

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Paul Brett John Penrose Jonquil Brooks Ron Richards
Trustees	John Richardson, Chair of Trustees until 31 August 2019, now Vice Chair ^{1,2} Neville Coles, Executive Principal Victoria Butterfield ^{1,2} Rod Sibley ^{1,2} Barry Wratten, Chair of Trustees from 1 September 2019 ¹ Ian Cook ¹ Michelle Michael Hannah Woodhouse (appointed 20 November 2018, resigned 3 May 2019) Diane Davey (appointed 11 January 2019) ¹ Resource Committee ² Pay Committee
Company registered number	07698707
Company name	The Priory Learning Trust
Principal and registered office	Priory Community School Queensway Weston-Super-Mare North Somerset BS22 6BP
Accounting Officer	Neville Coles
Leadership Team	Neville Coles, Executive Principal Martin Kerslake, Chief Operations Officer (retired 31 August 2019) Danni Laing, Head of HR Sarah Gibbon, Chief Analytics Officer Mark Antoinne, Chief Operations Officer (from 1 September 2019)
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank Plc High Street Worle Weston-super-Mare BS22 6JS

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA
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**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates 6 academies, 1 for students aged 11 to 19, 2 for students aged 11 to 16 and 3 for students aged 5 to 11 plus two pre-school nurseries in Weston-super-Mare and Highbridge. Our year 7 pupil admission number was 840 and reception year admission number was 132. Actual numbers on the census on 16 May 2019 were 4,776.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust.

On 1 April 2018 the Trust adopted new Articles of Association together with a Memorandum of understanding to reflect the requirements of the Diocese of Bath and Wells when taking on a Church of England school.

The Trustees of The Priory Learning Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as TPLT.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the Company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	6
Full-time equivalent employee number	5

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	5
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

£

Total cost of facility time	1,887
Total pay bill	17,100,000
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	- %
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Trustees' Indemnities

The Trust is insured through the UK Government Risk Protection Arrangement (RPA). The Governors Liability section of the RPA will indemnify Trustees, members of the governing body or Board of Trustees of the Academy; Employees of the Academy acting in a managerial capacity and any employee named as a co-defendant in a claim made against a director/trustee of an Academy Trust, or a person who sits on a local governing body (a committee established for an Academy by the Academy Trust in accordance with its Articles).

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

From 1 April 2018 new Articles of Association were adopted, with additionally, the Memorandum of Understanding (above). These set out that the Multi Academy Trust shall have up to 5 Trustees appointed by Members, with at least 5 appointed by the Diocese of Bath and Wells but not exceeding 50% of the total number of trustees and a minimum of 2 parent trustees.

The Executive Principal is also an ex officio Trustee.

Trustees are appointed for a four-year period, except that this time limit does not apply to the Executive Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board considers the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development. New / potential Trustees are asked to provide biographical details including details of governance and other relevant experience – particularly where a skills gap has been identified. An interview is held with a minimum of two established Trustees (usually including the chair).

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academies in the Trust and a chance to meet staff and students. All Trustees are provided with the "Handbook" produced for TPLT Trustee and Academy Councillors. This clearly states the expectations of a Trustee / Academy Councillor with regard to attendance at meetings and support for The Trust or an Academy. This is updated annually to reflect for example the Financial Handbook, introduction of the Central Recharge and changes in safeguarding.

Working groups of trustees meet for specific tasks to review annual policies, structures of governance and the scheme of delegation.

In addition, all Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need, to undertake their role as Trustees. As there are normally only one or two new Trustees a year, induction tends to be informal and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

TPLT signed up to the support provided by "The Key" and National Governors Association (NGA) for regular online support and training. As the Trust has grown, all Trustees and Academy Councillors have undertaken more formal training in "Prevent and Safeguarding" annually. The Trust also used personnel from NGA to provide training for Academy Councillors & Trustees.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Organisational Structure

The Board of Trustees normally meets three times a year. Those meetings are timetabled a year in advance and are timed to match the Academy Council meetings to receive their reports etc as appropriate. The Board establishes an overall framework for the governance of the Trust, membership, terms of reference and procedures of committees for ratification. It monitors the activities of the committees through the minutes of their meetings. The Board has, from time to time, established working groups to perform specific tasks over a limited timescale. During this year a working group of three Trustees have conducted a full review of governance. This was seen necessary recognising the recent and predicted growth of the Trust. Following consultation with Academy Councillors, the relationship between Trust and Councils has been redefined, the Scheme of Delegation modified and details of "Triggers" for the removal of delegated powers agreed at Board level. These new arrangements will come into force on 1 September 2019. The Board provides general oversight of the committee structure of its academies to ensure all responsibilities delegated are properly addressed.

During the year there were the following committees:

- **Resource Committee** – This meets three times per year (in term 1,3,5) and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements, receiving reports from the Responsible Officer and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee and agrees site development priorities and plans.
- **Pay Committee** – This is a sub-committee of the Resource Committee. It met when needed but regularly to appraise the Executive Principal (EP); review and modify the Pay Policy (for example in light of the school teachers pay review report); receive and decide on all pay recommendations made following the annual appraisal by each Academy's Principal. From 1 September 2018 individual academies will hear recommendations for incremental progression from the Academy Principal at their own pay committee; however all pay scales will be determined by the Trustee pay committee. The Trustee pay committee will hear appeals against decisions made at academy level. Consistency across the Trust will be assured by the executive. The Trustees will continue to appraise the Executive Principal.
- **Performance and Outcome committee** - This meets three times per year. Meetings follow two weeks after the scrutiny panels. Scrutiny panels comprising at least two trustees together with the EP and advised by the School Improvement Consultant, meet to hold to account the Academy Councillors of each school for the academic, behaviour and pastoral progress, outcomes and achievements of their school.
- **Scrutiny Panels** meet three times per year. The committee is responsible for monitoring, evaluating and reviewing performance of students, receiving data from the Chief Analytics Officer and the responses to the outcomes from the scrutiny panel.
- **Strategy Meetings** – Held when required. For example, 5 February 2019 to consider the recommendation that Pawlett Primary School join TPLT. In addition on 29 November 2018 to consider the closure of 6th form at The King Alfred School Academy, the review of governance, the education/business function of the Trust and the possible acquisition of NSETC.

The Scheme of Delegation spells out the limits of the responsibilities of the full organisational structure of TPLT including Members, Trustees, Executive, Academy Councils and Academy Principals. This is reviewed annually.

The Trustees of TPLT have devolved the day-to-day management of the Trust to the Executive Principal and Executive Team including the Chief Operations Officer. The day-to-day management of Academies within the Trust is devolved to the school Principals and Leadership Teams. Line management of the school Principals is the responsibility of the Executive Principal.

The Leadership Team at each Academy consists of the Principal/Headteacher, Vice Principals/Deputy Heads, Senior Academic staff and Academy Business Managers. The Principal controls the Academy at an executive level working under the direction of The Executive Principal of TPLT, implementing the policies laid down by the Trustees. The Chief Operations Officer of TPLT and the Academy Business Managers oversees financial and business matters.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The Executive Principal, Chief Operations Officer and Academy Business Managers and Business and Site Committees are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to budget holders, which must be authorised in line with the Scheme of Delegation and the Financial Scheme of Delegation which prescribes the "signing off" limits.

The Executive Principal and Principals are responsible for the appointment of staff, though appointment panels for teaching posts often include a Trustee. Local Academy Councils participate in the appointment of Central Leader level and above.

As John Richardson was Chair of Trustees during the year to 31 August 2019 the Trustees have agreed that he should sign this report and financial statements.

The Executive Principal is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

During the year, pay and remuneration was determined in accordance with the Pay Policy. This is reviewed annually. The process of review is started by the HR team in response to recommended changes by the School Teachers Pay and Conditions Review Body (STPCRB) and spelt out in the STPCRB document, usually annually in school each August. The amended Pay Policies are presented by the Resource Committee via the Pay Committee for approval.

The Pay Policy follows the formulae of the STPCRB for determining the school grouping and from there the range for the Headteacher (Executive Principal), Principals, Vice Principals and Assistant Principals. The Pay Committee applies these figures to current key management personnel.

