

Company Registration Number: 07698707 (England & Wales)

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020



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

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**THE PRIORY LEARNING TRUST
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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Paul Brett John Penrose Jonquil Brooks Ron Richards
Trustees	Barry Wratten, Chair of Trustess to 31/08/2020 ^{1,3} Neville Coles, Executive Principal (EP), Chief Executive Officer (CEO) from 1 September 2020 ^{1,2,3} Victoria Butterfield (resigned 12 October 2019) ^{1,2} Rod Sibley ^{1,2} John Richardson ^{1,2,3} Ian Cook ^{1,2} Michelle Michael ^{2,3} Katie Dominy, Chair of Trustees from 01/09/20 (appointed 1 December 2019) ^{1,3} Diane Davey ^{1,2} Michael Westlake (appointed 19 September 2019) ^{1,2} David Stickels (appointed 25 September 2019) ^{1,3} ¹ Resource Committee ² Pay Committee ³ Provisions and Outcomes 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
Strategic Central Leadership Team	Neville Coles, Chief Executive Officer (CEO) / Accounting Officer (AO) Mark Antoine, Chief Operations Officer (COO) / Chief Financial Officer (CFO) Helen Burge, Deputy COO (DCOO) Gail Webb, Head of School Improvement (HOSI) Danni Laing, Head of Human Resources (HR) Lisa Dadds, Head of Primary Education (HOPE) Sarah Gibbon, Chief Data/ Analytics Officer
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 10 Temple Back Bristol BS1 6FL

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Bankers	Lloyds Bank Plc High Street Worle Weston-super-Mare BS22 6JS
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA

**THE PRIORY LEARNING TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020**

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2020. The annual report serves the purpose of both a Trustees' report, and a Directors' report under Company Law.

The Priory Learning Trust (TPLT/ the Trust) operates 6 schools across North Somerset and Somerset.

Weston Hub	Phase	Capacity	Numbers on Roll
Priory Community School – an Academy	Secondary	1,442	1,438
Worle Community School – an Academy	Secondary	1,500	1,389
Castle Batch Primary School Academy	Primary	420	418
St Anne's Church Academy	Primary	420	399

Highbridge Hub	Phase	Capacity	Numbers on Roll
The King Alfred School – an Academy	Secondary	1,400	1,358
Pawlett Primary School Academy	Primary	105	68

The numbers included for capacity and on roll exclude the students in any nursery provision across the Trust. TPLT has received approval from the Regional Schools Commissioner South West (RSC SW) for two further schools to join the Trust in 2021 – East and West Huntspill Primaries to join the Highbridge Hub in April 2021.

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 governing documents of the Trust.

On 1 August 2016 Priory Community School, a single academy Trust - became a Multi-Academy Trust and changed its name to TPLT. Priory Community School – an Academy became part of TPLT.

On 1 April 2018 TPLT adopted new Articles of Association together with a Memorandum of Understanding (MoU) to reflect the requirements of the Diocese of Bath and Wells when welcoming a Church of England school to become part of the Trust.

The Trustees of TPLT are also the Directors / Trustees of the charitable company for the purposes of Company Law.

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

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.

Trustees' Indemnities

The Trust and all academies are insured through the UK Government Risk Protection Arrangement (RPA). The Governors Liability section of the RPA will indemnify Governors, members of the governing body or board of governors; employees of the Trust acting in a managerial capacity and any employee named as a co-defendant in a claim made against a Governor/Director/Trustee of a Trust, or a person who sits on a local governing body (a committee established for an academy by the Trust in accordance with its Articles).

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

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. These set out that the Trust shall have up to 9 Trustees appointed by Members, with the Diocese of Bath and Wells requiring that 50% of Members and Trustees be appointed by them as "Foundation Directors".

The Executive Principal (EP) became the Chief Executive Officer (CEO) from 1st September 2020 and is also an ex-officio Trustee. For the purpose of this report, the term CEO will be used throughout.

Trustees are appointed for a four-year period, except that this time limit does not apply to the CEO. 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 Trust'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 an opportunity to tour the academies in the Trust and a chance to meet staff and students. All Trustees are provided with the "Handbook" produced for Trustees and Academy Councillors (ACs). This clearly states the expectations of a Trustee / AC with regard to attendance at meetings and support for the Trust or an academy. This is updated annually to reflect for example the TrustFRM (TFRM) and changes to Safeguarding guidance and/or procedures.

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 North Somerset and Somerset Local Authorities and other bodies.

TPLT signed up to support provided by Optimus Education, iHASCO, the Confederation of School Trusts (CST) and use the National Governors Association (NGA) for regular online support and training. As the Trust has grown, all Trustees and ACs have undertaken more formal training in Prevent and Safeguarding annually. The Trust also uses personnel from Support Services for Education to provide training for Trustees and ACs.

Organisational Structure

The Board of Trustees normally meets four times a year. Those meetings are timetabled a year in advance and are timed to match the AC meetings to receive their reports 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, various meetings have occurred between Trustees and members of the Central Team (CT) to move forward a process of streamlining the interactions between the two. This has arisen because the Trust is seeking to grow and it has become imperative to rationalise the way the dynamic between the Board and CT occurs. Added to this, the Trust has managed a transitional year prior to a new Chair of Trustees, Katie Dominy, taking up her position in September 2020; Katie works full time and the opportunity to be available for face-to-face meetings is naturally limited.

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**TRUSTEES' REPORT (CONTINUED)
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The rationalisation of this interface has led to some deep thinking about the operational activities of Trustees and has further impelled the development of the role of the CEO as opposed to EP (requiring the separation of the school improvement capacity initially provided by the EP). We have also continued to work to clarify the responsibilities of our AC's building on the work of last year and have strengthened the Board's liaison with them.

The Scheme of Delegation has been further modified to reflect greater centralisation in several business elements of the Trust's work (although retaining "Triggers" for the removal of delegated powers). These arrangements came into force on 1 September 2020. The Board, via the CT, 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:

- **Resources Committee** – This meets three times per year (in Terms 1,3 and 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 AO/CFO 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. The Resources Committee also meets to receive the Monthly Management Accounts (MMAs) an additional three times a year.
- **Pay Committee** – This is a sub-committee of the Resources Committee. It meets when needed and annually to review and modify the Pay Policy (for example in light of the School Teachers' Pay and Conditions Document). ACs receive and decide upon all pay recommendations made following the annual appraisal cycle by each Principal. All pay scales will be determined by the Trustee Pay Committee. AC's will hear appeals against decisions made at academy level. Consistency across the Trust will be assured by the CT. With regard to the salary of Principals, the process will be undertaken by the CEO – delegated to HOSI and HOPE - who will make recommendations to the Trustees' Pay Committee. The Trustees will continue to appraise the CEO.
- **Provision and Outcomes Committee** - This meets three times per year (in Terms 1,3 and 5). Meetings follow two weeks after the scrutiny panels. Scrutiny panels, comprising at least two Trustees together with the CEO and advised by the HOSI and HOPE, meet to hold to account the ACs of each academy for the academic, behaviour and pastoral progress, outcomes and achievements of their academy. All receive data from the Trust's Chief Analytics Officer. Each scrutiny panel generates a note from the Board Chair to the Chair of each AC requiring a response prior to the Provision & Outcomes Committee Meeting. This process underpins the Trust Board's monitoring of performance and could trigger a withdrawal of delegated authority from an individual academy if the Board decide this is necessary.
- **Strategy Meetings** – Held when required. These are held to ensure sufficient time for the Trust Board to consider a major change to the Trust – for example, the addition of another academy.

