

PRINCE'S MEAD SCHOOL TRUST
(A company limited by guarantee)

Company No. 1785733

Charity No. 288675

ANNUAL REPORT & FINANCIAL STATEMENTS

for the year ended

31 AUGUST 2020

PRINCE'S MEAD SCHOOL TRUST (Company No. 1785733)

ANNUAL REPORT & FINANCIAL STATEMENTS

for the year ended

31 AUGUST 2020

CONTENTS

Governors' Report (including the Strategic Report)	page 1
Statement of Governors' Responsibilities	page 11
Independent Auditors' Report to The Members of Prince's Mead School Trust	page 12
Income and Expenditure Statement	page 15
Balance Sheet	page 16
Statement of Cash flows	page 17
Notes to the Accounts	page 18

PRINCE'S MEAD SCHOOL TRUST (Company No. 1785733)

GOVERNORS' REPORT (including THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

The Board of Governors present their annual report incorporating the Strategic 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, and confirm that the latter comply with the requirements of the Companies Act 2006, the Company's Memorandum & Articles of Association and the Charities SORP FRS102 (effective 1 January 2015).

REFERENCE & ADMINISTRATIVE INFORMATION

Prince's Mead School ("Prince's Mead") was founded in 1949 and was incorporated as a charitable company (Prince's Mead School Trust) in 1984, charity registration number 288675, company registration number 1785733, with the liability of its members limited to £1 each by guarantee. The Registered Office and principal address of the Company is at Worthy Park House, Kings Worthy, Winchester, SO21 1AN.

Governors

The present Governors of the Company, who are also the Charity Trustees and the Company's directors, are:

Mrs M Renwick	Chairman
Mrs S Annesley	
Mrs S Dryden	
Mrs G Bateman	
Mrs P A Hauser	
Mr M Kelly	
Mr C Lowe	
Mr A McMillan	
Mr W Pattison	
Mrs E Sheppard (resigned 18 th March 2020)	
Mr David Sibson	
Mrs S Tice	
Mr B Welch (resigned 31 st December 2019)	

Key Management Personnel and Professional Advisers

The Head:	Mr P P Thacker BA Hons
The Bursar:	Mr R I White BA Hons
Bankers:	HSBC Bank plc, 58 High Street, Winchester, SO23 9BZ
Auditors:	Crowe U.K. LLP, Aquis House, 49-51 Blagrove Street, Reading, Berkshire, RG1 1PL

PRINCE'S MEAD SCHOOL TRUST (Company No. 1785733)

GOVERNORS' REPORT (including THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by its Memorandum and Articles of Association, last amended on 21 December 1983 and 13 July 2019 respectively.

Governing Body

The Governors, who are also required under the Articles to serve as members of the Company, are elected at a full Governors' Meeting. Nominations are made by current Board members and the Head having taken due note of eligibility, personal competence, specialist skills and local availability.

Recruitment and Training of Governors

The School is administered by its Governors in accordance with all current legislation and Charity Commission requirements. Governance is as transparent as possible and aims to provide clear policy guidance to allow the School's senior management to operate efficiently and effectively. Elected Governors are appointed at a Governors' Meeting on the basis of nominations received from existing Governors and after an initial familiarisation visit to the School. On appointment new Governors receive a pack of information covering their role and all relevant policy documents. They also undertake a further induction visit and attend a course on governance.

Organisational Management

The School Governors, as the Trustees of the Charity, are legally responsible for the overall management and control of the School including all regulatory compliance. The Governing Body sets and approves strategic direction and policy and meets four times each year and additionally as required. The Governing Body monitors the work of the School's management team through its meetings, committees and through formal and informal visits to the School.

The day-to-day running of the school is delegated to the Headmaster and Bursar, as the key management personnel, who in turn are supported by their Senior Leadership Team. The Headmaster and the Bursar attend all meetings of the Governing Body's sub-committees.

The remuneration of key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel.

The appropriateness of remuneration levels is reviewed annually within the budgeting process, including reference to comparisons with other independent schools and the annual IAPS Salary Survey, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

Academic matters are brought to the attention of the Governors through the Education Committee and the Headmaster's report.

GOVERNORS' REPORT (including THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Related and Connected Parties

The School is a member of a number of industry associations including ISBA, AGBIS and ISC and operates under the compliance framework provided by ISI.

The Headmaster is a member of the Independent Association of Preparatory Schools (IAPS) which exists for the promotion and maintenance of preparatory school standards.

Prince's Mead co-operates with many local charities in on-going endeavours to widen public access to the schooling provided, to optimise the educational use of the cultural and sporting facilities and to awaken in the pupils an awareness of the social context of the education they receive at the School.

Prince's Mead also benefits from the generosity of a thriving parents' association, the Prince's Mead Association (PMA).

During the year, Prince's Mead continued to foster its supportive relationship with a school in India. The school's aim is to provide education for nursery and primary school aged children in the poor, rural areas of Tamil Nadu in Southern India. Prince's Mead is supporting the school in Inungur, Tamil Nadu, Southern India in a number of ways. These include paying the annual salaries of five teachers and fundraising for capital projects.