The Trust Pay Committee received a report on the outcomes of the appraisal system from the Executive Principal in relation to the Executive team and school principals. The Pay Committee separately conducts the appraisal of the Executive Principal and makes appropriate recommendation to the board regarding changes in remuneration. Academy Councils each have a pay committee to review and determine recommendation of the school principal for incremental progression of staff following appraisal.

Connected Organisations, including Related Party Relationships

Priory Community School Enterprises Ltd is a wholly owned subsidiary that did not trade beyond 31 August 2018. There are no transactions with Priory Community School Enterprises Ltd for the year ended 31 August 2019 and the company has now been struck off.

There are no related parties which either control or significantly influence the decisions and operations of TPLT. There are no sponsors or formal Parent Teacher Associations associated with the Academies.

OBJECTIVES AND ACTIVITIES

Objects and Aims

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum; and

To promote for the benefit of the inhabitants of Weston-super-Mare and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

The aims of the Trust during the year ended 31 August 2019 are summarised below:

- To promote happy school communities where students come first and all staff are valued and cherished
- To develop all children successful learners, confident individuals and responsible citizens
- To raise standards for all learners by sustaining and enhancing performance – especially in the core areas of English, mathematics and science
- To meet the needs of all learners with appropriate challenge for all through a broad and balanced curriculum
- To fulfil our moral purpose by engaging and collaborating to help improve the life chances of all young people, locally, nationally and globally
- To continue to raise the standard of educational attainment and achievement of all students
- To ensure wider aspects of schooling are valued and supported – sport, art, music and all co curricular activities
- To develop each Academy site so that it enables children to achieve their full potential
- To ensure that every child enjoys the same high-quality education in terms of resourcing, tuition and care
- To improve the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review
- To provide value for money for the funds expended
- To comply with all appropriate statutory and curriculum requirement.
- To maintain close links with industry and commerce
- To develop each Academy's capacity to manage change

At all schools within the Trust we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Each Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Our aim is to provide our learners with the best education that meets their needs. Whilst economic wellbeing, which is enhanced by academic achievement, is paramount, we also value the development of our students as citizens equipped for life and work in the twenty first century.

Key priorities for the year are contained in each Academy's Improvement Plan (AIP), which is available from each Academy.

The major aim is that within each secondary Academy is for 50%+ of our students to gain both English and mathematics at GCSE at Grades 9-5 with 70% gaining grades 9-4.

Within our primary academies we aim to be well above national averages on all measures – at least 5% above national.

We are always looking to improve and 2019/20 is no different. Ambitious targets are set again.

Everyone connected with TPLT should be very proud of the way in which the 'day-in day-out actions' of staff enable students to leave with high outcomes.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Strategic plan is in place to further develop governance, outcomes, growth, people, capacity, business services, marketing and culture.

1. The secondary academies will achieve a combined basics Grade 4+ of 70% in English and Maths
The secondary academies will achieve a combined basics Grade 5+ of 50% in English and Maths
2. At least 75% of students will gain Grade 4+ GCSE mathematics and 75% of students will gain Grade 4+ GCSE English – secondary academies
3. Attendance will be outstanding at 96% in all academies
4. English Baccalaureate conversions will be at 95% in secondary academies
5. A/A* and Grade 7+ all subject areas will meet their targeted levels in 2020 (top 25% nationally) – secondary academies
6. Disadvantaged students – there will be less than 5% Progress 8 gap between PPI attainment and the rest of the school population
7. Progress 8 scores for all secondary academies will be at least 0+
8. Primary academies SAT results to be above national averages and 0+ progress and 5% above national

More specific improvement foci identified for this year include:

- A 5 year capital plan is being developed in line with School Condition Allocation (SCA) funding to include completion of new student toilet block at TKASA – work will commence during 2019-20 year. Other capital projects will be in line with the 5-Year Plan;
- Improving literacy by alignment of policy across Trust and introduction of tutor reading for all in the secondary sector – Year 7-10;
- Introduction of Coaching 15 programmes for teachers across TPLT academies – a coaching programme for all teachers;
- Further development of marking and feedback presentation within books – alignment policy across Trust;
- Further curriculum alignment across Trust – especially developments with humanities and design technology;
- Further conduct policy alignment across the Trust – especially use of managed moves;
- The 'primary lesson' will be developed and brought together across primary phase;
- 'Transition Policy' fully in place across the Trust led by a primary Head – we are developing an approach to education from Year 5-8;
- Provision of smaller class sizes through use of School Direct staffing - 30 School Direct Trainees to join the Trust in 2019-20;
- Full time Director of TSA continues strong work – further development of TPLT TSA. The TSA moves from being funding nationally to self-sufficiency;
- Science GCSE for all – 2 GCSEs in science to improve from 2019 level. Our Director of Science is now full-time focus – 75% and 55% at G4 and G5;
- Maths improvement – Director of Maths focus now full time – 55% and 75% at G5 and G4;
- Addition full time Trust Director of English is in post;
- Centralisation of services continue – both in physical setting and in costings centrally;
- Further analysis of our Progress 8 measure / primary progress measures and the introduction of the new reformed GCSEs; and
- Further embedding of the modular curriculum at all academies.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Trust's aims and objectives and in planning its future activities.

The Trust aims to advance for the public benefit, education in Weston super Mare and the surrounding areas. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and development of schools, offering a broad curriculum.

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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

The Trust provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Achievements and Performance

Priory Community School – an Academy (PCSA)

PCSA is in its ninth year of operation as an Academy and has exceeded the forecast number of students – 330 joined the academy in Year 7 in September 2019 after the academy had 350 first choice application for a 300 PAN.

This number of students is higher than the school's capacity.

Governors decided to increase the Pupil Admission Number (PAN) to 300 for all year groups from September 2018. PCSA welcomed 330 new students in September 2019.

PCSA is oversubscribed in three-year groups. Student numbers on roll in September 2019 are 1,395. Of those students, 326 are entitled to receive additional funding from the Pupil Premium, which equates to 23% of the school population.

The exam outcomes at PCSA are:

2019	English Grade 4+ 80%, Grade 5+ 57%
	Maths Grade 4+ 71%, Grade 5+ 42/43%
	English & Maths Grade 4+ 63%, Grade 5+ 33%
	Attainment 8 43.54
	Progress 8 estimate -0.23
2018	English Grade 4+ 67%, Grade 5+ 45%
	Maths Grade 4+ 74%, Grade 5+ 49%
	English & Maths Grade 4+ 66%, Grade 5+ 43%
	Attainment 8 43.8
	Progress 8 -0.17
2017	English Grade 4+ 78%, Grade 5+ 57%
	Maths Grade 4+ 73%, Grade 5+ 42%
	English & Maths Grade 4+ 66%, Grade 5+ 33%
	Attainment 8 44.44
	Progress 8 -0.14
2016	English & Maths A*- C 62%, Attainment 8 49.74, Progress 8 +0.07

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Year	5A*-C inc E&M	English & maths
2015	70%	74%
2014	67%	69%
2013	75%	75%
2012	70%	71%
2011	69%	71%
2010	54%	
2009	45%	
2008	38%	
2007	38%	
2006	33%	
2005	30%	
2004	28%	

PCSA was subject to a full Section 5 inspection by OfSTED in June 2010 and was judged to be 'good with outstanding features'. The Academy was awarded 20 good grades and 4 outstanding grades. In November 2014 PCSA was judged 'outstanding' in all areas through a full Section 5 inspection by OfSTED.

To ensure that standards are continually assessed, the Academy operates a programme faculty reviews, which are undertaken by the Leadership Team.

Over time, PCSA has secured numerous grants to replace the boilers, develop a new Sir Richard Branson SEN Centre (SEN), install new windows, install new roofs, build a new sports building, update sports changing facilities and refurbish the sports hall. In 2016/17 a £2.5 million science block, The Spencer Science Centre, opened. New restaurant facilities / classroom renovation project has allowed for 300 new students to join in each year group in subsequent years.

Summer 2019 we find PCSA with:

- 'Outstanding' OfSTED status
- High quality self-motivated leadership, which is proactive at all levels – this applies equally to site / network and teaching teams

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Worle Community School – an Academy (WCSA)

In March 2017, Worle Community School converted to Academy status and joined TPLT.

