

**PROSPECT EDUCATION TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2015**

## **PROSPECT EDUCATION TRUST**

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## PROSPECT EDUCATION TRUST

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2015

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<b>Trustees</b>	G Biggs J R Coldrick (resigned 23 February 2016) <sup>1</sup> C Huntley (resigned 23 February 2016) G J Huntley (resigned 23 February 2016) A S Leflaive D E Leflaive (resigned 23 February 2016) K T Mitchell <sup>1</sup> A M Nunn E C Nunn (resigned 23 February 2016) R H Smith (resigned 23 February 2016) R G Taylor J Van As (appointed 7 April 2015) N Taylor (appointed 23 February 2016) G M Leflaive (appointed 23 February 2016)
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<sup>1</sup> Campus Administrators

<b>Charity registered number</b>	1045736
<b>Registered office</b>	Prospect Education Trust Focus School - Berkeley Campus Wanswell Berkeley GL13 9RS

<b>Department for Education number</b>	916/6002
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<b>Auditors</b>	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
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<b>Bankers</b>	HSBC Bank Plc 817 Bath Road Brislington Bristol BS4 5NR  CAF Bank Ltd 25 Kings Hill Avenue Kings Hill West Malling Kent ME19 4JQ
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<b>Trading Company</b>	Novus Trading Ltd Unit 1 St Ivel Way Warmley Bristol BS30 8TY
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Novus Trading Limited is the wholly owned trading subsidiary company of the Trust and its activities are therefore consolidated into the financial statements of the Trust.

## **PROSPECT EDUCATION TRUST**

### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 JULY 2015**

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The Trustees present their annual report together with the audited financial statements of Prospect Education Trust (the trust and the group) for the ended 31 July 2015. The Trustees confirm that the Annual Report and financial statements of the trust and the group comply with the current statutory requirements, the requirements of the trust and the group's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

## **OBJECTIVES AND ACTIVITIES**

### **Objects**

The charitable objects of the Trust are the advancement of the education of children and young people. The objects also include any other charitable purpose for the benefit of the worldwide Christian fellowship known as the Plymouth Brethren Christian Church.

In furtherance of its objects, the Trust operates an independent school based in Berkeley, Gloucestershire (the "School"), which educates 186 pupils from 7 to 18.

### **Aims**

#### Ethos

Students are encouraged to develop their full potential and acquire the discipline of learning how to learn, while upholding Christian teachings and beliefs.

The truth and authority of the Holy Bible and strong family values underpin the commitment of the School to provide quality in every facet of education – curriculum, teachers, facilities, management and discipline - in a safe and caring environment.

#### Values

The Trustees are drawn from the Brethren community and the School is committed to a way of life that is governed by the Holy Bible, expecting the conduct of pupils and staff consistently to reflect Biblical values and the specific values of the School, which include:

- Integrity – uprightness, honesty and decorous conduct, governed by the Holy Bible;
- Care & Compassion – kindness, consideration and generosity to all;
- Respect – for all people, property, opinions and authority;
- Responsibility – for our actions, progress and environment;
- Commitment – to self-discipline and the pursuit of excellence.

### **Significant Activities**

The School provides an education for 186 children from Years 3 to 13 in a selection of subjects.

Pupils who attend the School are expected to act in accordance with the doctrines and practices of the Brethren, but there is no other academic or financial selection process for admission to the School.

The curriculum is designed to provide opportunities for pupils of varied abilities and interests. The subjects offered are in line with the National Curriculum and cover key learning areas. There is an increasing focus on encouraging and developing self-directed learning principles with students.

The curriculum includes English, Maths, Science, History, Geography, French, Art, Graphics, Music, Accounts, Citizenship, Current Affairs, Resistant Materials, Food & Nutrition, Law, Economics, Textiles, Business Studies, IT/Keyboarding, Swimming and PSHE. Physical education is mandatory and all students are expected to take part.

## **PROSPECT EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015**

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The aim is to provide a broad and balanced curriculum which promotes personal development and prepares students for increasing independence and responsibility.

The Trustees encourage the use of a wide variety of high quality educational material and resources (including computers, multi-media, video-conferencing, and learning management systems).

Regular excursions take place as an extension to classroom learning and to provide experiences that cannot be gained in the classroom.

The Trust is committed to safeguarding and promoting the welfare of our pupils, and we expect all staff and volunteers to share this commitment. The School provides parents with newsletters and other communications sent throughout the year giving them information about their child's performance and the wider School activities.