The Scheme of Delegation sets out the limits of the responsibilities of the full organisational structure of TPLT including Members, Trustees, CT, ACs and Principals. This is reviewed annually.

The Trustees of TPLT have devolved the day-to-day management of the Trust to the CEO and CT including the COO. The day-to-day management of academy's within the Trust is devolved to the Principals and Leadership Teams. Line management of the Principals is the responsibility of the CEO – delegated to HOSI and HOPE .

The Leadership Team at each academy consists of the Principal/Vice Principal(s)/Leadership Team staff and Academy Operations Managers. The Principal controls the academy at a leadership level working under the direction of the Strategic Central Leadership Team of TPLT, implementing the policies laid down by the Trustees.

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The COO and Business Services Manager of the CT, and the Operations Managers at each academy collectively oversee financial and business matters.

The Chair of the Board, CEO, COO, Academy Operations Managers and Business & 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 CEO and Principals are responsible for the appointment of staff, through appointment panels. For leadership posts, the panels often include a Trustee or Governor.

The CEO is the AO.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

During the year, pay and remuneration was determined in accordance with the Pay Policy, which 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 set out in the STPCRB document, usually annually each August. The amended Pay Policies are received by the Resource Committee via the Pay Committee for approval.

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

The Trust Pay Committee receives a report on the outcomes of the appraisal system from the Head of HR / CEO in relation to the CT and Principals. The Pay Committee separately conducts the appraisal of the CEO and makes appropriate recommendation to the Board of Trustees regarding changes in remuneration.

The Chair of each AC and a member of the CT (HOSI / HOPE) will have an annual appraisal / review meeting with the Principal to assess performance.

ACs also have responsibility, supported by the CT, for hearing pay appeals.

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TRADE UNION FACILITY TIME: 1 April 2019 – 31 March 2020

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
7	6.49

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	5
1%-50%	2
51%-99%	0
100%	0

Percentage of pay bill spent on facility time

Provide the total cost of facility time	£432.25
Provide the total pay bill	£22.7M
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0.00%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100	0%
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Connected Organisations, including Related Party Relationships

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.

Engagement with suppliers, customers and others in a business relationship with the Trust

TPLT is committed to having, clear, transparent and mutually beneficial business and community relationships with suppliers, customers, the communities in which their academies operate and other stakeholders.

Trustees and the CT, as public office-holders, are both servants of the public and stewards of public resources and are expected to act in accordance with the 7 principles of Public Life (also known as the Nolan Principles) detailed at <https://www.gov.uk/government/publications/the-7-principles-of-public-life/the-7-principles-of-public-life-2>.

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Trustees act in good faith to promote the success of the Trust and in doing so have regard to:

- The likely consequence of any decision in the long term
- The interests of the Trust employees
- The need to foster the company's business relationships with suppliers, customers and others
- The impact of the Trusts operations on the community and the environment
- The desirability of the Trust maintaining a reputation for high standards of business conduct

The Trust was fully engaged and compliant with the requirements to support suppliers during the Coronavirus (COVID-19) outbreak in the measures set out in the Governments Procurement Policy Notes (PPN) 02/20, which was in place from 19 March to 30 June 2020 and PPN 04/20 from 1 July which remains extant to 30 October 2020. These advised all public sector contracting authorities to support their at risk suppliers in a range of ways to ensure business and service continuity, protect jobs and help ensure suppliers are in a position to resume normal contract delivery once the COVID-19 outbreak is over.

A fully operational finance function remained in place and all suppliers were paid in full and to agreed terms. Particular engagement and support was provided and agreed with the two catering providers to the Trust, Pabulum and Chartwells.

Please see the **Public Benefit** section below with regard to community engagement.

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 academies offering a broad and balanced curriculum. To promote for the benefit of the inhabitants of North Somerset and Somerset, 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.

The aims of the Trust during the year ended 31 August 2020 are summarised below:

- Promote happy academy communities where students come first and all staff are valued and cherished
- Develop all students as successful learners, confident individuals and responsible citizens
- Raise standards for all learners by sustaining and enhancing educational performance
- Meet the needs of all learners with appropriate challenge for all through a broad and balanced curriculum
- Fulfil our moral purpose by engaging and collaborating to help improve the life chances of all young people, locally, nationally and globally
- Ensure wider aspects of schooling are valued and supported, such as sport, art, music and all co-curricular activities
- Develop each academy site so that it enables students to achieve their full potential
- Improve the effectiveness of each academy by keeping the curriculum and organisational structure under continual review
- Provide value for money for the funds expended
- Comply with all appropriate statutory and curriculum requirements
- Maintain close links with industry and commerce
- Develop each academy's capacity to manage change
- Conduct each academy's business in accordance with the highest standards of integrity, probity and openness – the Nolan principles
- To be the first choice for parents/carers and students in our region

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

At all academies 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 students, staff and parents should be part of a happy and caring environment.

Objectives, Strategies and Activities

Our aim is to provide our students 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 the School's Improvement Plans (SIPs), which are available from each academy.

A key aim is for each secondary academy to achieve great exam outcomes annually - thus enabling a positive Progress 8 score.

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 2020-2021 is no different - ambitious targets are set again despite the COVID-19 disruption.

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.

Our 2020-2023 Strategic Plan (SP) is in place to further develop governance, outcomes, growth, people and business services.

- A 5-year capital plan is being prepared in line with the School Condition Allocation (SCA) funding.
- Improving literacy by alignment of policy across the Trust and the embedding of a daily tutor reading programme for all in the secondary sector – Year 7-10.
- Embedding of the 'Coaching 15' programmes for teachers across TPLT academies – a coaching programme for all teachers.
- Further development of marking and feedback and presentation within books – alignment of this policy across the Trust.
- Further curriculum alignment across the Trust – especially developments with the Humanities and Design Technology hubs.
- Further 'conduct' policy alignment across the Trust – especially the use of 'managed moves' and the development of Alternative Provision. The 'primary lesson' will be developed and brought together across our primary academies.
- A 'Transition Policy' is fully in place across the Trust led by the HOPE – developing an approach to education from Year 5-9.
- Provision of additional adults in classrooms through use of School Direct staffing - 41 School Direct Trainees will join the Trust in 2020-2021.

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**TRUSTEES' REPORT (CONTINUED)
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- A full time Director of Teaching School Alliance (TSA) continues this strong work – further development of TPLT TSA. The TSA moves from being funded nationally to self-sufficiency.
- Directors of Maths, English and Science employed centrally to lead teaching and learning development and achieve great outcomes.
- Centralisation of services will continue – both in physical setting and in costings centrally – the HR and Finance teams are now centralised.
- Further analysis of our Progress 8 measure / primary progress measures and the introduction of the new reformed GCSEs. 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 North Somerset and Somerset and the surrounding areas. In particular, but without prejudice, to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing academies offering a broad and balanced curriculum.

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.

