development department.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

- (d) the impact of the company's operations on the community and the environment

We are aware of our footprint on the local area and strive to be more environmentally friendly. We have recently set up Eco-Prior with a number of pupils to help raise awareness and develop themes such as: reduced printing; recycling of waste and reducing electricity usage. We have recently signed up to the SECR reporting (see page 18) which will provide an annual sense check of progress in this area.

- (e) the desirability of the company maintaining a reputation for high standards of business conduct

As a school we expect a high standard of behaviour from both staff and pupils. This is reflected in our range of policies, which are then enforced by senior management across each school. We work in tandem with a number of suppliers and ensure that they are treated with respect as an equal partner to ensure that our reputation is maintained in all areas.

- (f) the need to act fairly as between members of the company

We aim to be a fully inclusive organisation which is relevant and accessible for all. We aim to offer a Prior Park education to a number of children who wouldn't otherwise be able to access it via the award of bursary funding. We operate via local governance committees to ensure that each school is properly and fairly represented in all decisions. We will not unfairly discriminate against anyone and this is reflected in our range of policies.

PRINCIPAL RISKS AND UNCERTAINTIES

The process of identifying and assessing risks, then mitigating them by the establishment of appropriate controls, is continuous. Much of this task lies in the hands of the staff and executives of each school, but key arrangements established by the Governors include:

- a. Governor review of monitoring and overseeing risk management falls under the remit of the FAIR Committee.
- b. Detailed terms of reference for the Board and its Risk Committee and sub-committees, together with formal agendas and minutes for all Board and committee activity.
- c. The maintenance of a table of strategic risks, regularly reviewed and scored by the schools executive and approved by the Board.
- d. Comprehensive strategic planning, budgeting and management accounting.
- e. A rolling programme of financial management system checks by external auditors, in addition to the auditing of accounts.
- f. Established organisational structures and lines of reporting.
- g. A comprehensive range of written policies, tailored to ensure compliance with Company, Charity and Educational law and regulations.
- h. Vetting and interview procedures as required by law for the protection of pupils.

The Governors are satisfied that there is a suitable risk management process in place to plan and mitigate all major risks. This includes an annual review of the risk management policy and plan and scrutiny at both the school executive level and at by the FAIR Committee. However, systems and policies can only provide reasonable, not absolute, assurance that adverse events will not occur.

The key risks have been identified as follows:

- a. The Governors and Prior Executive Board have reviewed and considered the risks (and opportunities) from the continuing Covid-19 pandemic. Extensive analysis of cash flows and scenarios for the next few years have been provided so that judgements can be made on the future business model for Prior Park Schools. It is considered that we are in a good position to benefit from any medium to long term opportunities that arise as a result of the pandemic and that we have adequate liquid cash reserves and contingency in this year's budget to survive any short term downturn.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

- b. The Governors and Prior Executive Board have reviewed and considered the risks (and opportunities) from the potential exit of the UK from the EU (Brexit) and consider these to be covered by current plans for the group.
- c. The Governors and Prior Executive Board identified the rise in employers' contributions into the Teachers' Pension Scheme as a major risk to the financial health of the Trust going forward. They have therefore mitigated this risk by introducing the APTIS scheme which teachers (and support staff) may join from 1st September 2020. If teaching staff want to remain in the Teachers' Pension Scheme, they are required to fund the additional employer's contribution via a gross salary deduction.
- d. The Governors are aware of the financial risks resulting from the Gibraltar bank loan. The current facility stands at **£1.5m**, which is fully drawn down as at 31 August 2020. The loan has been secured on an interest only basis at a loan rate of 3% above the Bank of England base rate, with repayment due under the terms of the Collaboration Agreement. The cash flow projections show that the school is on track to deliver EBITDA cash surplus in 2020/21 and onwards. This will allow for a phased repayment of these funds to Gibraltar International Bank from 2021 onwards.
- e. The Governors are aware of the inherent risks in holding loans due to the possibility of interest rate rises in the future. Although base rates are at historically low levels they may increase in the future and measures would then be reviewed to determine whether it is beneficial to fix the rates before cash flow pressure became an issue.
- f. The retention and recruitment of pupils each year. The predicted roll for the following year is regularly monitored by management to ensure that target pupil numbers and mix are achieved across all schools.
- g. The Governors are also aware of the need to control wage inflation within the annual budget each year so that it correlates with the predicted pupil roll and level of school fee rise to ensure that an acceptable trading surplus is provided each year. External pressures from competitor schools and the state sector together with the economic environment also need to be taken into account when arriving at the level of pay rise each year.
- h. Cash flow management and the timely collection of school fees. Management are required to regularly report to the FAIR committee the level of school fee debts and to report on movements since the last report regarding the major debtors. The Trust uses legal enforcement action and a debt collection agency to assist with the recovery process. This process has been particularly tightly run over the last six months with debt levels increasing due to pandemic and remedial action required to bring levels back under control.
- i. Ensuring that the school adheres to all of the requirements of Health & Safety legislation, employment law and its regulators, including the Independent School Inspectorate and the Charity Commission.

GOING CONCERN

After making due enquiries, including review of the latest financial data and future projections, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The Trustees have reviewed the recently prepared three year scenario analysis which provided a detailed view of the operating position and cashflow for each school (and jointly) over the next three years. Several scenarios were included (optimistic, pessimistic and worst case). In all scenarios it was shown that the Trust has sufficient reserves to continue operating over the three year period.

Steps have been taken over the Summer to control the School's cost base by reducing staff numbers, offering an alternative to the Teachers Pension Scheme and holding pay at 2019/20 levels to ensure that a surplus can be achieved in 2020/21 even with ongoing effects of Covid-19.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

The Trustees have a number of further options open to maintain cashflow such as: further reductions in staff numbers, reducing discretionary spend, reducing or deferring capital expenditure on the buildings and seeking additional loan facilities.

DIRECTORS' INDEMNITY INSURANCE

We can confirm that Directors' Indemnity Insurance was in place for the 2019/20 academic year and going forwards. This is arranged through our broker Hettle Andrews with the cover provided by AXA Insurance UK Plc.

STREAMLINED ENERGY & CARBON REPORTING FOR PRIOR PARK SCHOOLS (UK)

GHG emissions and energy use data for period 1 September 2019 to 31 August 2020

	Current Reporting Year 2019-2020
	UK GHG Emission and Energy Data
Energy consumption used to calculate emissions (kWh); all mandatory energy sources are included.	3,435,065.1
Scope 1: Emissions from the combustion of Natural Gas tCO ₂ e	422.9
Scope 1: Emissions from combustion of Fuel for transport and / or heating tCO ₂ e (see evidence pack for breakdown)	39.4
Scope 1: Emissions of Biomass Pellets tCO ₂ e	0.0
Scope 3: Emissions from business travel in employee owned vehicles, where the company repaid mileage claims tCO ₂ e (average vehicle / fuel source unknown)	0.7
Scope 2: Emissions from purchased Electricity tCO ₂ e	232.5
Total gross CO ₂ e based on above (tCO ₂ e)	695.5
Intensity Ratio 1: kg CO ₂ e gross based on mandatory fields above per metre square of Gross Internal Area: (kg CO ₂ e m ⁻²), being 20,039.2 m²	34.7 kg CO₂e m⁻²
Intensity Ratio 2: kg CO ₂ e gross based on mandatory fields above per pupil: 858 UK based pupils	810.6 kg CO₂e per Pupil

METHODOLOGY

An evidence-based methodology was adopted in accordance with BS EN ISO 14064-3:2019, Section 4.3; verifiable data has been collected from the following sources:

Energy Data: Energy Metering, Invoices, Supply Summaries / Statements, Repayment Claims for business mileage, Fuel Cards, and correspondence with suppliers.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

Previous Audit Data: ESOS Phase I and Phase II.