Worle Community School was previously judged by OfSTED to be in Special Measures in April 2016. PCSA acted as school improvement partner from June 2016 until conversion in March 2017. It received a positive HMI visit in November 2016 and a positive RSC visit in June 2017. Results improved significantly in the 2017 outcomes. P8 was at - 0.13 – a significant improvement. Further improvements were made in the 2018 outcomes (see information below). A slight dip in results occurred in the 2019 outcomes.

Worle Community School has a Pupil Admission Number of 300 students per year group, giving a total capacity of 1,500 students. The school is currently undersubscribed with 1,421 students on roll at the start of September 2018. The school received 249 first choice applications for its 300 Year 7 spaces, but with second choices and referrals the current Year 7 stands at 291 students at the start of September. The 'first choices' were up by 11% on the previous year. The school is currently full in Year 10, but has spaces in all other year groups.

The exam outcomes at WCSA are:

2019	English Grade 4+ 76%, Grade 5+ 60%	
	Maths Grade 4+ 67%, Grade 5+ 37%	
	English & Maths Grade 4+ 61%, Grade 5+ 32%	
	Attainment 8 41.18	
	Progress 8 estimate -0.40	
2018	English Grade 4+ 67%, Grade 5+ 45%	
	Maths Grade 4+ 74%, Grade 5+ 49%	
	English & Maths Grade 4+ 66%, Grade 5+ 43%	
	Attainment 8 43.8	
	Progress 8 -0.17	
2017	English Grade 4+ 72%, Grade 5+ 54%	
	Maths Grade 4+ 68%, Grade 5+ 44%	
	English & Maths Grade 4+ 62%, Grade 5+ 36%	
	Attainment 8 44.04	
	Progress 8 -0.13	
2016	English & Maths A*-C 47%, Attainment 8 45.6, Progress 8 -0.46	

Year	5A*-C inc E&M	English & maths
2015	43%	45%
2014	51%	58%
2013	51%	52%
2012	55%	55%
2011	49%	50%
2010	44%	
2009	49%	

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**TRUSTEES' REPORT (CONTINUED)
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The King Alfred School – an Academy (TKASA)

TKASA joined TPLT in October 2018. Nathan Jenkins became Principal formally at that point within TPLT. Outcomes have rapidly improved. Sixth Form numbers have increased from 59 in 2018 to 100 in 2019.

2019	English Grade 4+ 77%, Grade 5+ 60%	
	Maths Grade 4+ 71%, Grade 5+ 48%	
	English & Maths Grade 4+ 65%, Grade 5+ 41%	
	Attainment 8 46.84	
	Progress 8 estimate -0.13	
2018	English Grade 4+ 70%, Grade 5+ 53%	
	Maths Grade 4+ 68%, Grade 5+ 46%	
	English & Maths Grade 4+ 59%, Grade 5+ 38%	
	Attainment 8 44.01	
	Progress 8 -0.47	
2017	English Grade 4+ 68%, Grade 5+ 51%	
	Maths Grade 4+ 61%, Grade 5+ 34%	
	English & Maths Grade 4+ 53%, Grade 5+ 31%	
	Attainment 8 41.09	
	Progress 8 -0.78	

Castle Batch Primary School Academy (CBSA)

CBSA joined the Trust on 1 April 2018. In September 2019, there were 427 students on roll.

In 2019, outcomes at the school were:

<u>Early Years</u>	Good Level of Development 70%	
	Phonics Year 1 66% exceeding standard	
	Phonics Year 2 33% exceeding standard	
<u>Key Stage 1</u>	Reading 73% exceeding standard	
	Writing 67% exceeding standard	
	Maths 77% exceeding standard	
<u>Key Stage 2</u>	Reading 65% exceeding standard	
	English grammar, punctuation & spelling 75% exceeding standard	
	Maths 75% exceeding standard	
	Writing 83% exceeding standard	
	Reading, writing & maths 58% exceeding standard	
	Reading Progress -1.4	
	Writing Progress +0.9	
	Maths Progress -1.6	

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TRUSTEES' REPORT (CONTINUED)
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In 2018, outcomes at the school were:

Early Years	Good Level of Development 62%	
	Phonics Year 1 85% exceeding standard	
	Phonics Year 2 90% exceeding standard	
Key Stage 1	Reading 72% exceeding standard	
	Writing 72% exceeding standard	
	Maths 78% exceeding standard	
Key Stage 2	Reading 66% exceeding standard	
	English grammar, punctuation & spelling 68% exceeding standard	
	Maths 68% exceeding standard	
	Writing 86% exceeding standard	
	Reading, writing & maths 60% exceeding standard	
	Reading Progress -1.9	
	Writing Progress +1.3	
	Maths Progress -1.6	

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

St Anne's Church Academy (SACA)

SACA joined the Trust on 1 April 2018. In September 2019 there were 370 students on roll over two sites.

In 2019, outcomes at the school were:

<u>Early Years</u>	Good Level of Development 78%	
	Phonics Year 1 92% exceeding standard	
	Phonics Year 2 50% exceeding standard	
<u>Key Stage 1</u>	Reading 80% exceeding standard	
	Writing 75% exceeding standard	
	Maths 80% exceeding standard	
<u>Key Stage 2</u>	Reading 93% exceeding standard	
	English grammar, punctuation & spelling 80% exceeding standard	
	Maths 83% exceeding standard	
	Writing 83% exceeding standard	
	Reading, writing & maths 70% exceeding standard	
	Reading Progress +1.7	
	Writing Progress +0.2	
	Maths Progress -0.3	

In 2018, outcomes at the school were:

<u>Early Years</u>	Good Level of Development 79%	
	Phonics Year 1 94% exceeding standard	
	Phonics Year 2 67% exceeding standard	
<u>Key Stage 1</u>	Reading 80% exceeding standard	
	Writing 76% exceeding standard	
	Maths 76% exceeding standard	
<u>Key Stage 2</u>	Reading 88% exceeding standard	
	English grammar, punctuation & spelling 88% exceeding standard	
	Maths 65% exceeding standard	
	Writing 96% exceeding standard	
	Reading, writing & maths 62% exceeding standard	
	Reading Progress -0.8	
	Writing Progress +2.1	
	Maths Progress -3.7	

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Pawlett Primary School Academy (PPSA)

PPSA joined TPLT in April 2019. It remains a small academy with 59 students. Emma Barker has been appointed as Head of School in September 2019.

In 2019, outcomes at the school were as follows, although it should be noted that this represents only 7 students:

Early Years	Good Level of Development 66%	
	Phonics Year 1 85% exceeding standard	
	Phonics Year 2 50% exceeding standard	
Key Stage 1	Reading 50% exceeding standard	
	Writing 50% exceeding standard	
	Maths 50% exceeding standard	
Key Stage 2	Reading 42% exceeding standard	
	English grammar, punctuation & spelling 57% exceeding standard	
	Maths 57% exceeding standard	
	Writing 71% exceeding standard	
	Reading, writing & maths 42% exceeding standard	
	Reading Progress -2.05	
	Writing Progress 4.62	
	Maths Progress -0.41	

Key Performance Indicators

As funding is based on pupil numbers this is a key performance indicator. TPLT student numbers have grown from October 2018 to September 2019 as shown below:

Academy	October Census 2018	October Census 2019
Castle Batch Primary School Academy	438	422
Pawlett Primary School	N/A	55
Priory Community School	1327	1402
St Anne's Church Academy	333	370
The King Alfred School Academy	1228	1276
Worle Community School	1391	1434
Total	4717	4959

These figures show a growth of 405 students across the Trust, due to various reasons. An additional school has joined the Trust (PPSA), PCSA and SACA are going through planned expansion phases, number at TKASA are growing, particularly in the 6th form and WCSA is admitting more students than are leaving at normal school leaving age. The only school that has not grown is CBPSA, which has seen a small reduction of 9 students overall.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2019 this was 98%, compared to 91% in 2018.

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the SFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities. No funds are raised from the public.

The Academy also receives grants for fixed assets from the DfE, which are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the year ended 31 August 2019, total expenditure (excluding restricted fixed asset funds) of £ 26,695,427 was covered by recurrent grant funding from the DfE, together with other incoming resources (excluding restricted fixed assets funds and transfers on conversion), of £25,909,667. The excess of expenditure over income for the year (excluding restricted fixed asset funds and funds transferred on conversion) was £785,760.