Risk Management

The Board, with assistance from an external Safety Consultant, continue to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time as well as the systems and procedures established to manage them. In addition, the Board is particularly mindful of its responsibility for regulatory compliance. It monitors the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified can best be mitigated.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The Object of the Company, in accordance with its Memorandum of Association, is to promote and provide for the advancement of education of children in the United Kingdom and elsewhere. In furtherance of this Object the Governors, as the Charity Trustees, have complied with the duty in s.4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Strategic Aim and Intended Effect

The School's strategic aim is to be a thriving and successful 21st century school. One of the key outcomes of this strategy is the attainment of the highest academic standards whilst allowing pupils to benefit from a broad extra-curricular programme. This is intended to draw out their abilities and academic potential, awaken and develop wider interests in life, and motivate them for a successful outcome at their chosen senior school.

In pursuit of this aim the Board will continue to enhance and develop facilities and accommodation, continue to improve educational performance, assess and, where necessary, improve public benefit, and ensure governor succession and expertise.

GOVERNORS' REPORT (including THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Objectives for the Year

The Board's main objective continued to be to ensure the education of all the School's pupils so that they will be fully able to benefit from their chosen senior school for the completion of their education in due course. The Board's strategy for achieving this is to set high teaching standards and tailor its care and tuition as appropriate in each case to suit individual needs.

Subsidiary objectives were:

- To maintain continuity of the education of pupils in the context of the Covid-19 pandemic
- To be mindful of continuing to develop and enhance our outstanding level of pastoral care and spiritual, moral, social and cultural awareness in our pupils
- To continue building mutually supportive links with other schools in our locality and encouraging greater community access to our facilities outside school hours
- To extend access to the School to more children whose parents could not normally afford the fees

The Board is particularly mindful of the impact of demographics on prep school aged pupils and local competition and is prioritising efforts to attract pupils across all year groups including developing the successful launch of the Nursery in June 2020.

Principal Activity

Prince's Mead's principal activity continues to be the provision of a Day School for 3 – 11 year-old boys and girls.

Volunteers

The Prince's Mead Association (PMA) helped with the School's fundraising and cultural activities to the extent of more than 1,000 hours of voluntary service during the year, and the Board would like to take this opportunity to say how much it appreciates their continuing and valuable support for the School's work.

GOVERNORS' REPORT (including THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

OUR STRATEGY, ETHOS AND ACCESS POLICIES

Our Strategy:

Our Governors are responsible for setting a strategy and the objectives required to achieve this. The focus of our strategy is to be a thriving and successful 21st century school. This is achieved through the development of our pupils, their continued high levels of academic and co-curricular achievement and to further widen access to the education our School provides. In implementing our strategy, we:

- review and benchmark the School's academic syllabus, teaching practices and examination results
- ensure the range of co-curricular activities available to our pupils is stimulating and challenging
- invest in technology and the infrastructure of our School
- co-operate and share resources with local schools
- continue to review and develop our methods for awarding bursaries to ensure wider access to pupils from all backgrounds

Our Ethos: A caring School serving our local community and society

Prince's Mead School is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the School and at a level that is consistent with our aim of providing a first-class education to boys and girls.

Our School welcomes pupils from all backgrounds. When considering a prospective pupil we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end of term and year reports. We maintain regular contact with parents throughout the year through informal contacts and through our weekly newsletter.

Our Policies: Access policy

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our bursary policy contributes to a widening of access to the education we offer and the facilities we enjoy.

PRINCE'S MEAD SCHOOL TRUST (Company No. 1785733)

GOVERNORS' REPORT (including THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Bursary policy

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to those who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy.

In assessing means we take a number of factors into consideration including family income, investments, savings and family circumstances, for example dependant relatives and the number of siblings. However, our School does not have a large endowment and in funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The bursary awards range from 10 % to 95 % remission of fees.

During the year the School supported 7 (2019 = 13) pupils through our own Bursary Scheme. This support, which is available on a needs basis as determined by the Finance and General Purposes sub-committee, reduced the year's annual fee income by £53,921 (2019 = £109,755). To widen public access to the School yet further, we can now refer other families with financial need to external funding sources able and willing to provide help with school fees, subject to qualifying criteria, through the Educational Trusts' Forum.

We also have a hardship fund that supplements bursary awards to pay for co-curricular activities, equipment and school trips. Information about fee assistance through bursaries is provided to all applying to the School.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

The COVID-19 pandemic and government lockdown at the end of the Lent Term required unprecedented measures in order to maintain the School's high standard of operational performance. Governors and staff reacted swiftly and creatively. The School's IT capability meant that it was very well placed to enable remote teaching and learning. Teachers quickly identified the optimal software platforms for the School, rapidly built their online curriculum, and families were supported with online access as required. Consequently, remote teaching and learning was used very successfully to deliver the curriculum to pupils. In support of key-workers the School offered on-site provision throughout the lockdown period. Feedback from staff and parents regarding the effectiveness of remote learning and COVID-19 safe measures in delivering the curriculum and providing wider support was extremely positive.

All of the School's final year leavers went on to their first-choice senior school with 8 scholarships being won by pupils across the full breadth of the curriculum.

These achievements have been greatly helped by the high-calibre teaching and support staff employed by the School. The Governors recognise the importance of the quality of the School staff and they remain focused on providing a working environment which recognises the value placed on staff and their contribution individually and as a team, commensurate with the market in which they operate. Following a period of consultation, the School reached agreement with teaching staff to exit the Teachers' Pension Scheme (TPS) during the year, with alternate defined contribution arrangements put in place effective from January 2020.