Emission Conversions: All emission factors for CO₂e, have been calculated using Defra Conversions 2020, as the period covers four-months of 2019 and eight-months of 2020, in accordance with Defra guidelines.

THIRD PARTY VERIFICATION

The energy data has been compiled and audited by Sean Midgley (ESOS Lead Assessor) of Powerful Allies Limited, CIBSE Registration No: ESOS185262.

ENERGY EFFICIENCY ACTION

Prior Park Schools (PPS) have started a process of decarbonisation of the school estate as follows:

- a. During the financial year **99,755.4 kWh / 10%** of electricity supplied to the school was from **100% REGO Backed Renewable Zero Carbon Generation**, however, as this was grid supplied electricity, the **23.3 tCO₂e** cannot be deducted from the total GHG emissions reported on.
- b. PPS is considering the benefits and impacts of procuring up to 100% Renewable Gas, as part of the school's move towards becoming a Net Zero school.
- c. PPS are exploring the potential for increased onsite generation from Solar PV, which would complement the Solar PV array mounted on the Sports Hall, with an annual generation of circa **2,000 kWh pa**, directly saving 0.5 tCO₂e pa equivalent of **10 tCO₂e over the 20-year life expectancy** of the system.
- d. The heating system within St Paul's Boarding House is currently being reviewed with a view to potentially replace the ancient single pipe system and aged boilers, with zone controls and cascading energy efficient boilers, subject to cost constraints.
- e. PPS are investing in sub-metering for Gas, Electricity and Heat meters, which will provide much greater granularity, identify opportunities, possible waste / savings and provide more insightful data in support of Spend to Save and Net Carbon Road Mapping.
- f. PPS have completed two out of a planned 25 Concept Classroom upgrades, these include replacement intelligent lighting systems, which enhance the learning experience, reduce energy and associated GHG emissions.
- g. There is a rolling program of lighting upgrades, which when complete should provide an energy reduction of approximately **28.5 MWh pa** (ESOS II Report) / **6.6 tCO₂e pa** (Defra 2020 conversions).
- h. PPS is currently in the process of drafting a combined Environmental and Energy Policy, which it is hoped will lead to an action plan based on SMART objectives and endorsed by the trustees, governors' and top level management.

EMPLOYMENT POLICIES

EQUAL OPPORTUNITIES

The Trust have given due consideration to applicants and employees with disability as documented in our accessibility plan contained within our set of policies and procedures. The objectives of this policy are as follows:

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

The Prior Park Schools plan, over time, is to increase the accessibility of provision for all pupils, staff and visitors to the schools. The Accessibility Plan will contain relevant actions to:

- a. Improve access to the physical environment of the schools, adding specialist facilities as necessary and appropriate. This covers improvements to the physical environment of the schools and physical aids to access education.
- b. Increase access to the curriculum for pupils with a disability, expanding the curriculum as necessary to ensure that pupils with a disability are as equally prepared for life as are the able-bodied pupils. This covers teaching and learning and the wider curriculum of the school such as participation in after-school clubs, leisure and cultural activities or school visits. It also covers the provision of specialist aids and equipment, which may assist these pupils in accessing the curriculum.
- c. Improve the delivery of written information to pupils, staff, parents and visitors with disabilities. Examples might include handouts, timetables, textbooks and information about the School and the School's events. The information should be made available in various preferred formats within a reasonable time frame.

This policy is reviewed and updated every three years. The Trust also applies its equal opportunities policy when reviewing candidates for roles at any of the Prior Park Schools. These policies can be accessed via the school's website.

EMPLOYEE ENGAGEMENT

The Trust seeks to provide employees with information and increase employee engagement in many ways some of which are as follows:

- Regular staff, parent and pupil surveys covering all aspects of school life.
- Regular Governor visits to review teaching provision and to inspect different aspects of school life.
- Annual strategy meetings held to consider the direction of the schools and what can be done to improve the welfare of staff and pupils whilst achieving the Trust's overall objectives.
- Common room briefings for all staff which include details of budget reviews and pay rise information when applicable.
- Weekly staff and parent communications covering all aspects of life at Prior Park Schools.
- State of the Nation presentations to staff regarding the current position of all Prior Park Schools and how this links to the objectives of the schools.
- Pension provision set up for Prior Park School, Gibraltar.
- Consultation process implemented to review the teacher's pension offering, academic pay scales and allowances.

BUSINESS RELATIONSHIPS

During the year the Trust collaborated with local businesses in the following areas:

- The Trust collaborated with the National Trust to allow access across the Trust's land to allow the refurbished dam project at the bottom of Prior Park to be undertaken. This is an on-going commitment for the Trust to grant this continued access.
- The Trust worked with St Gregory's school for children to be educated in certain A-level subjects and transported between sites.
- The Trust supports many local businesses and will always consider local companies in the tendering of business opportunities.

Prior Park Educational Trust (a company limited by guarantee)

ANNUAL REPORT OF THE GOVERNORS

For the year ended 31 August 2020

CONNECTED AND RELATED ENTITIES

The following have not been incorporated in these financial statements as their activities are not under the control of the Governors of Prior Park Educational Trust: Parents of Prior (POP), Paragon Parents Committee.

RESPONSIBILITIES OF GOVERNORS

The Governors, (who are also directors of Prior Park Educational Trust for the purposes of company law) are responsible for preparing the Annual Report of the Governors (and the incorporated Strategic 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 Governors to prepare financial statements for each financial year which 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 those financial statements, the Governors are required to:

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

The Governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors confirm that they have complied with their duties in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The Governors have referred to the guidance in the Charity Commission's general guidance on Public Benefit when reviewing the School's aims and objectives and in planning the School's future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives they have set.

The Governors have taken all of the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

A resolution to reappoint RSM UK Audit LLP as auditor for the ensuing year will be proposed at the annual general meeting.

The Annual Report of the Governors, incorporating the Strategic Report, was approved by the Board of Governors on Thursday 10th December 2020 and signed on its behalf by:

BY ORDER OF THE BOARD

Date:

10/12/2020



Prior Park Educational Trust (a company limited by guarantee)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIOR PARK
EDUCATIONAL TRUST
For the year ended 31 August 2020

Opinion on financial statements

We have audited the financial statements of Prior Park Educational Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement 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 FRS 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 parent charitable company's affairs as at 31 August 2020 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.

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 parent 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 of the Governors 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.

Prior Park Educational Trust (a company limited by guarantee)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIOR PARK
EDUCATIONAL TRUST
For the year ended 31 August 2020

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 Annual Report of the Governors, which includes the Directors' Report and the Strategic Report prepared for the purpose of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Annual Report of the Governors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report, included within the Annual Report of the Governors.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Responsibilities of Governors as set out on page 21, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent 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 provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Prior Park Educational Trust (a company limited by guarantee)
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRIOR PARK
EDUCATIONAL TRUST
For the year ended 31 August 2020

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.

ANNA SPENCER-GRAY (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Hartwell House
55-61 Victoria Street
Bristol
BS1 6AD

Date:

Prior Park Educational Trust (a company limited by guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an income and expenditure account)
for the year ended 31 August 2020

	Notes	Unrest- ricted Funds £	Rest- ricted Funds £	2020 Total £	2019 Total £
INCOME:					
Income from charitable activities:					
School fees receivable	2	13,575,683	-	13,575,683	13,869,392
Other educational income	3	1,266,463	-	1,266,463	1,195,844
Donations	4	-	137,537	137,537	244,307
Investment income		38,774	-	38,774	49,972
Other trading activities:					
Rents and lettings		122,415	-	122,415	231,822
Other Income (Furlough Claim)		550,104	-	550,104	-
TOTAL INCOME		15,553,439	137,537	15,690,976	15,591,337
EXPENDITURE ON:					
Charitable activities	5	14,787,685	223,529	15,011,214	14,641,578
Cost of raising funds					
Fundraising		95,635	-	95,635	118,110
Finance costs	8	315,238	-	315,238	176,720
TOTAL EXPENDITURE		15,198,558	223,529	15,422,087	14,936,408
NET INCOME before gains on investments		354,881	(85,992)	268,889	654,929
Net gains on investments	11	66,286	-	66,286	146,429
NET INCOME after gains on investments		421,167	(85,992)	335,175	801,358
Other recognised gains:					
Re-measurement of future remission liabilities	18	-	-	-	97,437
NET MOVEMENT IN FUNDS		421,167	(85,992)	335,175	898,795
Fund balances brought forward (unrestricted)		14,765,646	-	14,765,646	13,857,346
Fund balances brought forward (restricted)		-	2,431,453	2,431,453	2,440,958
FUND BALANCES CARRIED FORWARD		15,186,813	2,345,461	17,532,274	17,197,099

All of the Trust's activities relate to continuing operations.