At 31 August 2019 the net book value of fixed assets was £ 63,537,524 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves Policy

The Trustees review the reserve levels of the Academy annually as part of the budget setting process. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees aim to keep a minimum level of reserves (Unrestricted funds plus GAG) of £3,000,000 which ensures we can balance for the next two years and can fund our earmarked carry forwards. At the balance sheet date the level of these reserves was £3,498,419. The surplus of funds is being held by the Trustees to cover the uncertainty over future funding and the need for more expansion in the future as TPLT grows as a multi-academy trust.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the Academy.

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

Investment Policy

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. During the year, day to day management of the surplus funds was delegated to the Executive Principal and Director of Finance within strict guidelines approved by the Board of Trustees.

The Trust's investment policy is to invest surplus cash reserves on deposit with banks with a high credit rating where the capital invested is guaranteed. Investment returns are reviewed during the year to ensure that returns are maximised whilst safeguarding the funds invested.

Principal Risks And Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

The principal risks and uncertainties facing the Academy are as follows:

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Financial - the Academy has considerable reliance on continued Government funding through the ESFA. In the last year 96% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms. The implications of National Fairer funding will be carefully considered as the detail becomes clearer.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in note 28 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. This area of risk is heightened with the move to multi academy status, the sponsor work that TPLT is undertaking and the potential growth in the number of academies within the group. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Fraud and mismanagement of funds - The Academy has appointed a Trustee to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019**

PLANS FOR FUTURE PERIODS

TPLT will continue to strive to provide outstanding education and improve the levels of performance of its students at all levels.

TPLT will continue to aim to attract high quality teachers and support staff in order to deliver its objectives. It will continue to support and expand its initial teacher training function.

TPLT will continue to work with partner schools to improve the educational opportunities for students in the wider community.

We plan, in the secondary schools, to maintain small class sizes with academic outcomes being improved. This will especially be the case in the upper school within English and Maths classes.

We will explore developing a primary hub in the Highbridge area in Somerset to support TKASA and assist primary outcomes in that region.

Full details of our plans for the future are available from the Clerk to the Trust.

FUNDRAISING

The Trust did not have any direct fundraising in the year.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

The Leadership Team plan all potential development changes for the Trust and work in partnership with all stakeholders which includes employees, unions, Local Academy Councillors, Trustees and senior members of staff to communicate and support the Trust and all workforce changes. Changes involving staff terms and conditions are dealt with in accordance with the HR policies in place.

Support for employees with disabilities can be found in the Equal Opportunities policy which can be found on our websites. Where staff are disabled or become disabled, we encourage them to tell us about their conditions so that we can consider what reasonable adjustments or support may be appropriate.

DISCLOSURE OF INFORMATION TO AUDITORS

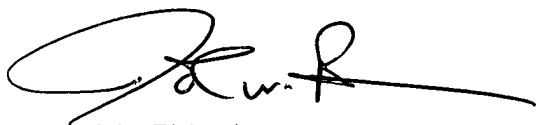
Each of the persons who are Trustees at the time when this Trustees' Report is approved has confirmed that:

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

AUDITORS

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 12 December 2019 and signed on its behalf by:



John Richardson
Vice Chair of Trustees

John Richardson

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that TPLT has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to the Executive Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between TPLT and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Trustee	Resource	Pay Committee	Provisions and Outcomes
Victoria Butterfield	2 of 5	-	1 of 3	0 of 2
Neville Coles	5 of 5	-	2 of 3	2 of 2
Michelle Michael	1 of 5	-	2 of 3	0 of 2
John Richardson	5 of 5	4 of 4	3 of 3	2 of 2
Rod Sibley	5 of 5	4 of 4	-	0 of 2
Barry Wratten	5 of 5	1 of 4	1 of 3	2 of 2
Ian Cook	5 of 5	3 of 4	1 of 3	1 of 2
Diane Davey	2 of 5	1 of 4	-	0 of 2
Hannah Woodhouse	2 of 5	-	-	1 of 2

Governance highlights include:

- Key changes to the composition of Trustees. Trustees identified the need to increase their number to 10 following review of governance. The "skills gap" for HR was met with the appointment of Diane Davey (former CEO of the Royal Life Saving Society) and strategic with the appointment of Hannah Woodhouse (Deputy RSC). Hannah's subsequent promotion to RSC for the South West sadly necessitated her resignation.
- Trustees are confident in the quality of the data presented. Strict timetabled consideration of financial data is endured through monthly monitoring of the budget in accordance with ESFA regulation and ensure the trust is on course on an in year basis but also that a five year strategy is developed and updated. Student output data is provided in excellent detail by the Chief Analytics Officer (who provides training for Trustees and Councillors on the use and understanding of dashboard data).
- Annual timetable. To ensure efficient working the Trustee meetings, Academy Council meetings and sub-committee meetings are coordinated to ensure decisions can be made as effectively as possible backed with supporting data. (For example, Business and Site meetings of Academy Councillors are timed to have reports ready for a Trustee resource committee meeting).

GOVERNANCE STATEMENT (CONTINUED)

GOVERNANCE (CONTINUED)

- Skills audit. The National Governors Association (NGA) model is used by MAT Trustees and Academy Councillors. This model was recently updated by the NGA to take account of the January 2017 DfE new competency framework for governance. It is planned to use this for recruitment and the provision of Trust wide training. Academy ambassadors in addition to the Trust's Recruitment Officer assist in recruiting Trustees and Governors as well as school newsletters aimed at parents of reception and year 7 parents.
- Assessment of own performance
 - Chair of members attended, as an observer, the special meetings
 - A full review of governance and governance structures has been undertaken by a senior Trustee and implementation working group has been set up. The recommendation of this group have been agreed by the Trust Board, and was implemented on 1 September 2019.

REVIEW OF VALUE FOR MONEY

The Accounting Officer of TPLT accepts that he is responsible and accountable for ensuring that the Trust delivers good value in the use of public resources. He is aware of the guide to academy value for money statements published by the Education Funding Agency and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

We set out below how we have ensured that the Trust's use of its resources has provided good value for money during the academic year.

We are very satisfied that robust financial procedures operate throughout the Trust. These focus on ensuring that we achieve value for money. Sign off limits are set for all orders and requirements for quotations and tender processes are fully detailed in our financial procedures and are rigorously enforced.

The operation of our financial procedures are regularly audited by our Responsible Officer assisted by our auditors with any recommendations for improvements being immediately implemented.

The November 2014 OfSTED report, graded PCSA 'outstanding' in all categories. Our mastery in managing the finances of the school including the additional income we raise through our trading company has ensured that we have had the resources necessary to achieve this grading.

Ultimately, it is parents who decide if we are providing a good service, and they continue to welcome the education we provide which is evidenced in that we continue to be oversubscribed, 350 first choice applications for 300 places in 2019 for PCSA. We are working tirelessly to move towards 3,000 students being educated at TPLT schools in Weston-super-Mare.

Our results, which continue to improve show that we are achieving value for money:

We regularly review our staffing structure and deploy staff to target areas of the curriculum that benefit from development and additional support. We endeavour to have smaller class sizes and often provide intervention, one to one support and many extra curricular activities.

Performance of TPLT disadvantaged students is better than the national. Management of additional funding received to narrow the attainment gap of disadvantaged students is closely monitored and evaluated in all academies. The impact of the interventions financed from this funding is closely scrutinised and there have been significant improvements to outcomes for these students.

We have been successful with capital grant applications, working with other establishments, and as a result have recently replaced roofs at The King Alfred School Academy and Worle Community School Academy, built a new toilet block at Worle Community School Academy, replaced boilers at Castlebatch Primary School Academy and carried out electrical rewire at Priory Community School Academy.

We provide support to other schools in the local area and Devon and have been asked by Regional Teaching School Council to assist in supporting other schools in the South West.

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY (CONTINUED)

Where appropriate we utilise experts to guide us in relationship to key purchasing decisions, such as energy, catering, grounds maintenance and compliance contracts.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in TPLT for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees
- regular reviews by the Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Rod Sibley, a Trustee, to carry out a programme of internal checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

Bank, expenditure, fixed assets, VAT and related parties February 2019 and payroll, income, budgets and financial monitoring May 2019.