- Priory Community School – an Academy (PCSA)
- Worle Community School - an Academy (WCSA)
- Castle Batch Primary School Academy (CBPSA)
- St Anne's Church Academy (SACA)
- The King Alfred School – an Academy (TKASA)
- Pawlett Primary School Academy (PPSA)

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Outcomes across Early Years, KS1 and KS2

Early Years Foundation Stage (EYFS)	National 2019	Trust 2019	Trust 2020 **
Good Level of Development	72%		N/A
Year 1	National 2019	Trust 2019	Trust 2020 **
Phonics Screening Check	82%	80%	N/A
KS1	National 2019	Trust 2019	Trust 2020 **
Reading Expected Standard	75%	73%	71%
Writing Expected Standard	69%	67%	62%
Mathematics Expected Standard	76%	76%	70%
KS2	National 2019	Trust 2019	Trust 2020 **
Reading Expected Standard	73%	73%	80%
Writing Expected Standard	79%	83%	75%
Mathematics Expected Standard	79%	65%	78%
Reading, Writing & Mathematics Combined Expected Standard	65%	56%	70%
English Grammar, Punctuation & Spelling Expected Standard	78%	75%	N/A
KS2	National 2019	Trust 2019	Trust 2020 **
Reading Higher Standard	27%	31%	28%
Writing Higher Standard	20%	22%	22%
Mathematics Higher Standard	36%	27%	24%
Reading, Writing & Mathematics Combined Higher Standard	27%	12%	14%
English Grammar, Punctuation & Spelling Higher Standard	11%	22%	N/A

** The 2020 national curriculum assessments did not take place due to the COVID-19 pandemic. The figures quoted will not appear in the Department for Education (DfE) Performance Tables, and are indicative only, being based on teacher assessments made in March 2020 prior to the national lockdown. No comparisons should be made with previous years' performance.

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Teacher assessments for 2020 **

	Castle Batch	Pawlett	St Anne's
Number of students	57	12	62
KS1 Reading	Castle Batch	Pawlett	St Anne's
Expected Standard	63%	75%	77%
Higher Standard	19%	8%	23%
KS1 Writing	Castle Batch	Pawlett	St Anne's
Expected Standard	58%	42%	69%
Higher Standard	7%	0%	18%
KS1 Maths	Castle Batch	Pawlett	St Anne's
Expected Standard	61%	75%	77%
Higher Standard	18%	0%	18%

	Castle Batch	Pawlett	St Anne's
Number of Students	63	3	29
KS2 Reading	Castle Batch	Pawlett	St Anne's
Expected Standard	78%	33%	90%
Higher Standard	22%	0%	45%
KS2 Writing	Castle Batch	Pawlett	St Anne's
Expected Standard	73%	0%	86%
Higher Standard	16%	0%	38%
KS2 Maths	Castle Batch	Pawlett	St Anne's
Expected Standard	75%	33%	90%
Higher Standard	16%	0%	45%
KS2 English Grammar, Punctuation & Spelling	Castle Batch	Pawlett	St Anne's
Expected Standard	N/A	N/A	N/A
Higher Standard	N/A	N/A	N/A
KS2 Combined	Castle Batch	Pawlett	St Anne's
Expected Standard	65%	33%	86%
Higher Standard	11%	0%	21%

** The 2020 national curriculum assessments did not take place due to the COVID-19 pandemic. The figures quoted will not appear in the DfE Performance Tables, and are indicative only, being based on teacher assessments made in March 2020 prior to the national lockdown. No comparisons should be made with previous years' performance.

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**TRUSTEES' REPORT (CONTINUED)
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Secondary outcomes – Key Stage 4

Headlines	The Priory Learning Trust	
	2019	2020 **
Number in cohort	720	746
English & maths 9-4	63%	71%
English & maths 9-5	35%	46%
Progress 8	-0.15	0.17
Attainment 8	44.0	48.0
EBACC Points	3.79	4.11

Headlines	Priory		King Alfred		Worle	
	2019	2020 **	2019	2020 **	2019	2020 **
Number in cohort	256	251	221	214	243	281
English & maths 9-4	63%	70%	41%	69%	32%	74%
English & maths 9-5	33%	42%	65%	48%	62%	49%
Progress 8	-0.13	0.27	-0.09	0.10	-0.26	0.14
Attainment 8	44.0	47.9	46.9	49.3	42.2	47.1
EBACC Points	3.79	4.12	3.99	4.20	3.54	4.03

** On 18 March 2020, the Secretary of State announced that the summer 2020 exam series would be cancelled in order to help fight the spread of the COVID-19. Ofqual, the exams regulator, put in place a process whereby academies submitted Centre Assessed Grades and rankings within each grade, generated by teachers within each academy. These results were then subject to a standardisation process to ensure that grades awarded for this series would be fair to all students. The results from this exam series will not be used in the DfE Performance Tables, and no Progress 8 figure will be generated nationally. Progress 8 figures can be estimated based on 2019 results, and these figures are shown in the table above. No comparisons should be made with previous years' performance.

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Secondary Outcomes – Key Stage 5

Headlines	King Alfred	
	2019	2020 **
Number in cohort	48	51
Average Points per Entry	29.77	32.90
Average Grade	C	C+
3 x A*-B	17%	20%
3 x A*-E	71%	65%
2 x A*-E	88%	96%
Average Points Score	80.63	89.02
Overall A*-A	13%	25%
Overall A*-C	67%	73%
Overall A*-E	94%	97%

** On 18 March 2020, the Secretary of State announced that the summer 2020 exam series would be cancelled in order to help fight the spread of the COVID-19. Ofqual, the exams regulator, put in place a process whereby academies submitted Centre Assessed Grades and rankings within each grade, generated by teachers within each academy. These results were then subject to a standardisation process to ensure that grades awarded for this series would be fair to all students. The results from this exam series will not be used in DfE Performance Tables. No comparisons should be made with previous years' performance.

Key Performance Indicators

As funding is based on pupil numbers this is a key performance indicator. TPLT student numbers have grown from Autumn 2019 to Autumn 2020 as shown below:

Academy	2019 Autumn Census	2020 Autumn Census
Castle Batch Primary School Academy	422	415
Pawlett Primary School Academy	55	63
Priory Community School - an Academy	1,402	1,423
St Anne's Church Academy	370	387
The King Alfred School Academy	1,276	1,322
Worle Community School - an Academy	1,434	1,383
Total	4,959	4,993

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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

There has been an overall growth of 34 students across the Trust's schools. Priory Community School – an Academy and St Anne's Church Academy have grown as a result of planned expansion in pupil numbers, although St Anne's Church Academy has now completed its planned growth. The King Alfred School Academy has grown, partly due to the success of recruiting students into the sixth form. Pawlett Primary School Academy has grown as a result of being at PAN for Year R and more local families sending their children to their local school. Castle Batch has seen a small drop in numbers, which reflects the demographics of the local area, with less primary age children living in the local community. Worle Community School numbers have dipped, mostly as a result of the opening of another local secondary school in the vicinity.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2020 this was 105% compared to 103% in 2019.

GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the academies have 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 Statement of Accounting Policies.

FINANCIAL REVIEW

Most of the Trust's income is obtained from the DfE via the Education and Skills Funding Agency (ESFA) in the form of recurrent funding/grants, the use of which is restricted to particular purposes. The funding/grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities. No funds are raised from the public.

The Trust also receives funding/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 is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Trust's accounting policies.

During the year ended 31 August 2020, total expenditure of £30,028,703 was covered by recurrent funding/grants from the DfE, together with other incoming resources, excluding capital funding, of £27,856,186. The excess of expenditure over income for the year (excluding restricted fixed asset funds) was £692,718.