The School completed the construction of a £3m new development that offers pupils a remarkable environment in the new Dining Hall and kitchen facilities, as well as new state of the art classrooms and a

GOVERNORS' REPORT (including THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

new Design & Technology workshop. This will enable the school to enhance its existing facilities in other areas.

The School opened its new Nursery in June 2020 and re-located Reception and Year 1 into the Coach House, creating a self-contained Early Years facility.

The School continues to monitor developments within the education sector and the curriculum is continually reviewed and developed in order to ensure the framework and content reflects best practice and forms a firm foundation for each pupil's next stage of education.

The Governors place the highest importance on the pastoral care of pupils, and created the new role of Head of Pastoral Care, a Senior Leadership Team role, at the start of the year. The School continues to review and adapt the framework for pastoral care to reflect the changing social environment that pupils now experience from a young age, and the School continues to invest in processes to support this including the monitoring framework.

Public Benefit

The School provided the following public benefit:

- We offer our facilities to a local nursery group in the Itchen Valley
- Our school is made available for use as a training centre for external courses
- Our staff are encouraged to give their time and expertise to external charitable activities including school governorships
- We offer the use of our facilities/coaching to our local maintained primary school, Itchen Abbas Primary School
- Our sports facilities, sports hall and tennis courts are extensively shared by children in the local community through The Worthies FC, other sports clubs and Worthy Park Tennis Club at discounted rates
- We are actively engaged in charity work in the community. We collect produce for the Winchester Basics Bank, support Naomi House Hospice, Home Start, The Murray Parish Trust, Macmillan Cancer Support, the charities supported by the Cathedral at Christmas and a number of other charities. These activities not only benefit the community but also heighten our pupils' social awareness and understanding of those less fortunate
- We support a primary school in Inungur, Tamil Nadu, Southern India. We pay the annual salaries of up to five teachers and hold one major fund-raising event each year. In addition, we raise money to supplement the diet of 20 children who have been identified as malnourished in the school
- We loan our minibuses free of charge (including cost of insurance) to a number of organisations within the community – local churches, Home Start, local Scout, Guide, Cub and Brownie groups and a number of other organisations

PRINCE'S MEAD SCHOOL TRUST (Company No. 1785733)

GOVERNORS' REPORT (including THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Additional School Achievements and Progress

Sport

- We hosted a total of 27 different sporting clubs using the facilities and the vast majority are now children's clubs

Music

- The Prince's Mead choir was shortlisted for the live finals of the BBC Songs of Praise, Choir of the Year Competition (an event unfortunately cancelled due to COVID-19.)

Speech and Drama

- Prince's Mead inaugurated its first Drama Festival, offering entries in Spoken Verse and Prose. This was held in front of an outside adjudicator, classmates and teachers. Parents were unable to attend due to Government restrictions in place. The quality of performances was outstanding.
- LAMDA Examinations scheduled for May were cancelled due to Government restrictions. Once LAMDA offered Remote Online Examinations 11 students entered in August, achieving outstanding results of 78% to 94%.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

This year's accounts show a deficit of (£89,275) (after depreciation of £328,870) (2018/19: £110,307 surplus after £226,569 depreciation). Income was lower as a direct consequence of the emergence of COVID-19 and the subsequent government lockdown restrictions from March onwards. In response to the unprecedented nature of the pandemic and the School's requirement to change its operating model to provide remote learning, the summer term's fees were discounted by 25%. The reduction in fees in relation to COVID-19 (£262,128) was partially off-set by income from the government's Coronavirus Job Retention Scheme (£55,492).

It is important that the School strives to make a reasonable level of surplus in order to finance the on-going capital expenditure needed to upgrade the School's facilities to keep pace with what is expected of it as a premier educational establishment, and it expects to return to surplus in 2020/21.

It is the Governors' policy to maintain liquid reserves that will permit them to maintain and develop the School's facilities for the purpose of meeting its charitable objectives. To that end, the Governors seek to ensure that there are sufficient liquidity reserves to afford reasonable protection to the charitable company in the context of current and anticipated commitments and exposure to external and/or internal risks.

The School used its previous reserves (in excess of £3m) to build the new dining room and class room facilities. As a result of this strategic investment, as at 31st August 2020 the School did not meet this policy. The School plans to rebuild its reserves in accordance with this policy as soon as possible.

The unrestricted reserves were wholly deployed in the School's premises and equipment, with the need for day-to-day working capital being met by careful management of short-term liquid resources and banking facilities comprising a term loan and an overdraft facility. Thus the School's free reserves, as defined by the Charity Commission, were £Nil (2019 = £Nil).

PRINCE'S MEAD SCHOOL TRUST (Company No. 1785733)

GOVERNORS' REPORT (including THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

As an educational charity, the parents of our pupils have the reassurance that all income of the School is applied for educational purposes. The School is exempt from corporation tax on its educational activities and surpluses, although the School does pay employer's National Insurance contributions on all staff salaries and the VAT that it pays for items purchased and services received is irrecoverable.

Investment Policy and Objectives

The Board continues to keep under review the investment risks and rewards in the current state of the market and our policy is still to put all available retained funds, other than those required for day-to-day cash management, on deposit for security.