No significant matters were reported.

On a semi-annual basis, the reviewer reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Executive Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the reviewer:
- the work of the external auditors:
- the financial management and governance self-assessment process:
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 12 December 2019 and signed on their behalf by:



John Richardson
Vice Chair of Trustees



Neville Coles
Accounting Officer

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of TPLT I have considered my responsibility to notify the Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Trust, under the funding agreement in place between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



Neville Coles
Accounting Officer

Date: 12 December 2019

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

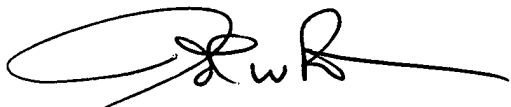
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 12 December 2019 and signed on its behalf by:



John Richardson
Vice Chair of Trustees

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
PRIORY LEARNING TRUST**

OPINION

We have audited the financial statements of The Priory Learning Trust (the 'Trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 August 2019 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, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
PRIORY LEARNING TRUST (CONTINUED)**

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic 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 returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
PRIORY LEARNING TRUST (CONTINUED)**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the directors of the Trust 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 Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

USE OF OUR REPORT

This report is made solely to the charitable Trust'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 Trust's members those matters we are required to state to them in an Auditors' 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 Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Joseph Scaife FCA DChA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date:

17/12/19

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PRIORY LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 29 September 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Priory Learning Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Priory Learning Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Priory Learning Trust and ESFA those matters we are required to state in a 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 Priory Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE PRIORY LEARNING TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of The Priory Learning Trust's funding agreement with the Secretary of State for Education dated 17 August 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Trust's income and expenditure.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the Trust complied with the framework of authorities. We also reviewed the reports commissioned by the Trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE PRIORY
LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Bishop Fleming LLP

Joseph Scaife FCA DChA (Reporting Accountant)

**Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT**

Date:

17/12/19

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
INCOME FROM:						
Donations and capital grants:	3					
Transfer on conversion		292,559	(638,025)	20,835,412	20,489,946	8,100,629
Other donations and capital grants		-	41,359	5,173,557	5,214,916	351,345
Charitable activities:	4					
Education		1,433,196	24,130,398	-	25,563,594	16,298,467
Teaching schools	31	-	158,753	-	158,753	102,250
Other trading activities	5	130,388	-	-	130,388	189,996
Investments	6	15,600	-	-	15,600	4,514
TOTAL INCOME		1,871,743	23,692,485	26,008,969	51,573,197	25,047,201
EXPENDITURE ON:						
Raising funds		-	-	-	-	117,703
Charitable activities:						
Education		1,502,233	25,222,173	1,250,031	27,974,437	17,129,327
Teaching schools	31	-	155,886	-	155,886	102,250
Other expenditure		-	-	-	-	-
TOTAL EXPENDITURE		1,502,233	25,378,059	1,250,031	28,130,323	17,349,280
NET INCOME/(EXPENDITURE)						
 BEFORE OTHER GAINS/(LOSSES)		369,510	(1,685,574)	24,758,938	23,442,874	7,697,921
Transfers between funds	19	-	(620,700)	620,700	-	-
NET MOVEMENT IN FUNDS						
 BEFORE OTHER GAINS/(LOSSES)		369,510	(2,306,274)	25,379,638	23,442,874	7,697,921
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on pension schemes	28	-	(5,212,000)	-	(5,212,000)	1,419,000
NET MOVEMENT IN FUNDS						
RECONCILIATION OF FUNDS:						
Total funds brought forward		1,919,270	(8,050,780)	38,591,263	32,459,753	23,342,832
Net movement in funds		369,510	(7,518,274)	25,379,638	18,230,874	9,116,921
TOTAL FUNDS CARRIED FORWARD		2,288,780	(15,569,054)	63,970,901	50,690,627	32,459,753

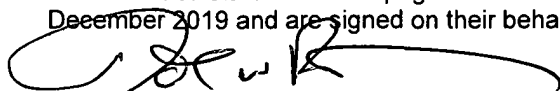
The Statement of Financial Activities includes all gains and losses recognised in the year.
The notes on pages 34 to 64 form part of these financial statements.

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07698707

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	14	63,522,311	38,516,092
Investments	15	-	1
		<u>63,522,311</u>	<u>38,516,093</u>
CURRENT ASSETS			
Debtors	16	1,592,310	704,132
Cash at bank and in hand		4,679,626	3,709,390
		<u>6,271,936</u>	<u>4,413,522</u>
Creditors: amounts falling due within one year	17	(2,293,620)	(1,309,862)
		<u>3,978,316</u>	<u>3,103,660</u>
NET CURRENT ASSETS			
TOTAL ASSETS LESS CURRENT LIABILITIES			
		<u>67,500,627</u>	<u>41,619,753</u>
Defined benefit pension scheme liability	28	(16,810,000)	(9,160,000)
		<u>50,690,627</u>	<u>32,459,753</u>
TOTAL NET ASSETS			
FUNDS OF THE TRUST			
Restricted funds:			
Fixed asset funds	19	63,970,901	38,591,263
Restricted income funds	19	1,240,946	1,109,220
		<u>65,211,847</u>	<u>39,700,483</u>
Restricted funds excluding pension asset	19	65,211,847	39,700,483
Pension reserve	19	(16,810,000)	(9,160,000)
		<u>48,401,847</u>	<u>30,540,483</u>
Total restricted funds	19	48,401,847	30,540,483
Unrestricted income funds	19	2,288,780	1,919,270
		<u>50,690,627</u>	<u>32,459,753</u>
TOTAL FUNDS			

The financial statements on pages 30 to 63 were approved by the Trustees, and authorised for issue on 12 December 2019 and are signed on their behalf, by:


John Richardson
Vice Chair of Trustees

The notes on pages 33 to 63 form part of these financial statements.

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash provided by operating activities	21	1,251,428	807,382
CASH FLOWS FROM INVESTING ACTIVITIES	23	(610,086)	(307,357)
CASH FLOWS FROM FINANCING ACTIVITIES	22	328,894	503,328
		<hr/>	<hr/>
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		970,236	1,003,353
Cash and cash equivalents at the beginning of the year		3,709,390	2,706,037
		<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	24	4,679,626	3,709,390
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 33 to 63 form part of these financial statements

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 GENERAL INFORMATION

The Priory Learning Trust is a company limited by guarantee, incorporated in England and Wales. The registered office is Queensway, Weston-super-Mare, BS22 6BP.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Trust have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the 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) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Priory Learning Trust meets the definition of a public benefit entity under FRS 102.

1.3 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

1.4 INCOME

All incoming resources are recognised when the Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

- **Grants**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance Sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

- **Donations**

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

- **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Trust has provided the goods or services.

1.5 EXPENDITURE

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

- **Expenditure on raising funds**

This includes all expenditure incurred by the Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

- **Charitable activities**

These are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS

Assets costing £10,000 (secondary) and £5,000 (primary) or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Long-term leasehold property	- 125 years straight line for land and 2% straight line for buildings
Plant, machinery, furniture and fittings	- 15% straight line
Computer equipment	- 25% straight line
Motor vehicles	- 25% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Where the Trust has been granted use of school buildings from the Diocese of Bath & Wells under Supplemental Agreements, the Academies Accounts Direction prescribes that where the Academy Trust concludes it has control over access and works of the land and buildings they can be recognised as an asset.

The land and buildings have been included within the long-term property of the Trust as the Diocese of Bath & Wells are currently not exerting control over the assets.

1.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost.

1.8 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.9 CASH AT BANK AND IN HAND

Cash at bank and 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 and cash on deposit that has a notice period of less than 30 days.

1.10 TAXATION

The Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 OPERATING LEASES

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

1.12 LIABILITIES AND PROVISIONS

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.13 FINANCIAL INSTRUMENTS

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement bases are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Trust's wholly owned subsidiary are held at face value less any impairment.

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.14 PENSIONS

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance Sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.15 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to a Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from The King Alfred School Academy and Pawlett Primary School Academy to the Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate Balance Sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Fixed assets have been included at amounts valued by the Trustees. Pension assets and liabilities have been valued by Mercer Limited.

Further details of the transaction are set out in note 26.