At 31 August 2020 the net book value of fixed assets was £63,620,446 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 students of the Trust.

Key financial policies adopted or reviewed during the year include the Finance Policy which sets out the framework for financial management, including financial responsibilities of the Board, Principals, Managers, Budget Holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included:

- Anti-Bribery and Corruption
- Business Ethics
- Charging and Remissions
- Debt Recovery
- Fixed Asset and Disposal
- Members, Trustees and Governors Allowances
- Travel Expenses

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees review the reserve levels of the Trust 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 Trust, the uncertainty over future income streams and other key risks identified during the risk review.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Trust 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 academies. Provision has been made in 2019 with Avon Pension Fund to allow for the effect of the McCloud Judgement on eligible employees' entitlements which has still to be realised.

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 COO, Principals and Academy Operations Managers, within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties facing the Trust are as follows – a clear overarching concern is the risk of further COVID-19 disruption to the education and business sectors across the UK. This is under constant review and risk assessment.

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme (LGPS)), which is set out in note 26 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised.

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

**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. This area of risk was heightened with the move to Multi-Academy Trust 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.

Reputational - the continuing success of the Trust is dependent on continuing to attract students 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 – especially at WCSA.

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.

Staffing - the success of the Trust 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.

Fraud and mismanagement of funds – the Trust has appointed an AO/CFO to carry out checks on financial systems and records as required by the Academies Financial Handbook (AFH). All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Trust has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A Trust risk register is maintained and reviewed and updated on a regular basis. Bishop Fleming have provided Trustees, the CT and Principals with risk training.

IMPACT OF COVID-19 ON TRUST ACTIVITIES

The nationally imposed 'Lockdown' due to the COVID-19 pandemic came into effect from Monday 23 March 2020, but the Government required schools and academies to maintain provision for vulnerable students and children of identified key workers.

- SACA remained open throughout for vulnerable students and EYFS and Primary age children of identified key workers. The in-house catering provision was also maintained.
- PCSA remained open throughout for vulnerable students and Secondary age children of identified key workers, as well as those from WCSA.
- TKASA remained open throughout for vulnerable students and Secondary age children of identified key workers.
- A full programme of blended learning and online resources was made available to all students across the Trust. This was monitored on a weekly basis with regard to uptake and engagement.
- All government advice and guidance issued was fully considered and implemented during this time.
- The Free School Meal voucher scheme was fully implemented and managed throughout for all eligible and identified students across the Trust.
- Chromebooks made available via the DfE scheme were applied for, received and allocated to identified students across the Trust to access learning and resources.
- As restrictions were eased and further government guidance was issued regarding partial re-opening, full and thorough risk assessments were carried out for each academy and received, with other supporting documentation, by Trustees for consideration.
- It was approved by Trustees that the primary academies (SACA/CBPSA/PPSA) reopened on 1 June 2020 to key worker children only and from the 8 June 2020 opened to vulnerable and key worker children Reception, Year 1 and Year 6.
- It was further approved by Trustees that WCSA re-opened to vulnerable students and children of identified key workers from Wednesday 10 June 2020 and that PCSA, WCSA and TKASA reopened to Year 10 students from Monday 15 June 2020 and from Monday 22 June 2020 for Year 12 students (TKASA only).

**THE PRIORY LEARNING TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

- After further advice and guidance from government and revised risk assessments being received by Trustees, it was approved that all Trust academies would fully reopen to all year groups from 1 September 2020.
- Due to the Trust strong reserves position, no additional funding claims were made to the DfE.

STREAMLINED ENERGY AND CARBON REPORTING

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	1,938,518.74 kWh
Energy consumption break down (kWh) (optional) • gas, • electricity, • transport fuel	Gas – 372,895 kWh Electricity – 1,690,987 kWh Transport fuel – 18,348 miles
Scope 1 emissions in metric tonnes CO ₂ e Gas consumption Owned transport – mini-buses Total scope 1	Gas - 66.17 CO ₂ e School vehicles – 2.54 CO ₂ e
Scope 2 emissions in metric tonnes CO ₂ e Purchased electricity	Electricity – 364.22 CO ₂ e
Scope 3 emissions in metric tonnes CO ₂ e Business travel in employee owned vehicles Total gross emissions in metric tonnes CO ₂ e	Staff mileage – 1.56 CO ₂ e 434.48 CO ₂ e
Intensity ratio Tonnes CO ₂ e per pupil	0.09 CO ₂ e

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes of CO₂e per student, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Our three year TPLT SP (2020-2023) includes for the first time an Environmental Sustainability strand. Academies are to conduct baseline reviews in 2020-21 in the following areas:

- Carbon and energy management
- Waste management
- Sustainable travel management
- Water management
- Biodiversity management
- Sustainable procurement
- 'Green' design, construction, renovation, and maintenance

**THE PRIORY LEARNING TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

We aim to reduce Trust energy usage and our carbon footprint (reduction target of 1% per year going forward) and will do this by undertaking an energy audit in our academies and learn how to implement the actions we need to take to reduce our carbon footprint, focusing initially on these areas:

- **Our energy data** - To identify our energy spend when no students are in an academy and work to reduce this. This could be supported by the use of **smart meters** to improve our understanding of energy consumption.
- **Consider installing solar panels** - After completion of roofing replacement/refurbishment projects.
- **LED lighting** - Wherever we are refurbishing rooms we are upgrading the lighting systems to LED lighting.

In addition, as a result of the COVID-19 national lockdown, we have increased video conferencing technology for staff meetings, to reduce the need for travel between sites. This is to continue post COVID-19.

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. It 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 academies to improve the educational opportunities for students in the wider community. We plan, in the secondary academies, to maintain small class sizes with academic outcomes being improved. This will especially be the case within English and maths classes. We will explore developing a new primary academy in the Highbridge area in Somerset to support TKASA and assist primary outcomes in that region. East and West Huntspill Primaries will be joining the Highbridge Hub in April 2021. Full details of our plans for the future are given in our GO PLT SP which is available from the Clerk to the Trust.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

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

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

The Strategic Central Leadership Team plan all potential development changes for the Trust and work in partnership with all stakeholders, which includes employees, unions, Local ACs, Trustees and other key 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 published on our website or through our HR department. Where staff are disabled or become disabled, we encourage them to advise us about their condition so that we can consider what reasonable adjustments or support may be appropriate.

Engagement with employees (including disabled persons)

The Trust engages with their employees through many means and methods, including:

- Consulting with employees on key matters, including engaging the relevant union officials
- Regular updates to all staff members, via termly updates and newsletters, covering both financial and non-financial performance

**THE PRIORY LEARNING TRUST
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**TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

AUDITORS

In so far as the Trustees are aware:

- There is no relevant audit information of which the charitable company's auditors are unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

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, approved by order of the Board of Trustees, as company directors, on 10 December 2020 and signed on the board's behalf by:



Barry Wratten
Chair of Trustees
to 31 August 2020



Neville Coles
Accounting Officer

**THE PRIORY LEARNING TRUST
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that TPLT has an effective and appropriate system of controls, both 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 CEO, as AO, 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. The CEO is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

GOVERNANCE STATEMENT (CONTINUED)

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 4 times during the year. There were an additional 3 meetings held during May-August 2020 to consider implications of COVID-19 and risk assessments for reopening. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Trustee	Resource	Pay Committee	Provisions and Outcomes
Barry Wratten	7 of 7	6 of 6	-	3 of 3
Neville Coles	7 of 7	5 of 6	3 of 3	3 of 3
Michelle Michael	3 of 7	-	2 of 3	1 of 3
John Richardson	7 of 7	-	3 of 0	3 of 3
Rod Sibley	7 of 7	6 of 6	3 of 3	3 of 3
Michael Westlake	5 of 6	1 of 6	1 of 0	-
Ian Cook	6 of 7	4 of 6	1 of 2	-
Di Davey	5 of 7	3 of 6	3 of 3	-
David Stickels	5 of 6	4 of 0	-	2 of 2
Katie Dominy	5 of 6	3 of 0	-	2 of 0

Victoria Butterfield attended no meetings this year.