KEY PERFORMANCE INDICATORS

Tuition fee income generation amounted to £2,925,725 (2018/19: £3,171,181). Actual pupil numbers for the academic year were 222. Tuition fee income accounted for 95% of total income (2018/19: 95%) which was £3,095,776 (2018/19: £3,330,816).

To provide the education and support needed to achieve the key objectives of the Trust, £2,074,957 (2018/19: £2,041,644) was paid in salaries (including Employers NI and Pension Contributions). This accounts for 71% of the fee income (2018/19: 64%) and 67% of total income (2018/19: 61%). The Trust bases its teaching salaries on the educational pay scales within the State Sector and the state annual basic salary increase was 1.75%. The trustees agreed a 1.0% increase (2018/19: 2.0%). Support staff received 1.0% (2018/19: 2.0%). The schools' pupil/staff ratio was 9.5 (2018/19: 9.5).

In a very competitive market for preparatory education in the Winchester area the Board considers the level of surplus generated a satisfactory achievement.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider the economic and political turbulence of recent years, externally driven economic conditions, the ongoing impact of COVID-19 and the affordability of fees by parents across the independent sector to be the principal risks faced by the School. The Governing Body, therefore, are committed to considering the impact of these risks on the School and its current and future pupil numbers. The key controls to mitigate these risks during the year included:

- Raising fee levels by the minimum amount necessary to maintain standards at the School whilst generating a modest surplus to allow for the provision of adequate facilities to meet current and future needs.
- Providing bursaries to certain families who cannot afford the fees so that their children can benefit from the School.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks, most notably the current COVID-19 risks and when away from the School on trips and expeditions. The risks associated with the wide range of activities are minimised by thorough planning and risk assessment.

Detailed consideration of risk is managed through the Risk Register. Each of the Board sub-committees, assisted by Senior Management, have responsibility for reviewing separate sections of the Register. The risk management process identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks that are assessed as high. The generic controls used by the School to minimise risk include:

- detailed terms of reference together with formal agendas for Board and sub-committee activity;

PRINCE'S MEAD SCHOOL TRUST (Company No. 1785733)

GOVERNORS' REPORT (including THE STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

- strategic development planning, reviewed annually by the Board;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels;
- vetting and safeguarding procedures as required by law for the protection of the vulnerable.
- ensuring effective financial controls and cost saving measures are in place.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks for the School.

FUTURE PLANS

The Governors intend to continue their current strategy of maintaining the School's position in a competitive market by investing to continually improve the high-quality education for our pupils. The Headmaster and senior staff continue to review the curriculum to ensure that it remains appropriate for our pupils' development.

Our future plans are financed primarily from fee income and from our reserves. The Governors need to maintain an equitable balance ensuring our current pupils benefit whilst, at the same time, ensuring a sound infrastructure and financial base are preserved for the next generation of pupils in the same way as our current pupils benefit today from historic investment.

The Governors view our bursary awards as important in widening access to the education our School provides. The Governors are continually reviewing our Bursary Awards policy to ensure that able children can accept offers of places at our School through the availability of means-tested fee assistance.

The Board will continue to address the areas for development as identified in the Strategic Plan.

The Board is mindful as to the needs of the School and will continue to set forecasts which are both achievable and appropriate, particularly in the current economic climate.

AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the reappointment of Crowe U.K. LLP as auditor to the Company will be put to the annual general meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Governors' report is approved by the Board of Governors and the Strategic report (included therein) is approved by the Board of Governors in their capacity as the directors at its meeting on 17th March 2021 and signed on its behalf by:

Mrs M J Renwick – Chair



PRINCE'S MEAD SCHOOL TRUST
STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Prince's Mead School Trust for the purposes of company law) are responsible for preparing the Governor's Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing the accounts the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the charitable Company will continue in business.

The Governors are responsible for keeping proper accounting records which disclose, with reasonable accuracy, the financial position of the charitable Company at any time, and to enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the charitable Company's corporate assets and those of its trust funds and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of error, fraud or other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRINCE'S MEAD SCHOOL TRUST

Opinion

We have audited the financial statements of Prince's Mead School Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PRINCE'S MEAD SCHOOL TRUST (continued)

other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

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

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 11 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

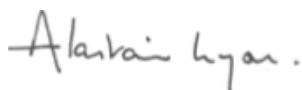
Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
PRINCE'S MEAD SCHOOL TRUST (continued)**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Alastair Lyon
Senior Statutory Auditor

For and on behalf of

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

23 March 2021

PRINCE'S MEAD SCHOOL TRUST

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING AN INCOME &
EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020**

	<i>Notes</i>	Unrestricted Funds 2020 £	2019 (as re-stated) £
Income from:			
Charitable activities			
School Fees	2(d) & 3	2,925,725	3,171,181
Other educational income		97,845	151,973
Donations		16,631	3,066
Investments		83	4,596
Government CJRS Grants		55,492	-
TOTAL INCOME		3,095,776	3,330,816
EXPENDITURE ON:			
Charitable activities			
School operating costs		3,163,315	3,203,494
Raising Funds			
School financing costs		20,052	16,210
TOTAL EXPENDITURE	5 & 6	3,183,367	3,219,703
NET INCOME BEFORE INVESTMENT GAINS /(LOSSES)		(87,591)	111,113
Investment (losses)/gain		(1,684)	(806)
NET INCOME AFTER INVESTMENT GAINS/NET MOVEMENT IN FUNDS		(89,275)	110,307
Funds brought forward at 1 September		4,988,611	4,878,304
Funds carried forward at 31 August		4,899,336	4,988,611

The notes on pages 18 to 31 form part of these accounts.