**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES (continued)

1.16 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Trust at the discretion of the Trustees.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

2. 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 Trust 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 present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DONATIONS				
Transfer from Local Authority on conversion	292,559	20,197,387	20,489,946	8,100,629
	<u>292,559</u>	<u>20,197,387</u>	<u>20,489,946</u>	<u>8,100,629</u>
Donations	-	2,605,109	2,605,109	12,513
Capital Grants	-	2,609,807	2,609,807	338,832
	<u>-</u>	<u>5,214,916</u>	<u>5,214,916</u>	<u>351,345</u>
	<u>292,559</u>	<u>25,412,303</u>	<u>25,704,862</u>	<u>8,451,974</u>
TOTAL 2018	<u>482,246</u>	<u>7,969,728</u>	<u>8,451,974</u>	

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA GRANTS				
General Annual Grant	-	20,486,763	20,486,763	13,974,729
Start up Grants	-	199,900	199,900	270,000
Other DfE/ESFA grants	-	2,459,075	2,459,075	828,105
	-	23,145,738	23,145,738	15,072,834
Other Government grants				
High Needs	-	760,861	760,861	404,071
Other government grants non capital	-	223,799	223,799	43,800
	-	984,660	984,660	447,871
Other funding				
Internal catering income	212,143	-	212,143	9,354
School trips and other	650,559	-	650,559	431,304
Nursery income funded	430,691	-	430,691	276,600
Nursery income unfunded/fee paying	139,803	-	139,803	60,504
	1,433,196	-	1,433,196	777,762
	1,433,196	24,130,398	25,563,594	16,298,467
TOTAL 2018	777,762	15,520,705	16,298,467	

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Lettings	110,428	110,428	69,789
Other	19,960	19,960	120,207
	130,388	130,388	189,996

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

6. INVESTMENT INCOME

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Gift aid donation from subsidiary	-	-	2,874
Bank interest	15,600	15,600	1,640
	<u>15,600</u>	<u>15,600</u>	<u>4,514</u>

All previous year amounts relate to unrestricted income.

7. EXPENDITURE

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Cost of generating funds					
Trading	-	-	-	-	117,703
EDUCATION:					
Direct costs	12,952,599	1,250,021	1,922,968	16,125,588	9,892,752
Allocated support costs	8,061,241	1,579,962	2,129,646	11,770,849	7,236,575
Teaching school	92,681	44,989	18,216	155,886	102,250
	<u>21,106,521</u>	<u>2,874,972</u>	<u>4,070,830</u>	<u>28,052,323</u>	<u>17,349,280</u>
TOTAL 2018	<u>12,773,489</u>	<u>1,730,781</u>	<u>2,845,010</u>	<u>17,349,280</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Education	16,125,588	11,770,849	27,896,437	17,129,327
TOTAL 2018	<u>9,892,752</u>	<u>7,236,575</u>	<u>17,129,327</u>	

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Pension finance cost	32,983	23,046
Staff costs	12,792,950	7,652,927
Depreciation	1,250,031	793,057
Educational supplies	1,021,524	785,396
Examination fees	319,519	171,132
Staff development	60,576	53,749
School trips and other costs	488,356	243,551
Supply teachers	159,649	169,894
	<u>16,125,588</u>	<u>9,892,752</u>

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
Pension finance costs	279,017	194,954
Wages and salaries	8,151,307	4,855,732
Other costs	90,663	38,821
Recruitment and support	108,241	78,987
Maintenance of premises and equipment	899,510	514,067
Cleaning	126,571	76,572
Rent and rates	172,590	118,634
Energy costs	397,694	228,451
Insurance	111,752	93,140
Security and transport	42,632	26,404
Catering	305,336	129,725
Technology costs	267,170	262,153
Office overheads	317,770	180,403
Professional fees, including legal, purchased services and subscriptions	489,131	427,568
Bank interest and charges	9,524	3,959
Staff travel	410	135
Governance	1,531	6,870
	11,770,849	7,236,575

9. NET INCOME/(EXPENDITURE)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets	1,199,946	793,057
Auditors' remuneration - audit	19,500	16,750
Auditors' remuneration - non audit	2,500	2,500
Operating lease rentals	78,208	37,538

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. STAFF COSTS

a. STAFF COSTS

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	15,567,407	9,579,481
Social security costs	1,364,673	848,187
Pension costs	4,010,528	2,145,492
	<u>20,942,608</u>	<u>12,573,160</u>
Agency staff costs	159,649	169,894
Staff restructuring costs	94,330	30,435
	<u>21,196,587</u>	<u>12,773,489</u>

Staff restructuring costs comprise:

6 payments in lieu of notice totalling £65,961 and 3 payments for compensation for loss of office totalling £28,370 (2018: 1 redundancy payment totalling £11,981, 1 payment in lieu of notice totalling £1,173, 1 contractual settlement payment totalling £12,781 and 1 honorarium payment totalling £4,500).

b. STAFF NUMBERS

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

	2019 No.	2018 No.
Teachers	222	171
Administration and Educational Support	427	401
Management	42	31
	<u>691</u>	<u>603</u>

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	193	151
Administration and Educational Support	239	226
Management	34	31
	<u>466</u>	<u>408</u>

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10. STAFF COSTS (CONTINUED)

c. HIGHER PAID STAFF

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	3	2
In the band £80,001 - £90,000	1	1
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	1	1

d. KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role of Trustees) and some of the Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £385,299 (2018: £349,740).

As staff Trustees are not remunerated in respect of their role as a Trustee, where staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

11. TRUSTEES' REMUNERATION AND EXPENSES

The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Principal and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments from the Academy in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: N Coles: Remuneration £115,000 - £120,000 (2018: £110,000 - £115,000), Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000).

During the year ended 31 August 2019, expenses totalling £1,727 were reimbursed or paid directly to 2 Trustees (2018: £57 to 1 Trustee).

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12. CENTRAL SERVICES

The Trust has provided the following central services to its academies during the year:

- Academy improvement
- Governance
- Accounting
- Financial services
- Procurement of trust-wide contracts
- Premises support
- Educational support
- Marketing and branding
- HR legal services

The Trust charges for these services on the following basis:

5% of General Annual Grant (GAG) income for the year.

The actual amounts charged during the year were as follows:

	2019 £	2018 £
Priory Community School Academy	306,273	300,872
Worle Community School Academy	331,383	332,712
Castle Batch Primary School Academy	76,194	31,939
St Anne's Church Academy	61,240	25,333
The King Alfred School Academy	95,613	-
Pawlett Primary School Academy	6,066	-
TOTAL	876,769	690,856

13. TRUSTEES' AND OFFICERS' INSURANCE

The Academy Trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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14. TANGIBLE FIXED ASSETS

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
COST OR VALUATION						
At 1 September 2018	30,548,295	9,682,300	480,115	605,009	56,237	41,371,956
Additions	3,895,860	1,381,773	116,145	27,060	-	5,420,838
Transfers on conversion	-	20,835,412	-	-	-	20,835,412
At 31 August 2019	34,444,155	31,899,485	596,260	632,069	56,237	67,628,206
DEPRECIATION						
At 1 September 2018	2,098,242	75,966	241,156	397,092	43,408	2,855,864
Charge for the year	601,566	484,356	67,559	83,721	12,829	1,250,031
At 31 August 2019	2,699,808	560,322	308,715	480,813	56,237	4,105,895
NET BOOK VALUE						
At 31 August 2019	31,744,347	31,339,163	287,545	151,256	-	63,522,311
At 31 August 2018	28,450,053	9,606,334	238,959	207,917	12,829	38,516,092

15. FIXED ASSET INVESTMENTS

During the year there was disposal of a £1 investment in the subsidiary company, Priory Community School Enterprises Ltd, which was struck off.

16. DEBTORS

	2019 £	2018 £
DUE WITHIN ONE YEAR		
Trade debtors	12,434	63,402
Amounts owed by group undertakings	-	8,774
Other debtors	193,115	57,098
Prepayments and accrued income	1,386,761	574,858
	1,592,310	704,132

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17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade creditors	460,904	20,947
Other taxation and social security	349,236	251,091
Other creditors	341,799	231,141
Accruals and deferred income	1,141,681	806,683
	<u>2,293,620</u>	<u>1,309,862</u>
	2019 £	2018 £
Deferred income		
Deferred income at 1 September	306,615	100,102
Resources deferred during the year	437,284	306,615
Amounts released from previous periods	(306,615)	(100,102)
	<u>437,284</u>	<u>306,615</u>

At the balance sheet date the Academy was holding ESFA funding and school trips income received in advance for the 2019-20 academic year.