- 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 Di Davey (former CEO of the Royal Life Saving Society) and Katie Dominy (Head of HR at the Soil Association). Business and strategy skills were boosted with the appointments of David Stickels (former CEO of several charities) and Michael Westlake (Auto Desk – USA). Five of the Trustees are Foundation Trustees, nominated by the Board and endorsed by the Diocese of Bath & Wells.
- Trustees are confident in the quality of the data presented. Strict timetabled consideration of financial data is achieved through monthly monitoring of the budget in accordance with ESFA regulation and ensures 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 ACs on the use and understanding of dashboard data as required).
- 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 ACs are timed to have reports ready for a Trustee resource committee meeting).
- Skills audit. The National Governors Association (NGA) model is used by the MAT's Trustees and the ACs. This NGA model takes 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 Trusts recruitment officer assist in recruiting Trustees as well as school newsletters aimed at parents of reception and year 7 parents.
- A full review of governance and governance structures has been undertaken by CST working alongside a senior Trustee and a small implementation working group has been set up. This work is nearing completion especially regarding the streamlining of operational responsibilities and the development of the role of CEO.
- Led by the Clerk (whose role is also being developed), the CST has undertaken a self-assessment programme for the Board prior to the academic year 2020-21. The methodology and paperwork generated will be deployed for Academy Councils to undertake their own self-evaluations in the next year.

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

GOVERNANCE STATEMENT (CONTINUED)

REVIEW OF VALUE FOR MONEY

The AO of TPLT accepts that he is responsible and accountable for ensuring that the Trust delivers good value in the use of public resources. The AO is aware of the TFRM, the AFH and the guide to value for money statements published by the ESFA; and understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

Set out below is how the Trust ensures that the use of its resources has provided good value for money during the academic year.

Trustees are very satisfied that robust financial procedures operate throughout the Trust. These focus on ensuring that TPLT achieves value for money. Authorisation limits are set for all orders and requirements for quotations and tender processes are fully detailed in the TFRM with the financial procedures being rigorously enforced.

The operation of the financial procedures are regularly audited by our AO/CFO, assisted by our auditors, with any recommendations for improvements being immediately implemented.

The Trust have made extensive use of the Integrated Curriculum Financial Planning (ICFP) toolkit, as recommended by both the DfE and the ESFA. This ensures that resources in each school are managed efficiently and effectively, whilst delivering a curriculum that enables students to achieve to their full potential.

Regular reviews of staff deployment take place and where appropriate, smaller classes are enabled to support learning.

A key metric for TPLT is to ensure that each academy is at capacity with its Pupil Admission Number, which maximises income for each academy. Student numbers are available within this report.

Capital investment within the Trust is planned to ensure maximum value for money, with each academy "bidding" for capital funding from the SCA grant via their Site Development Plans. This funding is managed centrally, allowing for the potential of larger capital projects to take place.

Where appropriate, we utilise experts to guide us in relation 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 ongoing 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 2019 to 31 August 2020 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, which has been in place throughout the period of this report 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 Chair of Resources, working with the CT, has developed a comprehensive risk register for all aspects of the Trust's work, highlighting the levels of risk and processes of mitigation.

**THE PRIORY LEARNING TRUST
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GOVERNANCE STATEMENT (CONTINUED)

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 MMAs which are received by the Chair of Trustees and reviewed 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 risk

The Board of Trustees has considered the need for a specific internal audit function and has appointed Bishop Fleming as internal assurance reviewer.

The internal assurance reviewer role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. This would normally be twice a year, but was only achieved once due to COVID-19 restrictions. The internal assurance 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.

Due to there being only one visit, the internal assurance reviewer carried out a limited range of checks e.g. bank, expenditure, fixed assets, VAT and related parties transactions, payroll, income, budgets and financial monitoring; no significant matters were reported. This was supplemented by discussions with senior management on aspects of risk management.

REVIEW OF EFFECTIVENESS

The AO / CEO 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 internal assurance reviewer (limited due to the impact of COVID-19);
- the work of the external auditors;
- the work of the CT leaders within the Trust who have responsibility for the development and maintenance of the internal control framework.

The AO has been advised of the implications of the result of their review of the system of internal control by the authorised person and a plan to address weaknesses and ensure continuous improvement of the system in place.

Approved by order of the members of the Board of Trustees on 10 December 2020 and signed on their behalf by:



Barry Wratten
Chair of Trustees
to 31 August 2020



Neville Coles
Accounting Officer

**THE PRIORY LEARNING TRUST
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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 Funding Agency of material irregularity, impropriety and non compliance with ESFA terms and conditions of funding, 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.

I confirm that I and the Trust Board of Trustees are able to identify any material irregular or improper use of 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.

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: 10 December 2020

**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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020 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.

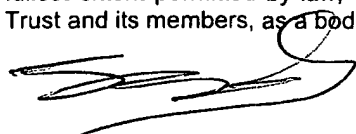
AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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
10 Temple Back
Bristol
BS1 6FL

Date:

17/12/20

**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 and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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.

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

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

govern them.

Date: 17/12/20

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

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

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
INCOME FROM:						
Donations and capital grants:	3					
Transfer on conversion		-	-	-	-	20,489,946
Other donations and capital grants		-	278,545	1,159,347	1,437,892	5,524,302
Charitable activities:	7					
Education		903,969	26,398,399	-	27,302,368	25,254,208
Teaching schools	29	-	178,250	-	178,250	158,753
Other trading activities	5	86,316	-	-	86,316	130,388
Investments	6	10,707	-	-	10,707	15,600
TOTAL INCOME		1,000,992	26,855,194	1,159,347	29,015,533	51,573,197
EXPENDITURE ON:						
Charitable activities:						
Education		1,027,029	27,340,758	1,479,799	29,847,586	27,974,437
Teaching schools		-	181,117	-	181,117	155,886
TOTAL EXPENDITURE		1,027,029	27,521,875	1,479,799	30,028,703	28,130,323
NET INCOME/(EXPENDITURE) BEFORE OTHER GAINS/(LOSSES)		(26,037)	(666,681)	(320,452)	(1,013,170)	23,442,874
Transfers between funds	17	-	(187,515)	187,515	-	-
NET MOVEMENT IN FUNDS BEFORE OTHER GAINS/(LOSSES)		(26,037)	(854,196)	(132,937)	(1,013,170)	23,442,874
OTHER RECOGNISED GAINS/(LOSSES):						
Actuarial losses on pension schemes	26	-	(357,000)	-	(357,000)	(5,212,000)
NET MOVEMENT IN FUNDS		(26,037)	(1,211,196)	(132,937)	(1,370,170)	18,230,874
RECONCILIATION OF FUNDS:						
Total funds brought forward		2,288,780	(15,569,054)	63,970,901	50,690,627	32,459,753
Net movement in funds		(26,037)	(1,211,196)	(132,937)	(1,370,170)	18,230,874
TOTAL FUNDS CARRIED FORWARD		2,262,743	(16,780,250)	63,837,964	49,320,457	50,690,627

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.