The notes on pages 28 to 52 form part of these accounts

Prior Park Educational Trust (a company limited by guarantee)
GROUP AND CHARITY BALANCE SHEETS
as at 31 August 2020

	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
FIXED ASSETS					
Tangible assets	10	16,460,383	17,042,483	14,205,019	14,793,136
Investments	11	2,212,715	2,146,429	2,212,715	2,146,429
Investments in subsidiaries	11	-	-	7	7
		18,673,098	19,188,912	16,417,741	16,939,572
CURRENT ASSETS					
Stocks	12	6,429	5,052	6,429	5,052
Debtors	13	784,099	969,618	1,380,967	1,430,244
Cash at bank and in hand		6,298,539	6,864,619	5,543,132	6,265,756
		7,089,067	7,839,289	6,930,528	7,701,052
CREDITORS: Amounts falling due within one year	14	(4,071,052)	(5,563,871)	(3,541,802)	(5,054,251)
NET CURRENT ASSETS		3,018,015	2,275,418	3,388,726	2,646,801
TOTAL ASSETS LESS CURRENT LIABILITIES		21,691,113	21,464,330	19,806,467	19,586,373
CREDITORS: Amounts falling due after one year	15	(4,147,259)	(4,206,631)	(1,263,875)	(1,319,826)
Provisions	18	(11,580)	(60,600)	(11,580)	(60,600)
NET ASSETS		17,532,274	17,197,099	18,492,012	18,205,947
FUNDS					
RESTRICTED	19	2,345,461	2,431,453	2,315,292	2,370,850
UNRESTRICTED					
Designated	19	2,232,261	2,174,600	2,232,261	2,174,600
General	19	12,954,552	12,591,046	13,944,459	13,660,497
		15,186,813	14,765,646	16,176,720	15,835,097
TOTAL FUNDS		17,532,274	17,197,099	18,492,012	18,205,947

The parent company charity, whose net income for the year was £286,065 (2019: £1,357,590), has taken advantage of the exemption under S408 of the Companies Act 2006 of not disclosing its own income and expenditure account.

Approved by the Board of Governors, and authorised for issue, on

A M H King

A Alves

The notes on pages 28 to 52 form part of these accounts

10/12/2020

)
)
)

and signed on its behalf by:

Governors

Prior Park Educational Trust (a company limited by guarantee)
CONSOLIDATED STATEMENT OF CASHFLOWS
for the year ended 31 August 2020

	2020	2019
	£	£
Cash flows from operating activities:		
Net cash (used in) / provided by operating activities	(215,032)	1,506,868
Interest paid	(108,162)	(124,825)
	<u>(323,194)</u>	<u>1,382,043</u>
Cash flows from investing activities:		
Dividends, interest and rents from investments	38,774	49,972
Transfer to investments	-	(2,000,000)
Proceeds from the sale of property, plant & equipment	-	97,437
Purchase of property, plant & equipment	(214,698)	(989,021)
	<u>(175,924)</u>	<u>(2,841,612)</u>
Cash flows from financing activities:		
Repayments of borrowing	(66,962)	(61,057)
Cash inflows from new borrowing	-	-
	<u>(66,962)</u>	<u>(61,057)</u>
Change in cash and cash equivalents in the reporting period	(566,080)	(1,520,626)
Cash and cash equivalents at the beginning of the reporting period	6,864,619	8,385,245
Cash and cash equivalents at the end of the reporting period	6,298,539	6,864,619
Reconciliation of net income to net cash flow from operating activities		
	2020	2019
	£	£
Net cash inflow from operating activities:		
Net income for the reporting period	335,175	898,795
Adjustments for:		
Depreciation charges	796,798	738,065
Other recognised gains	-	(97,437)
Dividends, interest and rents from investments	(38,774)	(49,972)
Interest payable	146,631	152,234
(Increase) / Decrease in stocks	(1,377)	2,903
Net gains on investments	(66,286)	(146,429)
Decrease / (Increase) in debtors	185,520	(50,248)
(Decrease) / Increase in creditors	(1,523,699)	216,174
Decrease in provision	(49,020)	(157,217)
	<u>(215,032)</u>	<u>1,506,868</u>

The notes on pages 28 to 52 form part of these accounts

Prior Park Educational Trust (a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

1 ACCOUNTING POLICIES

GENERAL INFORMATION

Prior Park Educational Trust ("the Company") is a company limited by guarantee, domiciled and incorporated in England.

The Company meets the definition of a Public Benefit entity under FRS102.

The address of the Company's registered office and principal place of business is Prior Park College, Ralph Allen Drive, Bath, BA2 5AH.

Throughout the year under review the Group consisted of Prior Park Educational Trust, Prior Park Enterprises Limited, Prior Park Holdings Limited and Prior Park School, Gibraltar.

The Company's and the Group's principal activities are detailed in the Governors' Report on pages 5 to 21. The nature of the Company's operations and the Group's operations are also detailed in this section.

BASIS OF PREPARATION

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice and Financial Reporting Standard hereinafter collectively referred to as "SORP (FRS102)". The accounts are drawn up on the historical cost basis of accounting.

GOING CONCERN

After making due enquiries, including review of the latest financial data and future projections, the trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

The Trustees have reviewed the recently prepared three year scenario analysis which provided a detailed view of the operating position and cashflow for each school (and jointly) over the next three years. Several scenarios were included (optimistic, pessimistic and worst case). In all scenarios it was shown that the Trust has sufficient reserves to continue operating over the three year period.

Steps have been taken over the Summer to control the Group's cost base by reducing staff numbers, offering an alternative to the Teachers Pension Scheme and holding pay at 2019/20 levels to ensure that a surplus can be achieved in 2020/21 even with the ongoing effects of Covid-19.

The Trustees have a number of further options open to maintain cashflow such as: further reductions in staff numbers, reducing discretionary spend, reducing capital expenditure on the buildings and seeking additional loan facilities.

BASIS OF CONSOLIDATION

These financial statements consolidate the results, assets and liabilities of the School, it's wholly owned non-charitable subsidiary (Prior Park Enterprises Limited), Prior Park Holdings Limited and Prior Park School, Gibraltar on a line by line basis. The results of the subsidiaries are included from the date on which the Trust took control of them. A separate statement of financial activities (including income and expenditure account) for the Charity itself is not presented as permitted by Section 408 of the Companies Act 2006.

REDUCED DISCLOSURES

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements:

Prior Park Educational Trust (a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

ACCOUNTING POLICIES (continued)

- Section 7 'Statement of Cash Flows' – Presentation of a Company Statement of Cash Flows and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

FEES

Fees receivable consist of charges billed for the school year ending 31 August 2020, less bursaries and allowances. Fees received for education to be provided in future years are carried forward within creditors as deferred income.

EXPENDITURE

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the Charity. These include: strategic planning for its future development; external audit; legal advice for the Governors; and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated in the balance sheet at cost less impairment and accumulated depreciation. Only assets individually costing more than £1,000 are capitalised.