PRINCE'S MEAD SCHOOL TRUST
BALANCE SHEET AT 31 AUGUST 2020

	<i>Notes</i>	----- 2020 ----- ---	----- 2019 ----- (as re-stated)
		£	£
FIXED ASSETS:			
Tangible assets	7	5,610,148	5,622,099
Investment assets	8	1,942	3,625
		<u>5,612,090</u>	<u>5,625,724</u>
CURRENT ASSETS:			
Debtors	9	1,132,956	1,089,079
Cash at bank and in hand		1,085	107,908
		<u>1,134,041</u>	<u>1,196,987</u>
CREDITORS:			
Amounts falling due within one year	10	<u>(1,762,950)</u>	<u>(1,818,432)</u>
NET CURRENT ASSETS		<u>(628,909)</u>	<u>(621,445)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,983,181	5,004,279
CREDITORS:			
Amounts falling due after more than one year	12	(83,845)	-
PROVISIONS FOR LIABILITIES	16	-	(15,667)
NET ASSETS		<u>4,899,336</u>	<u>4,988,611</u>
THE FUNDS OF THE CHARITY:			
Restricted funds	13	19,292	
Unrestricted funds		4,880,044	4,988,611
TOTAL CHARITY FUNDS		<u>4,899,336</u>	<u>4,988,611</u>

The financial statements were approved and authorised for issue by the Board on 17th March 2021 and signed on its behalf: -

Mrs M J Renwick – Chair
The notes on pages 18 to 31 form part of these accounts.

PRINCE'S MEAD SCHOOL TRUST

STATEMENT OF CASHFLOWS

	<i>Note s</i>	<i>2020</i>	<i>2019</i>
		£	£
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	21	(133,961)	611,151
Interest paid		(6,096)	(5,887)
CASH FROM OPERATING ACTIVITIES		(140,057)	605,264
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		83	4,489
Purchase of tangible fixed assets		(317,672)	(2,918,284)
Proceeds from sale of fixed assets		33	1,154
CASH (USED IN) INVESTING ACTIVITIES		(317,556)	(2,912,641)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid in respect of finance leases		(5,160)	(10,319)
Repayments of obligations under finance leases		(44,722)	(39,562)
Transfer from HSBC Loan		250,000	-
CASH (USED IN) FINANCING ACTIVITIES		200,118	(49,881)
Increase (decrease) in cash and cash equivalents in the year		(257,495)	(2,357,258)
Cash and cash equivalents at the beginning of the year		107,908	2,465,166
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		(149,587)	107,908
ANALYSIS OF MOVEMENT IN NET DEBT		At 01/09/19	Cashflow
Cash at bank and in hand		107,908	(106,823)
Bank overdraft	10	-	(150,672)
Bank loan		-	(250,000)
Closing net debt		107,908	(399,587)

PRINCE'S MEAD SCHOOL TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

1. The School's principal activity in the period under review was the provision of prep school education. The incorporated charity (registered number 1785733 and charity number 288675), is incorporated and domiciled in the UK. The address of the registered office is Worthy Park House, Kings Worthy, Winchester, Hampshire SO21 1AN.

2. ACCOUNTING POLICIES :

a) Basis of preparation:

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Prince's Mead School Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

b) Preparation of the accounts on a going concern basis:

The full impact of COVID-19 on the UK, the economy and the School is unknown. Despite the physical closure of the School for much of the Summer Term to all except the children of key workers, the School has been able to serve its pupils effectively throughout the period by offering a full and comprehensive remote teaching and learning programme which was very well received by parents. Management have reviewed and reduced costs for the period from April to August 2020 and have produced financial models showing the revised cash flows and future budgets, which have subsequently been reviewed by the Board of Governors.

As part of their normal risk management process, the Governors have examined the major risks to the School and the mitigating actions both taken and available to be taken. The Governors consider there are no material uncertainties relating to going concern and that the School has adequate resources to continue its activities for at least the twelve months to 31 August 2021. Accordingly, they continue to operate the going concern basis in preparing the financial statements.

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020****c) Tangible Fixed Assets:**

The Company policy is to capitalise items with a cost in excess of £1,000 (except computers which are capitalised irrespective of their unit cost) with effect from the start of the following term. The following is the depreciation policy in respect of the categories of tangible assets listed in Note 6:-

Worthy Park House and the Coach House:	Depreciation has been provided on a straight-line basis of 3.33% on the original cost of the buildings, so that the buildings will be written off over a period not greater than 30 years. Improvements are written off over a 10-year period.
Sports Hall:	Depreciation has been provided on a straight-line basis of 5% on cost.
Freehold Land	Land is not depreciated.
Motor Vehicles	Depreciation of new vehicles has been provided on a straight-line basis of 12% over the useful life of the vehicle to a residual value of £5,000. Old second-hand vehicles are depreciated at 25% per annum on a straight-line basis.
Furniture & Equipment:	Depreciation is being provided at 25% per annum on a straight-line basis.
Computers:	Depreciation is provided at 33 ¹ / ₃ % per annum on a straight-line basis.

d) Fee Income:

This comprises fees receivable for pupils' tuition and extra charges. Fees receivable are stated after deducting allowances and scholarships granted by the school. Fees received for education to be provided in future years are carried forward as deferred income and released to income in the period to which the education is given.

e) Non-fee Income:

This comprises income derived from the hire of facilities, donations and interest received. Hire income is recognised upon provision of hire to the user. Donations are recognised on a receivable basis when the amount can be reliably measured. Interest received is recognised on a time-apportioned basis.

f) Coronavirus Job Retention Scheme Grant Income:

Grants are accounted for under the performance model as permitted by the Charity SORP. CJRS grant income is therefore recognised on a straight line basis over the furlough period for each relevant employee.