18. FINANCIAL INSTRUMENTS

	2019 £	2018 £
FINANCIAL ASSETS		
Financial assets that are debt instruments measured at amortised cost	<u>5,412,095</u>	<u>4,156,406</u>
	2019 £	2018 £
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	<u>(1,211,776)</u>	<u>(541,962)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, amounts owed by subsidiaries and accrued income.

Financial liabilities measured at amortised cost comprise accrued expenditure and trade and other creditors.

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19. STATEMENT OF FUNDS

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
UNRESTRICTED FUNDS						
General Funds	1,919,270	1,871,743	(1,502,233)	-	-	2,288,780
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	993,131	20,486,763	(19,958,941)	(311,314)	-	1,209,639
High Needs	-	760,861	(760,861)	-	-	-
Pupil Premium	37,789	1,115,430	(1,144,837)	-	-	8,382
Other LA income	-	223,799	(219,197)	-	-	4,602
Start up grants	66,568	199,900	(266,468)	-	-	-
NLE Bursary	-	6,000	(6,000)	-	-	-
Other restricted funds	-	185,462	(185,462)	-	-	-
Devolved Formula Capital	-	309,386	-	(309,386)	-	-
Other ESFA funding	11,732	926,131	(922,407)	-	-	15,456
Teaching School	-	158,753	(155,886)	-	-	2,867
Pension reserve	(9,160,000)	(680,000)	(1,758,000)	-	(5,212,000)	(16,810,000)
	<u>(8,050,780)</u>	<u>23,692,485</u>	<u>(25,378,059)</u>	<u>(620,700)</u>	<u>(5,212,000)</u>	<u>(15,569,054)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	31,595,814	20,835,412	(907,949)	-	-	51,523,277
Fixed assets purchased from GAG, DfE/ESFA and other Government Capital Grants	4,230,153	-	(240,362)	620,700	-	4,610,491
Fixed assets purchased from CIF Grant	2,765,296	2,609,807	(50,445)	-	-	5,324,658
Fixed assets donated by the local authority	-	2,563,750	(51,275)	-	-	2,512,475
	<u>38,591,263</u>	<u>26,008,969</u>	<u>(1,250,031)</u>	<u>620,700</u>	<u>-</u>	<u>63,970,901</u>
TOTAL RESTRICTED FUNDS	<u>30,540,483</u>	<u>49,701,454</u>	<u>(26,628,090)</u>	<u>-</u>	<u>(5,212,000)</u>	<u>48,401,847</u>
TOTAL FUNDS	<u>32,459,753</u>	<u>51,573,197</u>	<u>(28,130,323)</u>	<u>-</u>	<u>(5,212,000)</u>	<u>50,690,627</u>

The specific purposes for which the funds are to be applied are as follows:

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19. STATEMENT OF FUNDS (CONTINUED)

RESTRICTED FUNDS

General Annual Grant (GAG) - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs - Funding received from the Local Authority to fund further support for students with additional needs.

Pupil Premium - Funding represents amounts received from the ESFA for children that qualify for free school meals and other attributes, which enable the Academy to improve the attainment of disadvantaged children.

Other LA Income - Additional funding received from the Local Authority.

Start up grants - One off funding received from the ESFA to contribute to the cost of converting from a school to an Academy.

Sponsor academy funding - Income received from the ESFA to sponsor one or more underperforming schools.

NLE bursary - Income received from the ESFA to contribute to the Teaching School status of the Academy Trust.

Other restricted funds - Income received from school trip contributions, staff recoveries, and other donations.

Devolved Formula Capital - Funding received from the ESFA to cover the maintenance and purchase of the Academy Trust's assets.

Trust Grants - Funding received to support the establishment of The Priory Learning Trust.

Teaching school - Funding received in order to provide high-quality training, development and support new and experienced school staff.

Other ESFA funding - Other grants received from the ESFA towards Universal Infant Free School Meals (UIFSM), Year 7 Catch Up funding, and PE Sport funding.

Pension reserve - Represents the Academy Trust's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

FIXED ASSET FUNDS

Fixed assets transferred on conversion to an Academy represent the land, buildings and equipment donated to the school from North Somerset Council.

Fixed assets purchased from GAG and other restricted funds represents amounts spent on fixed assets from the GAG and other funding received from the ESFA and other sources.

Fixed assets purchased from CIF funding represents the amounts received for various capital projects, including a new Science Block.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Priory Community School Academy	866,226	958,680
Worle Community School Academy	799,678	1,072,691
Castle Batch Primary School Academy	435,632	326,305
St Anne's Church Academy	500,656	365,006
The King Alfred School Academy	446,491	-
Pawlett Primary School Academy	101,398	-
Central services	379,645	305,808
Total before fixed asset funds and pension reserve	3,529,726	3,028,490
Restricted fixed asset fund	63,970,901	38,591,263
Pension reserve	(16,810,000)	(9,160,000)
TOTAL	50,690,627	32,459,753

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

TOTAL COST ANALYSIS BY ACADEMY

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £	Total 2018 £
Priory Community School Academy	3,592,726	2,197,252	290,482	1,312,506	7,392,966	6,755,221
Worle Community School Academy	4,023,619	2,099,880	353,990	1,147,077	7,624,566	7,043,031
Castle Batch Primary School Academy	973,025	837,376	25,421	324,435	2,160,257	841,720
St Anne's Church Academy	702,520	868,182	71,439	344,800	1,986,941	761,616
The King Alfred School Academy	3,410,760	1,342,415	148,300	1,028,673	5,930,148	-
Pawlett Primary School Academy	60,208	43,465	1,578	37,878	143,129	-
Central services	282,422	672,671	130,314	372,013	1,457,420	1,154,635
	13,045,280	8,061,241	1,021,524	4,567,382	26,695,427	16,556,223

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (CONTINUED)

Comparative information in respect of the preceding year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
UNRESTRICTED FUNDS						
General Funds	1,272,436	1,402,148	(755,314)	-	-	1,919,270
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	675,386	13,974,729	(13,382,795)	(274,189)	-	993,131
High Needs	-	382,537	(382,537)	-	-	-
Pupil Premium	85,878	687,123	(735,212)	-	-	37,789
Other LA income	8,825	43,800	(52,625)	-	-	-
Start up grants	-	270,000	(203,432)	-	-	66,568
NLE bursary	-	6,000	(6,000)	-	-	-
Other restricted funds	-	58,203	(58,203)	-	-	-
Devolved Formula Capital	-	81,251	(35,586)	(45,665)	-	-
Other ESFA funding	1,973	103,028	(93,269)	-	-	11,732
Teaching School	-	102,250	(102,250)	-	-	-
Pension reserve	(7,745,000)	(2,085,000)	(749,000)	-	1,419,000	(9,160,000)
	<u>(6,972,938)</u>	<u>13,623,921</u>	<u>(15,800,909)</u>	<u>(319,854)</u>	<u>1,419,000</u>	<u>(8,050,780)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	22,406,354	9,682,300	(492,840)	-	-	31,595,814
Fixed assets purchased from GAG, DfE/ESFA and other Government Capital grants	4,160,451	-	(250,152)	319,854	-	4,230,153
Fixed assets purchased from CIF grant	2,476,529	338,832	(50,065)	-	-	2,765,296
	<u>29,043,334</u>	<u>10,021,132</u>	<u>(793,057)</u>	<u>319,854</u>	<u>-</u>	<u>38,591,263</u>
TOTAL RESTRICTED FUNDS	<u>22,070,396</u>	<u>23,645,053</u>	<u>(16,593,966)</u>	<u>-</u>	<u>1,419,000</u>	<u>30,540,483</u>
TOTAL FUNDS	<u>23,342,832</u>	<u>25,047,201</u>	<u>(17,349,280)</u>	<u>-</u>	<u>1,419,000</u>	<u>32,459,753</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	63,522,311	63,522,311
Current assets	2,288,780	3,534,566	448,590	6,271,936
Creditors due within one year	-	(2,293,620)	-	(2,293,620)
Pension scheme liability	-	(16,810,000)	-	(16,810,000)
TOTAL	2,288,780	(15,569,054)	63,970,901	50,690,627