DEPRECIATION

Depreciation is provided on all tangible fixed assets except land and assets under construction at rates calculated to write off the cost of each asset, less its estimated residual value, evenly over its expected useful life, as follows:

Freehold buildings	- Buildings	-	50 years (or length of the lease if shorter than 50 years)
	- AstroTurf	-	20 years
	- Driveway	-	20 years
Plant and equipment	- Boilers	-	15 years
	- ICT infrastructure	-	10 years
	- Other	-	10 years
	- Domestic	-	5 years
Musical instruments		-	50 years
Motor vehicles		-	5 years
Computer Equipment		-	3 years

ACCOUNTING POLICIES (continued)

Prior Park Educational Trust (a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

DONATIONS

Donations receivable for the general purposes of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are binding on the Governors.

GOVERNMENT GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

INVESTMENTS AND INVESTMENT INCOME

Fixed Asset Investments are included at their market value as at the balance sheet date. Any surplus or deficit on revaluation is taken to the Statement of Financial Activities (SOFA). Investment income is accounted for in the period in which the company is entitled to receipt.

BAD DEBT PROVISION

The provision for bad debts is calculated based on a detailed review of all outstanding balances as at Year-End. Each individual debt is reviewed and management judgement used to determine an appropriate provision to make in each individual case.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

LEASE COMMITMENTS

Operating lease commitments are charged to the Statement of Financial Activities on a straight line basis over the lease term.

FINANCIAL INSTRUMENTS

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

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument, and are offset only when the Group currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate.

ACCOUNTING POLICIES (continued)

Prior Park Educational Trust (a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled. Where the arrangement with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The Company, via its management, has made judgements in the following areas:

- The recoverability of school fee debts. A systematic approach has been taken to all outstanding debts to ensure consistency of approach year to year.
- The length of asset lives. Management have applied their judgement in the application of depreciation lifespans for fixed assets as disclosed in the table on page 29.

2 FEES RECEIVABLE

	Unrestricted Funds	Restricted Funds	2020 Total	2019 Total
	£	£	£	£
Gross fees	16,799,463	-	16,799,463	16,152,505
Remote Learning Discount (Summer 2020)	(1,124,872)	-	(1,124,872)	-
Less bursaries, scholarships and allowances	(2,098,908)	-	(2,098,908)	(2,283,113)
	<u>13,575,683</u>	<u>-</u>	<u>13,575,683</u>	<u>13,869,392</u>

3 OTHER EDUCATIONAL INCOME

Company Registration Number: 01521832

Charity Number: 281242

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Extras	1,063,473	-	1,063,473	978,911
Sundry income	202,990	-	202,990	216,933
	<u>1,266,463</u>	<u>-</u>	<u>1,266,463</u>	<u>1,195,844</u>

4 DONATIONS

Donations comprise the following:

	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
Designated Fund donations (note 19)	-	-	-	1,858
Restricted donations (note 19)	-	137,537	137,537	242,449
Unrestricted donations	-	-	-	-
	<u>-</u>	<u>137,537</u>	<u>137,537</u>	<u>244,307</u>

During the year Prior Park Enterprises Limited (PPEL) made a surplus of **£37,056** (2019: £46,246). Payment of this surplus will be made via gift aid to PPET within nine months of the year end. PPEL undertakes the letting of the schools and it donates any profit to the Trust. This income is shown on the Statement of Financial Activities under Rents & Lettings.

During the year Prior Park Holdings Limited (PPHL) made a surplus of **£71,036** (2019: £48,244 deficit). Payment of the accumulated surplus as at 31 August 2020 of **£22,793** will be made via gift aid to PPET within nine months of the year end. PPHL provides educational and management services to Prior Park School, Gibraltar.

5 TOTAL EXPENDITURE

	Staff costs £	Deprec- iation £	Other costs £	Total 2020 £	Total 2019 £
Cost of generating funds:					
Fundraising Costs			95,635	95,635	118,110
Finance costs			315,238	315,238	176,720
			<u>410,873</u>	<u>410,873</u>	<u>294,830</u>
Charitable activities:					
Teaching	8,540,167	448	374,465	8,915,080	8,014,653
Welfare	104,284	12,881	655,974	773,139	1,077,177
Premises	790,670	709,170	851,313	2,351,153	2,493,029
Marketing and publicity	-	-	180,589	180,589	216,546
Support costs of schooling	828,890	-	842,078	1,670,968	1,794,905
Extras & Trips	-	-	1,063,473	1,063,473	978,911
Governance costs	-	-	56,812	56,812	66,357
	<u>10,264,011</u>	<u>722,499</u>	<u>4,435,577</u>	<u>15,422,087</u>	<u>14,936,408</u>

Prior Park Educational Trust (a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

Note: Depreciation in year of Fixed Assets is **£796,798** but is shown above net of amortisation of the applicable funds of **£74,299**. The donated funds used to purchase the fixed assets being amortised at the same rate as the fixed assets are depreciated.

6 GOVERNANCE COSTS

	2020	2019
	£	£
Governance costs can be analysed as follows:		
Fees payable to auditor – audit & other services (see note 9)	37,835	44,046
Indemnity insurance	5,564	2,736
Other governance costs	13,413	19,575
	<hr/>	<hr/>
Total	56,812	66,357
	<hr/>	<hr/>

7 STAFF COSTS

Staff costs can be analysed as follows:

Group:

	2020	2019
	£	£
Wages and salaries	8,271,435	7,600,601
Social security costs	741,446	722,383
Pension costs	1,251,130	870,219
	<hr/>	<hr/>
Total	10,264,011	9,193,203
	<hr/>	<hr/>

Charity:

	2020	2019
	£	£
Wages and salaries	6,758,905	6,622,971
Social security costs	649,979	660,344
Pension costs	1,189,390	858,638
	<hr/>	<hr/>
Total	8,598,274	8,141,953
	<hr/>	<hr/>

None of the Governors have received any remuneration in this year or the previous year. During the year Governors' expenses of **£13,413** (2019: £19,575) were reimbursed by the Group in respect of travel and accommodation costs during the year in respect of 14 Governors (2019: 14 Governors)

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

7 STAFF COSTS (continued)

The monthly average number of persons employed, full and part time, during the year was:

Group:

	2020 Number	2019 Number
Educational	220	207
Support staff	87	90
	<hr/>	<hr/>
Total	307	297
	<hr/>	<hr/>

Charity:

	2020 Number	2019 Number
Educational	184	182
Support staff	78	82
	<hr/>	<hr/>
Total	262	264
	<hr/>	<hr/>

Group:

The number of Group employees whose emoluments (excluding employer's pension and National Insurance contributions) fell in the following bands were:

	2020 Number	2019 Number
£60,001 - £70,000	5	4
£70,001 - £80,000	1	3
£90,001 - £100,000	1	-
£100,001 - £110,000	1	2
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
£160,001 - £170,000	1	-
£170,001 - £180,000	-	1
	<hr/>	<hr/>
	10	11
	<hr/>	<hr/>

For these employees the number with retirement benefits accruing in:

	2020	2019
Money purchase schemes was	5	4
for which the contributions amounted to	£28,020	£33,515
	<hr/>	<hr/>
Defined benefit scheme was	5	7
for which the contributions amounted to	£88,744	£89,756
	<hr/>	<hr/>

Remuneration of Key Group Personnel:

The total remuneration for 2019/20 of the key personnel in the group (as identified on page 4) is **£600,060** (2019: £678,588).

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

8 FINANCE COSTS

	Unrestricted £	Restricted £	2020 Total £	2019 Total £
Bank & other loan interest	146,631	-	146,631	152,234
Other finance costs	168,607	-	168,607	24,486
	<u>315,238</u>	<u>-</u>	<u>315,238</u>	<u>176,720</u>

9 NET INCOME FOR THE YEAR

This is stated after charging:

	2020 £	2019 £
Depreciation of owned assets	796,798	738,065
Auditor's remuneration (including VAT):		
Audit services: fees payable for the audit of the Trust's financial statements	26,519	29,131
Audit services: fees payable for the audit of the subsidiaries' financial statements	6,276	9,490
Other services - taxation and other services	5,040	5,425
Operating lease rentals:		
Plant & machinery	37,621	39,193

A gain of £66,286 due to growth in the Prior Park Schools 2030 Bursary Fund investment was reported outside of normal operating activities.