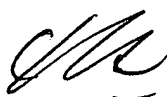
**THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER:07698707**

**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	14	63,620,446	63,522,311
		<u>63,620,446</u>	<u>63,522,311</u>
CURRENT ASSETS			
Debtors	15	890,344	1,592,310
Cash at bank and in hand		4,139,585	4,679,626
		<u>5,029,929</u>	<u>6,271,936</u>
Creditors: amounts falling due within one year	16	(1,715,918)	(2,293,620)
NET CURRENT ASSETS		3,314,011	3,978,316
TOTAL ASSETS LESS CURRENT LIABILITIES		66,934,457	67,500,627
Defined benefit pension scheme liability	26	(17,614,000)	(16,810,000)
TOTAL NET ASSETS		49,320,457	50,690,627
FUNDS OF THE TRUST			
Restricted funds:			
Fixed asset funds	17	63,837,964	63,970,901
Restricted income funds	17	833,750	1,240,946
		<u>64,671,714</u>	<u>65,211,847</u>
Restricted funds excluding pension asset	17	64,671,714	65,211,847
Pension reserve	17	(17,614,000)	(16,810,000)
Total restricted funds	17	47,057,714	48,401,847
Unrestricted income funds	17	2,262,743	2,288,780
TOTAL FUNDS		49,320,457	50,690,627

The financial statements on pages 32 to 63 were approved by the Trustees, and authorised for issue on 10 December 2020 and are signed on their behalf, by:

Barry Wratten
Chair of Trustees
to 31 August 2020



The notes on pages 35 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 2020**

	Note	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES			
Net cash (used in)/provided by operating activities	19	(132,161)	1,251,428
CASH FLOWS FROM INVESTING ACTIVITIES	21	(407,880)	(610,086)
CASH FLOWS FROM FINANCING ACTIVITIES	20	-	328,894
CHANGE IN CASH AND CASH EQUIVALENTS IN THE YEAR		(540,041)	970,236
Cash and cash equivalents at the beginning of the year		4,679,626	3,709,390
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	22, 23	<u>4,139,585</u>	<u>4,679,626</u>

The notes on pages 35 to 63 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

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.

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

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 2019 to 2020 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.

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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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.

• **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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 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.

1.8 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 OPERATING LEASES

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

1.11 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.

1.12 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES (continued)

1.13 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.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

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 26, 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 2020. 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 2020

3. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £	Total funds 2019 £
DONATIONS					
Transfer from Local Authority on conversion	-	-	-	-	20,489,946
	-	-	-	-	20,489,946
Donations	-	278,545	-	278,545	2,605,109
Capital Grants	-	-	1,159,347	1,159,347	2,919,193
	-	278,545	1,159,347	1,437,892	5,524,302
TOTAL 2020	-	278,545	1,159,347	1,437,892	26,014,248
TOTAL 2019	292,559	(596,666)	26,318,355	26,014,248	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

4. FUNDING FOR THE TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
DFE/ESFA Grants				
General Annual Grant	-	22,073,906	22,073,906	20,486,763
Start up Grants	-	31,200	31,200	199,900
Other DfE/ESFA grants	7,127	3,430,690	3,437,817	2,459,075
	7,127	25,535,796	25,542,923	23,145,738
Other Government Grants				
High Needs	-	647,585	647,585	760,861
Other government grants non capital	-	215,018	215,018	223,799
	-	862,603	862,603	984,660
Other Funding				
Internal catering income	127,200	-	127,200	212,143
School trips and other	210,920	-	210,920	650,559
Nursery income	558,722	-	558,722	570,494
	896,842	-	896,842	1,433,196
TOTAL 2020	903,969	26,398,399	27,302,368	25,563,594
TOTAL 2019	1,433,196	24,130,398	25,563,594	

5. INCOME FROM OTHER TRADING ACTIVITIES

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings	62,343	62,343	110,428
Other	23,973	23,973	19,960
	86,316	86,316	130,388
TOTAL 2019	130,388	130,388	

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

6. INVESTMENT INCOME

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Bank interest	10,707	10,707	15,600
	<u>10,707</u>	<u>10,707</u>	
TOTAL 2019	15,600	15,600	
	<u>15,600</u>	<u>15,600</u>	

7. EXPENDITURE

	Staff Costs 2020 £	Premises 2020 £	Other 2020 £	Total 2020 £	Total 2019 £
EDUCATION:					
Direct costs	14,586,042	1,214,040	1,740,178	17,540,260	16,125,588
Allocated support costs	8,584,516	1,594,209	2,128,601	12,307,326	11,770,849
Teaching school	108,670	52,271	20,176	181,117	155,886
	<u>23,279,228</u>	<u>2,860,520</u>	<u>3,888,955</u>	<u>30,028,703</u>	<u>28,052,323</u>
TOTAL 2020	23,279,228	2,860,520	3,888,955	30,028,703	28,052,323
	<u>23,279,228</u>	<u>2,860,520</u>	<u>3,888,955</u>	<u>30,028,703</u>	<u>28,052,323</u>
TOTAL 2019	21,106,521	2,874,972	4,070,830	28,052,323	
	<u>21,106,521</u>	<u>2,874,972</u>	<u>4,070,830</u>	<u>28,052,323</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £	Total funds 2019 £
Education	17,540,260	12,307,326	29,847,586	27,896,437
	<u>17,540,260</u>	<u>12,307,326</u>	<u>29,847,586</u>	<u>27,896,437</u>
TOTAL 2019	16,125,588	11,770,849	27,896,437	
	<u>16,125,588</u>	<u>11,770,849</u>	<u>27,896,437</u>	

Analysis of direct costs

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of direct costs (continued)

	Total funds 2020 £	Total funds 2019 £
Pension finance cost	34,478	32,983
Staff costs	14,499,860	12,792,950
Depreciation	1,479,799	1,250,031
Educational supplies	753,693	1,021,524
Examination fees	301,138	319,519
Staff development	75,696	60,576
School trips and other costs	309,414	488,356
Supply teachers	86,182	159,649
	<u>17,540,260</u>	<u>16,125,588</u>

THE PRIORY LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES (CONTINUED)

Analysis of support costs

	Total funds 2020 £	Total funds 2019 £
Pension finance costs	277,522	279,017
Wages and salaries	8,584,516	8,151,307
Other costs	114,879	90,663
Recruitment and support	106,191	108,241
Maintenance of premises and equipment	1,159,813	899,510
Cleaning	105,939	126,571
Rent and rates	166,192	172,590
Energy costs	372,838	397,694
Insurance	62,683	111,752
Security and transport	25,886	42,632
Catering	296,035	305,336
Technology costs	290,403	267,170
Office overheads	220,519	317,770
Professional fees, including legal, purchased services and subscriptions	516,389	489,131
Bank interest and charges	6,265	9,524
Staff travel	469	410
Governance	787	1,531
TOTAL 2020	12,307,326	11,770,849