PRINCE'S MEAD SCHOOL TRUST

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

g) Expenditure:

Expenditure is included on an accruals basis and is summarised under functional headings on a direct cost basis.

Charitable activities comprise the School operating costs; educational aids, catering, salary, premises, administration and motor costs.

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also audit, legal advice and all the costs of complying with statutory requirements.

Cost of raising funds comprises banking and interest charges.

h) Pension Schemes:

The School contributed to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme. The School left the Teachers' Pension Scheme on 31 December 2019.

The School also operates a defined contribution group personal pension scheme for all staff with Royal London. For auto enrolment purposes the School uses the Royal London pension scheme.

i) Operating Leases:

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight-line basis over the lease term.

j) Investments and investment income:

Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the SOFA. Investment income is accounted for in the period in which the charity is entitled to receipt.

k) Fund Accounting

Unrestricted funds are available to spend on activities that further any of the purposes of the charity. Designated funds are unrestricted funds of the charity which the trustees have decided at their discretion to set aside to use for a specific purpose. Restricted funds are donations which the donor has specified are to be solely used for particular areas of the Trust's work or for specific projects being undertaken by the Trust. In 2019/20 £19,292 of funds have been designated for the maintenance of the tennis courts and pavilion. There were no Restricted funds in the year.

l) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020****m) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

n) Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

o) Legal status of the Trust

The charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

p) Financial instruments

The trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

q) Acceptance deposits

Acceptance deposits are paid to the school to secure a place for the child at the school. Deposits held form part of the general funds of the School until the child leaves the school at which point they are credited without interest to the final payment of the fees or other sums due to the School.

The Governors have reviewed the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2020 have been included within current liabilities. The prior year Pupil fee deposits balance has been similarly represented.

3. FEE INCOME:

	2020 £	2019 £
Gross tuition fees receivable	3,044,475	3,312,719
Less: Bursaries, scholarships and discounts	(118,750)	(141,538)
	<u>2,925,725</u>	<u>3,171,181</u>

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020****4. STAFF COSTS:**

The average number of people, full and part-time, (excluding the governors) employed during the year was 68 (2019: 76). The full time equivalent of these people was as follows:

	2020	2019
Teaching staff	32	32
Administration	5	6
Domestic	5	3
Catering	-	4
Transport	4	5
Total	46	50

The cost of the above comprised:

	2020 £	2019 £
Salaries and wages	1,572,291	1,645,942
Social security costs	140,275	144,545
Other pension costs	335,414	212,476
Other	26,977	38,681
Total	2,074,957	2,041,644

	2020	2019 (as re-stated)
Aggregate employment benefits paid to key management personnel (including employer's NI):	219,275	212,598

	2020	2019
Number of employees whose emoluments exceed £60,000:		
£60,001 - £70,000	1	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
£90,000 - £100,000	-	1

Contributions to the Teachers' Pension Scheme were made in respect of one (2019: one) of the higher paid employees. Retirement benefits are accruing to this person under a Defined Benefit Scheme.

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020****5. ANALYSIS OF EXPENDITURE**

	<i>Staff Costs</i>	<i>Other</i>	<i>Depreciation and loss on disposal</i>	<i>2020 Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Charitable Expenditure: School operating costs				
Teaching costs	1,583,853	181,808	55,458	1,821,119
Premises	103,748	171,330	257,542	532,620
Transport	84,875	47,688	16,588	149,151
Catering	-	193,422	-	193,422
Support costs and governance	302,481	164,522		467,003
	<u>2,074,957</u>	<u>758,770</u>	<u>329,588</u>	<u>3,163,315</u>
Finance Costs				
Bank interest and charges	-	14,892	-	14,892
Finance lease interest	-	5,160	-	5,160
	<u>2,074,957</u>	<u>778,822</u>	<u>329,588</u>	<u>3,183,367</u>

Support costs and governance	School Operations	Governance	2020 £
Support staff costs	302,481		302,481
Other support costs	82,318		82,318
Legal & professional costs	43,693		43,693
Technology costs	16,566		16,566
Auditors' remuneration			
Audit fee		13,500	13,500
Other services	2,110		2,110
Governors expenses (strategic planning and training)		1,866	1,866
Staff training and expenses	790	-	790
Independent Schools Inspection		3,679	3,679
	<u>447,958</u>	<u>19,045</u>	<u>467,003</u>

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020****5. COMPARATIVE ANALYSIS OF EXPENDITURE**