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

10 TANGIBLE FIXED ASSETS (GROUP)

	Assets in the course of construction	Land	Buildings	Astro Turf & Drive	Plant & Equipment	Motor Vehicles	Musical Instruments	IT Equipment	Total
COST									
As at 1 September 2019	-	598,274	18,004,731	647,694	2,657,852	81,268	128,845	315,180	22,433,844
Additions	75,266	-	55,847	-	39,080	27,940	-	16,565	214,698
As at 31 August 2020	75,266	598,274	18,060,578	647,694	2,696,932	109,208	128,845	331,745	22,648,542
DEPRECIATION AND IMPAIRMENT									
As at 1 September 2019	-	-	4,213,990	184,291	735,488	52,914	40,983	163,695	5,391,361
Charge for Year	-	-	407,856	32,073	254,507	12,881	2,577	86,904	796,798
As at 31 August 2020	-	-	4,621,846	216,364	989,995	65,795	43,560	250,599	6,188,159
Net Book Value at 31 August 2020	75,266	598,274	13,438,732	431,330	1,706,937	43,413	85,285	81,146	16,460,383
As at 1 September 2019	-	598,274	13,790,741	463,404	1,922,364	28,354	87,862	151,485	17,042,483

All the above assets are held for direct charitable purposes.

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

10 TANGIBLE FIXED ASSETS (CHARITY)

	Assets in the course of construction	Land	Buildings	Astro Turf & Drive	Plant & Equipment	Motor Vehicles	Musical Instruments	IT Equipment	Total
COST									
As at 1 September 2019	-	598,274	15,693,351	647,694	2,480,533	81,268	128,845	167,024	19,796,989
Additions	-	-	-	-	36,588	27,940	-	1,290	65,818
As at 31 August 2020	-	598,274	15,693,351	647,694	2,517,121	109,208	128,845	168,314	19,862,807
DEPRECIATION AND IMPAIRMENT									
As at 1 September 2019	-	-	3,964,346	184,291	698,935	52,914	40,983	62,384	5,003,853
Charge for Year	-	-	313,868	32,073	236,582	12,881	2,577	55,956	653,935
As at 31 August 2020	-	-	4,278,212	216,364	935,517	65,795	43,560	118,340	5,657,788
Net Book Value at 31 August 2020	-	598,274	11,415,139	431,330	1,581,604	43,413	85,285	49,974	14,205,019
As at 1 September 2019	-	598,274	11,729,004	463,404	1,781,598	28,354	87,862	104,640	14,793,136

All the above assets are held for direct charitable purposes.

Prior Park Educational Trust (a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

11 INVESTMENTS

In October 2018 the PPS Bursary Fund 2030 was established which initial funds of £2m as detailed below. The fund saw growth in value of £66,286 during the financial year:

	2020	2019
	£	£
Opening Balance	2,146,429	-
Transfer of funds from other designated funds (see note 19)	-	148,476
Transfer of funds from PPET unrestricted reserves	-	1,851,524
Net gains on investment	66,286	146,429
	<u>2,212,715</u>	<u>2,146,429</u>

The above investment was placed with Stanhope Capital and the portfolio consists of a mix of global equities, bonds and commodities to ensure a fully diversified portfolio. The value shown is the market value as at 31st August 2020.

The investment was placed under the terms of the Prior Park Educational Trust investment policy and is monitored by the FAIR Committee on a regular basis.

The following notes detail the investments of the Charity in the other Group Companies:

	2020	2019
	£	£
Charity:		
Shares at cost	7	7
	<u>7</u>	<u>7</u>

PRIOR PARK HOLDINGS LIMITED (Company number: 09598950)

Prior Park Holdings Limited was incorporated on 19 May 2015 and commenced trading on 1 September 2018. The principal activity of the company is to provide educational and management services to satellite schools within the Prior Park Group. A summary of the subsidiary's results for the year to 31 August 2020, and its balance sheet position is shown below:

	2020	2019
	£	£
TURNOVER	220,048	205,746
Cost of sales	149,012	253,990
GROSS PROFIT / (LOSS)	<u>71,036</u>	<u>(48,244)</u>
Administrative expenses	-	-
OPERATING PROFIT / (LOSS)	<u>71,036</u>	<u>(48,244)</u>
Interest payable and similar charges	-	-
PROFIT / (LOSS) BEFORE TAXATION	<u>71,036</u>	<u>(48,244)</u>
Taxation	-	-
PROFIT / (LOSS) FOR THE FINANCIAL YEAR AND RETAINED EARNINGS	<u>71,036</u>	<u>(48,244)</u>

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

11 INVESTMENTS (continued)

	2020	2019
	£	£
Fixed and Current assets	675,795	455,747
Current liabilities	(653,002)	(503,990)
	<u>22,793</u>	<u>(48,243)</u>
Called up share capital	1	1
Profit and loss account	22,792	(48,244)
	<u>22,793</u>	<u>(48,243)</u>

PRIOR PARK ENTERPRISES LIMITED (Company number: 2224611)

On 29 August 2008, the entire issued share capital of Prior Park Enterprises Limited was gifted to the Trust. No consideration was paid for the shares. Their value to the Trust was considered to be equal to the value of the net assets of the company at the date of transfer. The subsidiary runs the commercial activities of Prior Park Schools. A summary of the subsidiary's results for the year to 31 August 2020, and its balance sheet position is shown below:

	2020	2019
	£	£
Turnover	41,546	52,425
Expenditure	(412)	(1,240)
Gross Profit	<u>41,134</u>	<u>51,185</u>
Administrative Expenses	(4,078)	(4,939)
Net profit before taxation	37,056	46,246
Taxation	-	-
Net profit after taxation	<u>37,056</u>	<u>46,246</u>
Current assets	48,002	56,639
Current liabilities	(10,940)	(10,387)
	<u>37,062</u>	<u>46,252</u>
Called up share capital	6	6
Profit and loss account	37,056	46,246
	<u>37,062</u>	<u>46,252</u>

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

11 INVESTMENTS (continued)

PRIOR PARK SCHOOL, GIBRALTAR (Company number: 00113158, Charity number: 000272)

Prior Park School, Gibraltar is a wholly owned subsidiary of the Trust, involved in the establishment of the School in Gibraltar. The School was opened on 7th September 2016 and there were 197 pupils attending in the 2019/20 academic year.

	Unrest- ricted Funds £	Rest- ricted Funds £	2020 Total £	2019 Total £
INCOME:				
Income from charitable activities:				
School Fees receivable	2,197,772	-	2,197,772	1,371,640
Other educational income	113,440	-	113,440	152,984
Donations		5,493	5,493	19,643
Other income	109,045	-	109,045	-
TOTAL INCOME	2,420,257	5,493	2,425,750	1,544,267
EXPENDITURE ON:				
Charitable activities	2,360,340	35,925	2,396,265	1,915,765
Cost of raising funds				
Fundraising	-	-	-	400
Finance costs	81,219	-	81,219	84,899
TOTAL EXPENDITURE	2,441,559	35,925	2,477,484	2,001,064
NET MOVEMENT IN FUNDS	(21,302)	(30,432)	(51,734)	(456,797)
Fund balances brought forward (unrestricted)	(1,067,452)	-	(1,067,452)	(649,271)
Fund balances brought forward (restricted)	-	60,602	60,602	99,218
FUND (DEFICIT) / EARNINGS CARRIED FORWARD	(1,088,754)	30,170	(1,058,584)	(1,006,850)

In the prior year, all activities related to unrestricted funds, with the exception of donation income of £19,643 and expenditure on charitable activities of £58,259 which related to restricted funds.