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	38,516,092	38,516,092
Fixed asset investments	1	-	-	1
Current assets	1,919,269	2,419,082	75,171	4,413,522
Creditors due within one year	-	(1,309,862)	-	(1,309,862)
Pension scheme liability	-	(9,160,000)	-	(9,160,000)
TOTAL	1,919,270	(8,050,780)	38,591,263	32,459,753

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NOTES TO THE FINANCIAL STATEMENTS
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21. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	23,442,874	7,697,921
ADJUSTMENTS FOR:		
Depreciation	1,250,031	793,057
Gift aid donation from subsidiary	-	(2,874)
Interest income	(15,600)	(4,514)
Increase in debtors	(157,376)	(28,740)
Increase in creditors	983,758	42,992
Capital grants from DfE and other capital income	(2,962,203)	(338,832)
Defined benefit pension scheme cost less contributions payable	2,126,000	531,000
Defined benefit pension scheme finance cost	312,000	218,000
Net assets and liabilities transferred from local authority on conversion	(21,164,306)	(8,100,628)
Donated assets received	(2,563,750)	-
NET CASH PROVIDED BY OPERATING ACTIVITIES	1,251,428	807,382

22. CASH FLOWS FROM CONVERSION TO AN ACADEMY

	2019 £	2018 £
Funds received from the Local Authority on conversion	328,894	503,328
NET CASH PROVIDED BY FINANCING ACTIVITIES	328,894	503,328

23. CASH FLOWS FROM INVESTING ACTIVITIES

	2019 £	2018 £
Gift aid donation from subsidiary	-	38,253
Purchase of tangible fixed assets	(2,857,088)	(583,515)
Capital grants from DfE/ESFA	2,231,401	233,391
Interest received	15,600	4,514
Disposal proceeds	1	-
NET CASH USED IN INVESTING ACTIVITIES	(610,086)	(307,357)

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**NOTES TO THE FINANCIAL STATEMENTS
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24. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2019	2018
	£	£
Cash in hand	4,679,626	3,709,390
TOTAL CASH AND CASH EQUIVALENTS	4,679,626	3,709,390

25. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

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26. CONVERSION TO AN ACADEMY TRUST

On 1 October 2018 and 1 April 2019 The King Alfred School and Pawlett Primary School (respectively) converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Priory Learning Trust from Somerset County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance Sheet under the appropriate heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - transfer from local authority on conversion.

Land and buildings have been included in the accounts at an estimation of their value at the date of conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities.

The King Alfred School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	20,261,602	20,261,602
Budget surplus on LA funds	206,067	33,140	-	239,207
Budget surplus on other school funds	44,601	-	-	44,601
LGPS pension deficit	-	(667,000)	-	(667,000)
NET ASSETS/(LIABILITIES)	250,668	(633,860)	20,261,602	19,878,410

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26. CONVERSION TO AN ACADEMY TRUST (CONTINUED)

The above net assets include £283,808 that was transferred as cash.

Pawlett Primary School

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Leasehold land and buildings	-	-	573,810	573,810
Budget surplus on LA funds	36,251	8,835	-	45,086
Budget surplus on other school funds	5,640	-	-	5,640
LGPS pension deficit	-	(13,000)	-	(13,000)
NET ASSETS/(LIABILITIES)	41,891	(4,165)	573,810	611,536

The above net assets include £45,086 that were transferred as cash.

27. CAPITAL COMMITMENTS

At 31 August 2019 the Academy Trust had capital commitments as follows:

	2019 £	2018 £
Contracted for but not provided in these financial statements	433,144	269,583

28. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Bath and North East Somerset Council and Devon County Council. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £328,644 were payable to the schemes at 31 August 2019 (2018 - £231,141) and are included within creditors.

**NOTES TO THE FINANCIAL STATEMENTS
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28. PENSION COMMITMENTS (CONTINUED)

TEACHERS' PENSION SCHEME

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

The employer's pension costs paid to TPS in the year amounted to £2,084,359 (2018 - £1,415,492).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

28. PENSION COMMITMENTS (CONTINUED)

LOCAL GOVERNMENT PENSION SCHEME

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,455,000 (2018 - £944,000), of which employer's contributions totalled £1,129,000 (2018 - £730,000) and employees' contributions totalled £ 326,000 (2018 - £214,000). The agreed contribution rates for future years are 23.68 per cent for employers and 5.5% - 12.5% per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions

	2019 %	2018 %
Discount rate for scheme liabilities	1.8%	2.8%
Rate of increase in salaries	3.5%	3.6%
Rate of increase for pensions in payment / inflation	2.1%	2.2%
Inflation assumption (CPI)	2.0%	2.1%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	23.7	23.6
Females	26.2	26.1
<i>Retiring in 20 years</i>		
Males	26.8	26.2
Females	28.8	28.8

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	477	339
Mortality assumption - 1 year increase	(506)	(266)
CPS rate +0.1%	(501)	(348)

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

28. PENSION COMMITMENTS (CONTINUED)

The Trust's share of the assets in the scheme was:

	At 31 August 2019 £	At 31 August 2018 £
Equities	4,911,000	2,348,000
Bonds	1,117,000	694,000
Other bonds	-	736,000
Property	573,000	555,000
Cash	206,000	227,000
Other	2,693,000	1,424,000
Total market value of assets	9,500,000	5,984,000

The actual return on scheme assets was £563,000 (2018 - £249,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(1,798,000)	(1,237,000)
Past service cost	(602,000)	-
Interest income	204,000	106,000
Interest cost	(594,000)	(324,000)
Loss on curtailments	(223,000)	(24,000)
Total	(3,013,000)	(1,479,000)

Changes in the present value of the defined benefit obligations were as follows:

	2019 £	2018 £
Opening defined benefit obligation	15,144,000	12,324,000
Upon conversion	2,457,000	2,372,000
Past service cost	602,000	-
Current service cost	1,798,000	1,237,000
Interest cost	516,000	324,000
Employee contributions	326,000	214,000
Actuarial (gains) / losses	5,298,000	(1,292,000)
Benefits paid	(54,000)	(59,000)
Loss on curtailments	223,000	24,000
Closing defined benefit obligation	26,310,000	15,144,000

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

28. PENSION COMMITMENTS (CONTINUED)

Changes in the fair value of the Trust's share of scheme assets were as follows:

	2019 £	2018 £
Opening fair value of scheme assets	5,984,000	4,579,000
Upon conversion	1,777,000	287,000
Settlements	48,000	-
Interest income	228,000	123,000
Actuarial gains	86,000	127,000
Employer contributions	1,129,000	730,000
Employee contributions	326,000	214,000
Benefits paid	(54,000)	(59,000)
Administration expenses	(24,000)	(17,000)
Closing fair value of scheme assets	9,500,000	5,984,000

29. OPERATING LEASE COMMITMENTS

At 31 August 2019 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Company 2019 £	Company 2018 £
Not later than 1 year	66,641	51,183
Later than 1 year and not later than 5 years	24,426	62,912
	91,067	114,095

30. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures.

During the year The Priory Learning Trust made purchases of £3,540 (2018: £1,818) from Grand Pier Limited of which a Trustee, M Michael, is a director and shareholder. A prepayment balance of £3,207 in respect of these transactions has been accounted for within these financial statements.

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

31. TEACHING SCHOOL TRADING ACCOUNT

	2019	2019	2018	2018
	£	£	£	£
Income				
DIRECT INCOME				
Teaching school grants	158,753		102,250	
TOTAL INCOME		158,753		102,250
Expenditure				
DIRECT EXPENDITURE				
Direct staff costs	92,681		94,936	
Other expenditure	63,205		7,314	
TOTAL DIRECT EXPENDITURE	155,886		102,250	
TOTAL EXPENDITURE		155,886		102,250
Surplus from all sources		2,867		-
TEACHING SCHOOL BALANCES AT 31 AUGUST		2,867		-