9. NET EXPENDITURE

Net expenditure for the year includes:

	2020 £	2019 £
Depreciation of tangible fixed assets	1,474,498	1,199,946
Operating lease rentals	69,537	78,208
Auditors' remuneration - audit	22,210	19,500
Auditors' remuneration - non audit	2,500	2,500

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. STAFF

a. STAFF COSTS

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	17,040,590	15,756,067
Social security costs	1,490,481	1,364,673
Pension costs	4,749,658	4,010,528
	<u>23,280,729</u>	<u>21,131,268</u>
Agency staff costs	86,182	159,649
Staff restructuring costs	87,683	94,330
	<u>23,279,228</u>	<u>21,196,587</u>

b. NON-STATUTORY/NON-CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £63,140 (2018: £28,370). Individually, the payments were £53,140 and £10,000.

c. STAFF NUMBERS

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

	2020 No.	2019 No.
Teachers	268	222
Administration and Educational Support	458	427
Management	36	42
	<u>762</u>	<u>691</u>

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Teachers	234	193
Administration and Educational Support	292	239
Management	36	34
	<u>562</u>	<u>466</u>

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10. STAFF (CONTINUED)

d. HIGHER PAID STAFF

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	8	2
In the band £70,001 - £80,000	3	3
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	2	1
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-

e. KEY MANAGEMENT PERSONNEL

The key management personnel of the Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Trust was £398,813 (2019 £385,299).

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 £120,000 - £125,000 (2019: £115,000 - £120,000), Employer's pension contributions £20,000 - £25,000 (2019: £15,000 - £20,000).

During the year ended 31 August 2020, expenses totalling £NIL were reimbursed or paid directly to Trustee (2019: £1,727 to 2 Trustees).

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**NOTES TO THE FINANCIAL STATEMENTS
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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:

5.78% of General Annual Grant (GAG) income for the year.

The actual amounts charged during the year were as follows:

	2020 £	2019 £
Priory Community School Academy	377,825	306,273
Worle Community School Academy	407,341	331,383
Castle Batch Primary School Academy	86,501	76,194
St Anne's Church Academy	74,485	61,240
The King Alfred School Academy	312,592	95,613
Pawlett Primary School Academy	16,088	6,066
TOTAL	1,274,832	876,769

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 2019	34,444,155	31,899,485	596,260	632,069	56,237	67,628,206
Additions	841,428	338,973	28,215	369,318	-	1,577,934
At 31 August 2020	35,285,583	32,238,458	624,475	1,001,387	56,237	69,206,140
DEPRECIATION						
At 1 September 2019	2,699,808	560,322	308,715	480,813	56,237	4,105,895
Charge for the year	686,203	602,174	86,596	104,826	-	1,479,799
At 31 August 2020	3,386,011	1,162,496	395,311	585,639	56,237	5,585,694
NET BOOK VALUE						
At 31 August 2020	31,899,572	31,075,962	229,164	415,748	-	63,620,446
At 31 August 2019	31,744,347	31,339,163	287,545	151,256	-	63,522,311

15. DEBTORS

	2020 £	2019 £
DUE WITHIN ONE YEAR		
Trade debtors	174,717	12,434
Other debtors	115,795	193,115
Prepayments and accrued income	599,832	1,386,761
	890,344	1,592,310

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16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	4,094	460,904
Other taxation and social security	369,575	349,236
Other creditors	393,254	341,799
Accruals and deferred income	948,995	1,141,681
	<u>1,715,918</u>	<u>2,293,620</u>

	2020 £	2019 £
Deferred income		
Deferred income at 1 September	130,679	306,615
Resources deferred during the year	405,711	437,284
Amounts released from previous periods	(130,679)	(306,615)
	<u>405,711</u>	<u>437,284</u>

At the balance sheet date the Academy was holding ESFA funding and school trips income received in advance for the 2020-21 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
UNRESTRICTED FUNDS						
General Funds	2,288,780	1,000,992	(1,027,029)	-	-	2,262,743
RESTRICTED GENERAL FUNDS						
General Annual Grant (GAG)	1,209,639	22,073,906	(22,502,010)	(187,515)	-	594,020
High Needs	-	647,585	(647,585)	-	-	-
Pupil Premium	8,382	1,105,673	(1,032,467)	-	-	81,588
Other LA income	4,602	215,018	(205,663)	-	-	13,957
Start up grants	-	31,200	(31,200)	-	-	-
NLE Bursary	-	5,800	(5,800)	-	-	-
Other restricted funds	-	278,545	(278,545)	-	-	-
Other ESFA funding	15,456	2,319,217	(2,190,488)	-	-	144,185
Teaching School	2,867	178,250	(181,117)	-	-	-
Pension reserve	(16,810,000)	-	(447,000)	-	(357,000)	(17,614,000)
	<u>(15,569,054)</u>	<u>26,855,194</u>	<u>(27,521,875)</u>	<u>(187,515)</u>	<u>(357,000)</u>	<u>(16,780,250)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	51,523,277	-	(986,298)	-	-	50,536,979
Fixed assets purchased from GAG, DfE/ESFA and other Government Capital Grants	4,610,491	333,630	(276,536)	326,584	-	4,994,169
Fixed assets purchased from CIF and SCA	5,324,658	825,717	(165,690)	(139,069)	-	5,845,616
Fixed assets donated by the local authority	2,512,475	-	(51,275)	-	-	2,461,200
	<u>63,970,901</u>	<u>1,159,347</u>	<u>(1,479,799)</u>	<u>187,515</u>	<u>-</u>	<u>63,837,964</u>
TOTAL RESTRICTED FUNDS	<u>48,401,847</u>	<u>28,014,541</u>	<u>(29,001,674)</u>	<u>-</u>	<u>(357,000)</u>	<u>47,057,714</u>
TOTAL FUNDS	<u>50,690,627</u>	<u>29,015,533</u>	<u>(30,028,703)</u>	<u>-</u>	<u>(357,000)</u>	<u>49,320,457</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. STATEMENT OF FUNDS (CONTINUED)

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

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, PE Sport funding, Sixth Form Funding, Teacher's Pay Grant and Teacher's Pension Grant.

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 (such as Devolved Formula Capital and School Condition Allocation) and other sources (such as Section 106 Agreement income).