All of the School's activities relate to continuing operations.

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

11 INVESTMENTS (continued)

PRIOR PARK SCHOOL, GIBRALTAR (Company number: 00113158, Charity number: 000272)

	<u>Notes</u>	<u>2020</u> £	<u>2019</u> £
FIXED ASSETS			
Tangible assets		2,255,364	2,249,348
		2,255,364	2,249,348
CURRENT ASSETS			
Debtors		140,661	71,999
Cash at bank and in hand		716,669	564,800
		857,330	636,799
CREDITORS: Amounts falling due within one year		(1,287,895)	(1,006,193)
NET CURRENT (LIABILITIES) / ASSETS		(430,565)	(369,394)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,824,799	1,879,954
CREDITORS: Amounts falling due after one year		(2,883,383)	(2,886,804)
NET LIABILITIES		<u>(1,058,584)</u>	<u>(1,006,850)</u>
FUNDS			
Restricted		30,170	60,602
Unrestricted Funds			
General		(1,088,754)	(1,067,452)
Total deficit		<u>(1,058,584)</u>	<u>(1,006,850)</u>

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

12 STOCKS (GROUP AND CHARITY)

	2020 £	2019 £
Goods for resale	6,429	5,052

13 DEBTORS

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Trade debtors	1,018	22,576	-	-
School fees	171,587	328,545	155,682	320,300
Other debtors	229,967	368,727	157,776	353,085
Prepayments and accrued income	381,527	249,770	323,965	203,036
Amounts owed by group undertakings	-	-	743,544	553,823
	<u>784,099</u>	<u>969,618</u>	<u>1,380,967</u>	<u>1,430,244</u>

14 CREDITORS: Amounts falling due within one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Current instalments due on bank loans (note 17)	65,297	83,753	48,631	83,753
School fees received in advance	1,576,530	2,355,040	1,315,158	2,060,184
Trade creditors	311,663	954,016	230,398	873,495
Taxation and social security payable	206,521	217,555	206,521	217,555
Other creditors	1,692,272	1,738,987	1,550,598	1,627,084
Accruals	218,769	214,520	190,496	192,180
	<u>4,071,052</u>	<u>5,563,871</u>	<u>3,541,802</u>	<u>5,054,251</u>

15 CREDITORS: Amounts falling due after more than one year

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Bank loans (note 17)	4,109,723	4,158,228	1,226,339	1,271,423
School fees received in advance	37,536	48,403	37,536	48,403
	<u>4,147,259</u>	<u>4,206,631</u>	<u>1,263,875</u>	<u>1,319,826</u>

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

16 DEFERRED INCOME:

	Group £	Charity £
Brought forward fees in advance	2,403,443	2,108,587
Cash received in 2019/20	1,565,663	1,304,291
Amounts utilised in 2019/20	(2,355,040)	(2,060,184)
	<hr/>	<hr/>
Carried forward fees in advance	1,614,066	1,352,694
	<hr/>	<hr/>

17 BANK AND OTHER LOANS

Group:

Bank loans repayable by instalments are due for repayment as follows:

	2020 £	2019 £
Repayable within one year	65,297	83,753
Repayable within one to two years	147,470	1,544,460
Repayable within two to five years	455,271	1,532,231
Repayable beyond five years	3,506,982	1,081,537
	<hr/>	<hr/>
	4,175,020	4,241,981
	<hr/>	<hr/>

Charity:

Bank loans repayable by instalments are due for repayment as follows:

	2020 £	2019 £
Repayable within one year	48,629	83,753
Repayable within one to two years	47,470	44,460
Repayable within two to five years	155,271	145,427
Repayable beyond five years	1,023,600	1,081,537
	<hr/>	<hr/>
	1,274,970	1,355,177
	<hr/>	<hr/>

Note regarding loans held by the Charity:

The Charity currently has 2 bank loans:

One in respect of the property at Fyfield, repayable over 15 years at 1% over base rate and one in respect of the Sports Hall repayable over 25 years at a fixed rate of 4.3%.

The bank holds security in respect of these loans over the following freehold properties: Gate Lodge, Fyfield House and Creffield House, all on Ralph Allen Drive, Bath and Prior Lodge, North Road, Bath.

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

Note regarding additional loans held by the Group:

Prior Park School, Gibraltar ("PPSG") also has 2 loans:

The first with SPG Limited with a facility to drawdown up to £2m, is unsecured and is repayable in line with the Funding Agreement between SPG Limited and PPSG, dated 11 March 2016. The total drawdown (net of repayments taken in lieu of school fees) as at 31st August 2020 was £1,294,173 (2019: £1,308,663). Total accumulated accrued interest as at 31st August 2020 was £105,877 (2019: £78,141). Repayment of both the principal and the interest on this loan is to be made as soon as reasonably practicable under the terms of the Funding Agreement. The interest rate is 2% per annum.

The second loan is with Gibraltar International Bank with a facility to drawdown up to £1.5m. This loan is secured on PPSG's leasehold interest in the site at Sacred Heart Terraces and is repayable in line with the terms of the loan facility with the bank. The total drawdown as at 31st August 2020 was £1.5m (2019: £1.5m). The interest rate is 3% above Bank of England base rate per annum.

These loans were put in place to facilitate the refurbishment of PPSG's buildings and to cover the initial set up costs of PPSG.

18 PROVISIONS

The following provision was established during 2017/18 to reflect the ongoing liability to pay for scholarships and bursaries potentially until August 2026 in relation to children at Prior Park Preparatory School under the terms of the sale to Wishford Schools.

	2020
	£
Provision as at 31 st August 2019	60,600
Payments to Wishford during 2019/20	(49,020)
Changes to provision for future years	-
	<hr/>
Provision as at 31 st August 2020	11,580
	<hr/>

19 UNRESTRICTED FUNDS (GROUP)

At 31 August 2020 total unrestricted funds amounted to **£15,186,813** (2019: £14,765,646). Included within this total are funds which the Governors have designated for specific purposes as detailed below:

Position as per 2019/20 Accounts:

Un-restricted Fund	Fund balance as at 1 st September 2019	Income	Expenditure	Net Income / (expenditure)	Adjustments / Transfers	Fund balance as at 31 st August 2020
Gillan Bursary Fund	28,171	-	(8,625)	(8,625)	-	19,546
PPS 2030 Bursary Fund	2,146,429	66,286	-	66,286	-	2,212,715
Designated Funds Total	2,174,600	66,286	(8,625)	57,661	-	2,232,261
General Fund	12,591,046	15,553,439	(15,189,933)	254,315	-	12,954,552
Total	14,765,646	15,619,725	(15,198,558)	311,976	-	15,186,813

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

Comparative position as per 2018/19 Accounts:

Un-restricted Fund	Fund balance as at 1 st September 2018	Income	Expenditure	Net Income / (expenditure)	Adjustments / Transfers	Fund balance as at 31 st August 2019
Scholarship Fund	16,141	-	(5,665)	(5,665)	(10,476)	
Gillan Bursary Fund	164,313	1,858	-	1,858	(138,000)	28,171
PPS 2030 Bursary Fund	-	146,429	-	146,429	2,000,000	2,146,429
Designated Funds Total	180,454	148,287	(5,665)	142,622	1,851,524	2,174,600
General Fund	13,676,892	15,444,466	(14,678,788)	765,678	(1,851,524)	12,591,046
Total	13,857,346	15,592,753	(14,684,453)	908,300	-	14,765,646

The Gillan Bursary Fund was established in the Summer of 2018 by a legacy donation from a former pupil of Prior Park College. The fund will be used to support pupils with bursarial support in coming years.

The Prior Park Schools 2030 Bursary Fund was established during 2018/19 as a designated fund with the aim of building towards £10m by 2030 (see note 11). The fund will then be used to support bursarial funding requests from that date onwards.