	<i>Staff Costs</i>	<i>Other</i>	<i>Depreciation and loss on disposal</i>	<i>2019 (as re- stated) Total</i>
	<i>£</i>	<i>£</i>	<i>£</i>	<i>£</i>
Charitable Expenditure:				
School operating costs				
Teaching costs	1,507,763	276,952	-	1,784,715
Premises	74,126	299,490	203,430	577,046
Transport	90,085	51,755	24,843	166,683
Catering	56,216	122,235	-	178,451
Support costs and governance	313,454	183,144	-	496,598
	<u>2,041,644</u>	<u>933,576</u>	<u>228,273</u>	<u>3,203,493</u>
Finance Costs				
Bank interest and charges	-	5,890	-	5,890
Finance lease interest	-	10,319	-	10,319
	<u>2,041,644</u>	<u>949,785</u>	<u>228,273</u>	<u>3,219,702</u>

Support costs and governance	School Operations	Governance	2019 £
Support staff costs	313,454	-	313,454
Other support costs	91,261	-	91,261
Legal & professional costs	49,112	200	49,312
Technology costs	16,329	-	16,329
Auditors' remuneration			
Audit fee	-	8,586	8,586
Other services	4,715	-	4,715
Governors expenses (strategic planning and training)		3,342	3,342
Staff training and expenses	2,600	-	2,600
Independent Schools Inspection	-	7,000	7,000
	<u>477,470</u>	<u>19,128</u>	<u>496,597</u>

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020**

6. NET INCOME/(EXPENDITURE) FOR THE YEAR		2020	2019
		£	(as re-stated)
This is stated after charging:			£
Operating lease charges		20,032	20,032
Depreciation of owned tangible fixed assets		311,208	208,817
Depreciation of assets on finance lease		17,752	17,752
Auditors remuneration			
- statutory audit		11,250	8,586
- non audit services		2,110	4,715

7. TANGIBLE ASSETS:		Freehold Land and Buildings	Assets Under Course of Construction	Vehicles	Furniture and Equipment	Total
		£		£	£	£
Cost:	As at 1.9.19	4,429,178	3,389,995	200,377	501,656	8,521,206
	Additions	208,598	20,666	-	88,408	317,672
	Transfer	3,410,661	(3,410,661)	-	-	-
	Disposals	(5,922)	-	-	(161,544)	(167,466)
	As at 31.8.20	8,042,515	-	200,377	428,520	8,671,412
Depreciation:	As at 1.9.19	2,401,902	-	100,535	396,670	2,899,107
	Disposals	(5,915)	-	-	(160,798)	(166,713)
	Charge for year	257,542	-	16,588	54,740	328,870
	As at 31.8.20	2,653,529	-	117,123	290,612	3,061,264
Net Book Value:	At 31.8.20	5,388,986	-	83,254	137,908	5,610,148
	At 1.9.19	2,027,276	3,389,995	99,842	104,986	5,622,099

Note : The Company's policy in respect of depreciation is described under Note 2(c).
The net book value of vehicles includes an amount of £83,254 (2019: £101,006) in respect of assets held under finance leases. The depreciation charged on these assets for the year was £17,752 (2019: £17,752).

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020**

8. INVESTMENT ASSETS:	<i>Listed Investments</i>	<i>Other Investments</i>	<i>Total</i>
	£	£	£
Balance b/fwd at 1 September 2019	3,625	-	3,625
Additions	-	-	-
Disposals	-	-	-
Change in market value in year	(1,683)	-	(1,683)
As at 31 August 2020	1,942	-	1,942
All investments are held within the UK			
9. DEBTORS:		2020	2019
		£	£
Fee debtors		979,135	926,238
Other debtors and prepayments		153,821	162,841
		1,132,956	1,089,079
10. CREDITORS: Amounts falling due within one year:		2020	2019
			(as restated)
		£	£
Bank overdraft		150,672	-
Trade creditors		91,195	196,450
Finance leases		-	44,722
Other creditors and accruals		95,093	420,721
Other tax and social security		42,797	36,327
Final term deposits		105,250	89,650
Fees received in advance and deferred income		1,076,963	1,003,237
Pension creditor		34,825	27,325
Bank loan due < 12 months (see Note 23)		166,155	
		1,762,950	1,818,432

Note: 2019 creditors are re-stated to include all final term deposits

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020**

11. DEFERRED INCOME:	2020	2019
	£	£
Deferred income comprises Michaelmas 20 tuition fees billed in advance of the start of term on 6 th September 2020		
Balance as at 1 September	1,003,237	1,057,301
Amount released to income earned from operating activities	(1,003,237)	(1,057,301)
Amount deferred in year	1,076,963	1,003,237
Balance as at 31 August	1,076,963	1,003,237

12. CREDITORS: Amounts falling due after more than one year:	2020	2019
		(as restated)
	£	£
Finance lease liability	-	-
Bank loan	83,845	-
	83,845	-

Note: 2019 Final term deposits are restated as Creditors Amounts falling due within one year.

13. UNRESTRICTED FUNDS:	1.9.19	Incoming resources	Resources expended	Transfers	31.8.20
	£	£	£	£	£
General funds	4,988,611	-	(89,275)	(19,292)	4,880,044
Designated funds	-	-	-	19,292	19,292
	4,988,611	-	(89,275)	-	4,899,336

In 2019/20 £19,292 of funds have been designated for the maintenance of the tennis courts and pavilion. There were no Restricted funds in the year.