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
FOR THE YEAR ENDED 31 AUGUST 2020**

17. STATEMENT OF FUNDS (CONTINUED)

Total funds analysis by academy

Fund balances at 31 August 2020 were allocated as follows:

	2020 £	2019 £
Priory Community School Academy	473,601	866,226
Worle Community School Academy	425,971	799,678
Castle Batch Primary School Academy	418,766	435,632
St Anne's Church Academy	528,068	500,656
The King Alfred School Academy	493,933	446,491
Pawlett Primary School Academy	112,629	101,398
Central services	643,525	379,645
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	3,096,493	3,529,726
Restricted fixed asset fund	63,837,964	63,970,901
Pension reserve	(17,614,000)	(16,810,000)
	<hr/>	<hr/>
TOTAL	49,320,457	50,690,627
	<hr/> <hr/>	<hr/> <hr/>

**THE PRIORY LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. 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 2020 £	Total 2019 £
Priory Community School Academy	3,882,976	2,599,378	214,352	970,187	7,666,893	7,392,966
Worle Community School Academy	4,330,158	2,281,624	290,501	1,055,196	7,957,479	7,624,566
Castle Batch Primary School Academy	996,969	735,886	41,943	312,484	2,087,282	2,160,257
St Anne's Church Academy	740,371	976,548	78,241	297,179	2,092,339	1,986,941
The King Alfred School Academy	4,052,376	1,308,989	105,212	941,468	6,408,045	5,930,148
Pawlett Primary School Academy	173,945	102,938	3,444	53,187	333,514	143,129
Central services	518,338	916,029	20,000	548,985	2,003,352	1,642,285
	<u>14,695,133</u>	<u>8,921,392</u>	<u>753,693</u>	<u>4,178,686</u>	<u>28,548,904</u>	<u>26,880,292</u>

**THE PRIORY LEARNING TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. STATEMENT OF FUNDS (CONTINUED)

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

	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 and SCA	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>

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18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT PERIOD

	Unrestricted funds 2020 £	Restricted funds 2020 £	Restricted fixed asset funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	63,620,446	63,620,446
Current assets	2,262,743	2,549,668	217,518	5,029,929
Creditors due within one year	-	(1,715,918)	-	(1,715,918)
Pension scheme liability	-	(17,614,000)	-	(17,614,000)
TOTAL	2,262,743	(16,780,250)	63,837,964	49,320,457

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR PERIOD

	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

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19. RECONCILIATION OF NET (EXPENDITURE)/INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the period (as per Statement of Financial Activities)	(1,013,170)	23,442,874
ADJUSTMENTS FOR:		
Depreciation	1,479,799	1,250,031
Interest income	(10,707)	(15,600)
Increase in debtors	(281,666)	(157,376)
(Decrease)/increase in creditors	(577,702)	983,758
Capital grants from DfE and other capital income	(1,159,347)	(2,962,203)
Defined benefit pension scheme cost less contributions payable	1,118,632	2,126,000
Defined benefit pension scheme finance cost	312,000	312,000
Net assets and liabilities transferred from local authority on conversion	-	(21,164,306)
Donated assets received	-	(2,563,750)
NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES	(132,161)	1,251,428

20. CASH FLOWS FROM CONVERSION TO AN ACADEMY

	2020 £	2019 £
Funds received from the Local Authority on conversion	-	328,894
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	328,894

21. CASH FLOWS FROM INVESTING ACTIVITIES

	2020 £	2019 £
Purchase of tangible fixed assets	(1,577,934)	(2,857,088)
Capital grants from DfE/ESFA	1,159,347	2,231,401
Interest received	10,707	15,600
Disposal proceeds	-	1
NET CASH USED IN INVESTING ACTIVITIES	(407,880)	(610,086)

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22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2020 £	2019 £
Cash in hand	4,139,585	4,679,626
TOTAL CASH AND CASH EQUIVALENTS	4,139,585	4,679,626

23. ANALYSIS OF CHANGES IN NET FUNDS

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	4,679,626	(540,041)	4,139,585
	4,679,626	(540,041)	4,139,585

24. 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.

25. CAPITAL COMMITMENTS

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

	2020 £	2019 £
Contracted for but not provided in these financial statements	-	433,144

26. PENSION COMMITMENTS

The Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 2016 and of the LGPS 31 March 2016.

Contributions amounting to £385,030 were payable to the schemes at 31 August 2020 (2019 - £328,644) and are included within creditors.

26. 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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

VALUATION OF THE TEACHERS' PENSION SCHEME

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to 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. 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% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 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
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, 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 including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £2,879,795 (2019 - £2,084,359).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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.

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26. 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 2020 was £2,643,000 (2019 - £1,455,000), of which employer's contributions totalled £2,288,000 (2019 - £1,129,000) and employees' contributions totalled £ 355,000 (2019 - £326,000). 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

	2020 %	2019 %
Discount rate for scheme liabilities	1.8	1.8%
Rate of increase in salaries	3.8	3.5%
Rate of increase for pensions in payment / inflation	2.4	2.1%
Inflation assumption (CPI)	2.3	2.0%

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

	2020 Years	2019 Years
<i>Retiring today</i>		
Males	23.2	23.7
Females	25.1	26.2
<i>Retiring in 20 years</i>		
Males	24.7	26.8
Females	26.8	28.8

Sensitivity analysis

	2020 £000	2019 £000
Discount rate +0.1%	539	477
Mortality assumption - 1 year increase	(642)	(506)
CPS rate +0.1%	(554)	(501)

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26. PENSION COMMITMENTS (CONTINUED)

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

	2020 £	2019 £
Equities	5,872,000	4,911,000
Bonds	1,360,000	1,117,000
Property	1,042,000	573,000
Cash	408,000	206,000
Other	3,484,000	2,693,000
Total market value of assets	12,166,000	9,500,000

The actual return on scheme assets was £-301,000 (2019 - £563,000).

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

	2020 £	2019 £
Current service cost	(2,447,000)	(1,798,000)
Past service cost	(150,000)	(602,000)
Interest income	161,000	204,000
Interest cost	(473,000)	(594,000)
Loss on curtailments	363,000	(223,000)
Total	(2,546,000)	(3,013,000)

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

	2020 £	2019 £
Opening defined benefit obligation	26,310,000	15,144,000
Upon conversion	-	2,457,000
Past service cost	150,000	602,000
Current service cost	2,447,000	1,798,000
Interest cost	473,000	516,000
Employee contributions	355,000	326,000
Actuarial (gains) / losses	668,000	5,298,000
Benefits paid	(174,000)	(54,000)
Settlements / loss on curtailments	(449,000)	223,000
Closing defined benefit obligation	29,780,000	26,310,000

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

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

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

	2020 £	2019 £
Opening fair value of scheme assets	9,500,000	5,984,000
Upon conversion	-	1,777,000
Settlements	-	48,000
Interest income	191,000	228,000
Actuarial gains	311,000	86,000
Employer contributions	2,288,000	1,129,000
Employee contributions	355,000	326,000
Benefits paid	(174,000)	(54,000)
Settlement prices received / Administration expenses	(305,000)	(24,000)
Closing fair value of scheme assets	12,166,000	9,500,000

27. OPERATING LEASE COMMITMENTS

At 31 August 2020 the Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	41,557	66,641
Later than 1 year and not later than 5 years	47,652	24,426
	89,209	91,067

28. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

During the year The Priory Learning Trust made purchases of £545 (2019: £3,450) from Grand Pier Limited of which a Trustee, M Michael, is a director and shareholder. These transactions have been reported to the Department for Education and there have been no further transactions.

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**NOTES TO THE FINANCIAL STATEMENTS
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29. TEACHING SCHOOL TRADING ACCOUNT

	2020	2020	2019	2019
	£	£	£	£
Income				
DIRECT INCOME				
Teaching school grants	178,250		158,753	
TOTAL INCOME		178,250		158,753
Expenditure				
DIRECT EXPENDITURE				
Direct staff costs	108,670		92,681	
Other expenditure	72,447		63,205	
TOTAL DIRECT EXPENDITURE	181,117		155,886	
TOTAL EXPENDITURE		181,117		155,886
(Deficit)/surplus from all sources		(2,867)		2,867
Teaching school balances at 1 September 2019		2,867		-
TEACHING SCHOOL BALANCES AT 31 AUGUST		-		2,867