UNRESTRICTED FUNDS (CHARITY)

The table below shows how the Charity's unrestricted funds have moved since last year, with prior year movement shown for comparison purposes:

	2019/20	2018/19
Total Charity Unrestricted Funds brought forward	£13,660,497	£14,326,163
Plus: Unrestricted Funds Surplus in Year	£283,962	£1,185,858
Less: Transfer of Funds to Designated Fund: PPS 2030 Bursary Fund	-	(£1,851,524)
Total Charity Unrestricted Funds carried forward	£13,944,459	£13,660,497

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

RESTRICTED FUNDS (GROUP & CHARITY)

The following table details the in-year restricted fund movements. The restricted funds all relate to the Charity with the exception of the following funds which are in relation to Prior Park School, Gibraltar: The Gibraltar IT & DT Technology fund (open and closed), the Gibraltar Library Fund and the Gibraltar Bursary Fund.

Restricted Fund	Fund balance as at 1 st September 2019	Income	Expenditure		Net Income / (expenditure)	Adjustments / Transfers	Fund balance as at 31 st August 2020
Open Funds			Amortisation	Other			
Bursary (general)	118,911	62,231	-	18,298	43,933	-	162,844
Bursary (specific)	141,301	35,615	-	102,039	(66,424)	-	74,877
Chapel	76,991	3,255	-	-	3,255	-	80,246
Entrepreneurial	241,064	-	-	-	-	-	241,064
Big School Room	49,040	-	-	-	-	-	49,040
Sports Fund	1,882	-	-	1,244	(1,244)	-	638
Heritage Fund	500	1,931	-	101	1,830	-	2,330
Gibraltar - IT & DT Technology	24,630	-	-	7,508	(7,508)	(15,275)	1,847
Gibraltar - Bursary	-	5,493	-	5,493	-	-	-
Gibraltar - Library	306	-	-	-	-	-	306
Closed Funds							
Mansion Steps	51,841	-	1,103	-	(1,103)	-	50,738
Science Project	10,895	-	1,557	-	(1,557)	-	9,339
Sports Centre	516,094	-	11,281	-	(11,281)	-	504,813
Piano	35,029	-	929	-	(929)	-	34,099
College Freehold	119,975	-	4,004	-	(4,004)	-	115,971
Old Gymnasium	204,477	-	6,835	-	(6,835)	-	197,642
Sixth Form Centre	113,955	-	3,870	-	(3,870)	-	110,085
Campaign	521,109	-	11,580	-	(11,580)	-	509,529
Organ	39,956	-	1,200	-	(1,200)	-	38,756
Chapel Improvements	74,165	-	4,478	-	(4,478)	-	69,687
All Weather Pitch	7,648	-	423	-	(423)	-	7,225
Sports Facilities	23,516	-	2,613	-	(2,613)	-	20,903
Covid-19 Appeal	-	29,012	-	14,547	14,465	-	14,465
Paragon Parents Association	22,500	-	1,500	-	(1,500)	-	21,000
Gibraltar - IT & DT Technology - closed	35,668	-	22,926	-	(22,926)	15,275	28,017
Total	2,431,453	137,537	74,299	149,230	(85,992)	-	2,345,461

Prior Park Educational Trust (a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

Open Funds:

- The General Bursary Fund is funded by donations from past pupils and other supporters of Prior Park Schools. It is used to provide short term support towards the payment of school fees for existing pupils. It has been used to help some families through the Covid-19 pandemic.
- The Specific Bursary Fund consists of specific donations towards the School Fees of individual pupils at one of the Prior Park Schools.
- The Chapel Fund was established to help with the ongoing refurbishment of the chapel at Prior Park College.
- The Entrepreneurial Fund was established to develop an entrepreneurial programme across all Prior Park Schools.
- The Big School Room Fund was set up to aid with the refurbishment of this room at Prior Park College.
- The Sports Fund was established to help fund the purchase of sporting facilities at the College such as: cricket nets, cricket & hockey scoreboards, cricket covers and boundary rope and rugby scrummaging machine. These facilities have been purchased and the costs sit in the closed funds below.
- The Heritage Fund was established in Autumn 2018 to start collecting towards the future up-keep of the buildings and facilities at Prior Park College.
- The IT & DT Technology fund was created in Gibraltar through donations towards the purchase of computer and other IT-related equipment.
- The Gibraltar Bursary fund was established at the start of the school to help fund short-term bursarial support for existing pupils.
- The Gibraltar Library fund was set up to enable former pupils and other supporters of the school to contribute towards the establishment of a library at the school.

Closed Funds:

- The Mansion Steps Project was a fundraising exercise to help fund improvements to the steps leading up to the front of the mansion.
- The Science Project Fund was set up for former pupils to contribute towards the science laboratory.
- The Sports Centre Fund was established in 2012 to help towards the cost of building the sports centre.
- The Piano Fund was created through a donation to the Trust as a contribution towards the purchase of a Fazioli piano, which is now pride of place in the John Wood Chapel.
- The College Freehold Fund was created in 1999 through a donation made to the Trust as a contribution towards the cost of the freehold purchase of the College buildings and grounds.
- The Old Gymnasium Fund was established in 1994 to provide for the renovation of the old gymnasium. Grants were also received from English Heritage and others.
- The Sixth Form Centre Fund was established in 1992 when £225,000 was received from a former pupil to assist the School with the building of a sixth form centre and theatre.
- The Campaign Fund was set up in 2003 to raise funds for the development of facilities at the college.
- The Organ Appeal Fund was established in late 1995 to raise funds from parents, friends and former pupils to assist the School with the purchase of a new organ in the summer of 1996.
- The Chapel Fund was established to help towards the refurbishment of the chapel at Prior Park College. Funds have been spent recently on renovating the chapel roof and installing a new sound system.
- All Weather Pitch - We received a number of donations towards the installation of the new All Weather Pitch at Prior Park College. The pitch was installed in 2018 and has been a welcome addition to the facilities at Prior Park College.
- Sports Facilities – Funds were raised during 2017/18 and 2018/19 to help pay for new cricket nets, a cricket and hockey scoreboard and a rugby scrummaging machine, all of which were purchased in year.
- The Covid-19 appeal fund was established during the pandemic lockdown of early 2020 to raise funds to help produce visors and PPE for local NHS facilities. The remaining funds were used to purchase a new 3D printer and laser printer for the school, with the original equipment having been heavily used to make the PPE equipment.

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

- The Paragon Parents' Association Fund was established to raise funds towards the building of the new music centre at the Paragon School.
- The Gibraltar IT & DT Technology Fund shows the funds used to purchase IT & DT equipment for the school over the last three years.

Comparative position as per 2018/19 Accounts:

Restricted Fund	Income	Expenditure		Net Income / (expenditure)	Fund balance as at 1 st September 2018	Adjustments / Transfers	Fund balance as at 31 st August 2019
Open Funds		Amortisation	Other				
Bursary (general)	39,060	-	16,666	22,394	183,220	(86,703)	118,911
Bursary (specific)	167,768		113,170	54,598	-	86,703	141,301
Chapel	7,245	-	7,553	(308)	111,159	(33,860)	76,991
Entrepreneurial	-	-	2,827	(2,827)	243,891	-	241,064
Big School Room	-	-	-	-	49,040	-	49,040
Sports Fund	7,132	1,235	-	5,897	12,354	(16,369)	1,882
Heritage Fund	500	-	-	500	-	-	500
Gibraltar - IT & DT Technology	14,625	-	35,561	(20,936)	45,566	-	24,630
Gibraltar - Bursary	4,637	-	4,637	-	-	-	-
Gibraltar - Library	382	-	226	156	150	-	306
Closed Funds							
Mansion Steps	-	1,103	-	(1,103)	52,944	-	51,841
Science Project	-	1,557	-	(1,557)	12,452	-	10,895
Sports Centre	-	11,281	-	(11,281)	527,375	-	516,094
Piano	-	929	-	(929)	35,958	-	35,029
College Freehold	-	4,004	-	(4,004)	123,979	-	119,975
Old Gymnasium	-	6,835	-	(6,835)	211,312	-	204,477
Sixth Form Centre	-	3,870	-	(3,870)	117,825	-	113,955
Campaign	-	11,580	-	(11,580)	532,689	-	521,109
Organ	-	1,200	-	(1,200)	41,156	-	39,956
Chapel Improvements	-	4,479	-	(4,479)	44,784	33,860	74,165
All Weather Pitch	-	423	-	(423)	8,071	-	7,648
Sports Facilities	-	2,383	-	(2,383)	9,530	16,369	23,516
Paragon Parents Association	-	1,501	-	(1,501)	24,001	-	22,500
Paragon Nursery Fund	1,100	-	1,100	-	-	-	-
Gibraltar - IT & DT Technology - closed	-	17,834	-	(17,834)	53,502	-	35,668
Total	242,449	70,214	181,740	(9,505)	2,440,958	-	2,431,453