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020**

14. FINANCIAL INSTRUMENTS	2020	2019
	£	£
Carrying amount of financial assets		
Measured at amortised cost	1,011,354	1,089,079
Measured at fair value	1,942	3,625
	<u>1,013,296</u>	<u>1,092,704</u>
Carrying amount of financial liabilities		
Measured at amortised cost	643,191	617,171
	<u>643,191</u>	<u>617,171</u>

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

	2020	2019
	£	£
Interest income and expense		
Total interest income for financial assets held at amortised cost	83	4,597
Total interest expense for financial liabilities held at amortised cost	11,256	10,322
	<u>(11,173)</u>	<u>14,919</u>

Included within financial assets measured at amortised cost are cash at bank, trade debtors and other debtors.

Included within financial assets measured at fair value are Investments.

Included within financial liabilities measured at amortised cost are trade creditors, accruals, other creditors, deposits held and bank loans and overdrafts.

15. FINANCE LEASE AND HIRE PURCHASE CONTRACTS

Obligations under finance leases and hire purchase contracts are secured by the related assets and bear finance charges at 14% per annum.	2020	2019
	£	£
The total future minimum lease payments are payable:		
Less than one year	-	44,722
Between one and five years	-	-
	<u>-</u>	<u>44,722</u>
	<u>-</u>	<u>44,722</u>

16. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
The School has established a sinking fund, based upon Lawn Tennis Association advice, to provide for maintenance and upkeep of the new tennis/netball courts and pavilion. In 2020 the provision has been released and £19,292 of unrestricted funds have been designated for the maintenance of the tennis courts and pavilion.		
Opening provision as at 1 September	15,667	12,042
Provision made in the period	(15,667)	3,625
	<u>-</u>	<u>15,667</u>
Closing provision as at 31 August	<u>-</u>	<u>15,667</u>

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020****17. PENSION COSTS:**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes employer contributions payable to the TPS of £68,078 (2019: £165,677) and at the year-end £Nil (2019: £20,547) was accrued in respect of contributions to this scheme. The School left the Teachers' Pension Scheme on 31 December 2019.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

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

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

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

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020****17. PENSION COSTS (cont):*****Other Pensions***

In addition to the above, the Company contributes on a defined contribution basis to personal pension plans. Contributions totalling £267,336 (2019: £46,799) were payable to these funds for the year.

There were £34,825 unpaid contributions (2019: £6,778) at the year end.

18. COMMITMENTS UNDER OPERATING LEASES:	2020	2019
	£	(as re-stated)
	£	£
At 31 August the School had outstanding commitments for future minimum lease payments which fall due as follows:		
Due within one year	20,032	20,032
Due between two and five years	36,061	56,094
	=====	=====

19. CORPORATION TAX

The charity is exempt from tax on income and gains falling within Section 505 of the Taxes Act 1988 or Section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

20. TRANSACTIONS WITH RELATED PARTIES:

The Governors received no remuneration or other benefits for the year but were entitled to reimbursement of travel expenses during the year. Expenses were reimbursed to one governor amounting to £107 (2019: £79). The nature of this expense in 2020 was travel costs (2019: travel costs).

Remuneration of key management personnel is detailed in Note 4.

There were no other related party transactions.

PRINCE'S MEAD SCHOOL TRUST**NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020****21. RECONCILIATION OF MOVEMENT IN FUNDS TO NET CASH USED IN OPERATING ACTIVITIES**

	2020	2019
	£	£
Net movement in funds	(89,275)	110,307
Adjustments for:		
Depreciation of tangible fixed assets	328,870	226,569
Investment losses	1,683	806
Decrease in provisions	(15,667)	3,625
Loss on disposal of tangible fixed assets	719	1,703
Interest receivable	(83)	(4,489)
Interest payable	11,256	16,209
Operating cash flows before movement in working capital	237,503	354,727
Increase in trade and other debtors	(43,877)	107,704
Decrease in trade and other creditors	(327,587)	147,070
Increase/(Decrease) in creditors due after one year	-	1,650
Cash generated from operations	(133,961)	611,151

22. CAPITAL COMMITMENTS

At the year end the School was contractually committed to costs of £nil (2019: nil). The final retentions in relation to the kitchen, dining room and classroom buildings are accounted for in the balance sheet.

23. BANK LOAN DISCLOSURE

The School took out a new loan in December 2019 with HSBC. This is secured by a legal charge over Worthy Park House and the land on the north, west and south sides of Worthy Park House. Interest is payable at 2.25% over the base rate per annum. Capital repayments will begin in January 2021, with the loan being fully repaid over the following 12 months.

24. PRIOR YEAR RESTATEMENT

Prior year income and expenditure has been grossed up as shown below. Some expenses have historically been offset against income. This has been updated to show all income and expenditure gross. There is no net impact on the result for the year.

SOFA heading	Per FY19 signed accounts	Adjustment	Restated FY19 figures
	£	£	£
Income from Charitable Activities:			
Other educational income	25,128	126,845	151,973
School operating costs:			
Teaching costs	1,657,871	126,845	1,784,716
Premises	577,046	-	577,046
Transport	166,684	-	166,684
Catering	178,451	-	178,451
Support costs and governance	496,597	-	496,597
Total school operating costs	3,076,649	126,845	3,203,494