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

20 ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Funds 2020 £
Tangible Fixed Assets	14,728,114	1,732,269	-	16,460,383
Investments	2,212,715	-	-	2,212,715
Current Assets	6,475,875	613,192	-	7,089,067
Liabilities	(8,229,891)	-	-	(8,229,891)
	15,186,813	2,345,461	-	17,532,274

21 SHARE CAPITAL

The company is limited by guarantee and has no called-up share capital. As at 31 August 2020 there were 14 members of the Trust and each has a limited liability of £1.

22 PENSION COSTS

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 £1,099,251 (2019: £774,378) and at the year-end £124,362 (2019 £95,128) 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. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

Prior Park Educational Trust (a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

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. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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 the consultation and the cost cap mechanism review are completed 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.

The School undertook a consultation exercise with teaching staff during 2019 and 2020 with the conclusion that the school will also offer the APTIS scheme (run by Aviva) for those teaching staff who wish to join this scheme from 1st September 2020 onwards. Those teachers that wish to remain in the TPS will need to make up the additional employers' contribution via a deduction from their gross salary.

CONTRIBUTIONS TO PENSION FUNDS

The Trust makes contributions to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the College 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 directly attributable to the Trust. In accordance with the SORP (FRS102) the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

As detailed above, UK teaching staff have the option to remain in the TPS but to pay the additional employer contribution as a deduction from their gross pay or to move across to the APTIS Master Trust Scheme, run by Aviva from 1st September 2020.

The Trust also contributes to a Group Personal Pension Scheme for non-teaching staff at either 5.1% or 4% (depending on the employee's choice of pension contributions) of annual basic pay, and these contributions are recorded accordingly in these financial statements. Non-teaching staff will also have the option to join the APTIS Master Trust Scheme during 2020/21.

23 COMMITMENTS UNDER OPERATING LEASES

The Company as a lessee:

The total future minimum lease payments under non-cancellable operating leases for plant and machinery are as follows:

	2020	2019
	£	£
Amounts due:		
Within one year	200,616	38,470
Between one and five years	430,102	4,153
After five years	4,164	-
	<hr/>	<hr/>
	634,882	42,623
	<hr/>	<hr/>

Prior Park Educational Trust (a company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

24 CAPITAL COMMITMENTS

The Trust has a capital commitment to complete the refurbishment of the Ball Court behind Prior Park School, Gibraltar. £75,266 has been spent to date with an additional £175,000 committed to complete the project (2019: nil).

25 RELATED PARTY TRANSACTIONS

Prior Park Enterprises Limited ("PPEL"), Prior Park Holdings Limited ("PPHL") and Prior Park School, Gibraltar ("PPSG") are wholly owned subsidiaries of Prior Park Educational Trust ("PPET"). Related party transactions during the year were as follows:

- The Trust held **£184,745** (2019: £162,857) on behalf of the school's alumni association (known as PPA).
- As shown in the Gibraltar Accounts, there is an amount of **£1,405,050** (2019: £1,386,804) (including accrued interest of £105,877) due to SPG Limited, a Gibraltar registered company which is related through its directorship of Prior Park School, Gibraltar.
- PPEL runs the commercial activities of the schools and it donates any surplus to the Trust via gift aid. The total profit for 2019/20 was **£37,056** (2019: £46,246), this will be donated via gift aid to PPET within nine months of the Financial Year End.
- The Trust donated **£0** during 2019/20 to PPSG with the total donation remaining at £500,000.
- At the Year End there was **£675,794** of management fees due from PPSG to PPHL (£125k for 2016/17 and 2017/18, £205,746 for 2018/19 and £220,048 for 2019/20) under the terms of the Collaboration Agreement dated 11 March 2016 between PPSG, PPET, PPHL and SPG Limited.
- At the Year End there was **£653,002** of staff and other costs due from PPHL to PPET (£125k for 2016/17 and 2017/18, £253,990 for 2018/19 and £149,012 for 2019/20) under the terms of the Collaboration agreement dated 11 March 2016 between PPSG, PPET, PPHL and SPG Limited and the Cost Sharing Agreement between PPHL and PPET.
- During 2019/20 the value of transactions between Group companies was **£275,835** (2019: £1,193,217).
- At year-end there was a group debtor in the Charity accounts of **£3,454** due from PPEL and a group creditor in PPEL's accounts for the same value due to PPET. There was also a group debtor in the Charity accounts of **£87,088** due from PPSG and a group creditor in PPSG's accounts for the same value due to PPET (in addition to the accrued management fees referred to above). All other group accounts showed a nil balance at year-end.

26 ANALYSIS OF NET DEBT

The following note is provided in addition to the Cash flow statement:

	As at 1.9.2019	Cash Flows	Other non-cash changes	As at 31.8.2020
Cash at bank and in hand	6,864,619	888,782	(1,454,862)	6,298,539
Loans falling due within one year	(83,753)	-	18,457	(65,296)
Loans falling due after more than one year	(4,158,228)	-	48,504	(4,109,724)
TOTAL	2,622,638	888,782	(1,387,901)	2,123,519

Prior Park Educational Trust (a company limited by guarantee)
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2020

27 2018/19 SOFA SHOWING SPLIT BETWEEN UNRESTRICTED AND RESTRICTED FUNDS

	Unrest- ricted Funds £	Rest- ricted Funds £	2019 Total £	2018 Total £
INCOME:				
Income from charitable activities:				
School Fees receivable	13,869,392	-	13,869,392	12,669,577
Other educational income	1,195,844	-	1,195,844	1,320,823
Donations	1,858	242,449	244,307	542,172
Investment income	49,972	-	49,972	21,936
Other trading activities:				
Rents and lettings	231,822	-	231,822	300,354
Profit on disposal of fixed assets	-	-	-	11,926
TOTAL INCOME	15,348,888	242,449	15,591,337	14,866,788
EXPENDITURE ON:				
Charitable activities	14,389,624	251,954	14,641,578	13,708,688
Cost of raising funds				
Fundraising	118,110	-	118,110	94,132
Finance costs	176,720	-	176,720	194,002
TOTAL EXPENDITURE	14,684,454	251,954	14,936,408	13,996,822
NET INCOME before gains on investments	664,434	(9,505)	654,929	869,966
Net gains on investments	146,429	-	146,429	-
NET INCOME after gains on investments	810,863	(9,505)	801,358	869,966
Other recognised gains / (losses):				
Loss on Fixed Assets	-	-	-	(178,586)
Re-measurement of future remission liabilities	97,437	-	97,437	(324,990)
NET MOVEMENT IN FUNDS	908,300	(9,505)	898,795	366,390
Fund balances brought forward (unrestricted)	13,857,346	-	13,857,346	13,779,622
Fund balances brought forward (restricted)	-	2,440,958	2,440,958	2,152,292
FUND BALANCES CARRIED FORWARD	14,765,646	2,431,453	17,197,099	16,298,304