The School relies in large part on professional academic assessments to measure the success of its teaching. School assessments are designed to assist teachers in monitoring the progress of students, identifying learning difficulties and reporting on achievements to parents and guardians. Assessments include tests, examinations and assessment tasks, which provide feedback to students on their strengths and weaknesses and achievement levels. Students also take national examinations at the appropriate key stages.

The School also measures its success through the results of its inspections by the School Inspection Service, an independent body approved by the Secretary of State for Education and monitored by Ofsted. The most recent report (dated March 2013) found that:

- Focus School Berkeley Campus has established itself in new premises and pupils now have the space and range of excellent facilities they did not have before.
- The pupils' spiritual, moral, social and cultural awareness and their welfare, health and safety provision remain excellent.
- The teaching is good and outstanding in a significant proportion of lessons representing a marked improvement since the last inspection.
- Pupils are prepared thoroughly for the next stages of their education and working lives.

#### **Focus Learning Trust**

The Trust is affiliated to Focus Learning Trust (registered charity number 1099725), which provides educational, operational and financial support to the Trust and to a number of similar charities operating Schools linked with the Plymouth Brethren Christian Church.

#### **Volunteer Contribution**

The School is run by volunteer executives, some of whom may be parents of pupils. However, the Trust employs professional teachers to provide day to day management and to teach the pupils.

Parents and other community volunteers drive minibuses to transport pupils to and from school and on educational trips. They also participate extensively in organising sponsored activities and entertainments to raise funds for the benefit of the school and other charitable causes.

#### **Objectives**

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit and we have had regard to it when reviewing our aims and objectives, and in planning our future activities. In particular we consider how planned activities will contribute to the educational aims and objectives we have set.

## PROSPECT EDUCATION TRUST

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015

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Key objectives for the year included:

- To progress Self Directed Learning (SDL) Methodology
- To work closely with Focus Learning Trust and other schools to enhance the quality of education through professional networking and increased CPD
- To equip the students with the necessary skill sets to ensure the smooth transition from school to their career
- To improve assessment and support of students failing to meet predicted grades and targets
- To improve classroom management by delivering good or outstanding, fast-paced engaging lessons, differentiated for all learners
- Broaden the opportunities for Able, Gifted and Talented (AGT) students
- To create an environment in which SDL practice can best flourish

#### Strategies for achieving objectives

The Trustees' strategy for achieving the Trust's objectives can be summarised as:

- Incorporating SDL methodologies in cross-curricular activities
- Networking with neighbouring schools and sharing best practise
- Year 12 and 13 students taking up extra-curricular courses suited to chosen career path
- Teachers to continue to assess students regularly, using past exam papers and other methods, sharing results with students, and putting interventions and support in place for those failing to achieve targets
- Teachers must adhere to the school Behaviour for Learning protocol, establishing firm boundaries
- Identify AGT students and each subject teacher plans an AGT activity for them at least once per year
- Upgrading facilities including the improvement in wifi facilities, and physical learning spaces.

## ACHIEVEMENTS AND PERFORMANCE

### REVIEW OF ACTIVITIES

Public Speaking courses have been added to the curriculum to enable the students to improve the quality of public speaking.

The school has benefited from visits and speeches from Councillors, Members of Parliaments, Magistrates, Scientists, and Charity representatives (including Cancer Research and SARA charities). Educational visits have taken place to places such as RAF Cosford, Bristol Zoo, Skill Zone, Jenner Museum, Cadbury World and the BBC Good Food exhibition.

Exam Results for 2014-2015 GCSE's are summarised in the following table:

Overall Average Points Scored	44
Percentage of students that met or exceeded their cognitive ability based targets	83.0%
Percentage achieving 5 A*-C GCSE's including English and Maths	85.7%
Year 11 cognitive test average Value Added score	+0.63

Exam Results for 2014-2015 GCE's are summarised in the following table:

Percentage of Year 13 achieving A*/A of all grades	16.0%
Percentage of Year 12 achieving A*/A of all grades	42.0%
Percentage of KS5 achieving A*/A of all grades	31.0%
Percentage of students that met or exceeded their cognitive ability based targets	72.0%
Average Year 13 UCAS Points	315
Average Year 12 UCAS Point	171
Year 13 cognitive test average Value Added score	+0.03
Year 13 cognitive test average Value Added score	+0.23

## **PROSPECT EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015**

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The KS1 to KS2 Value Added measure was +102.5. This is in the top 5% of schools nationally.

The school offers many Co-Curricular activities including Cycling Proficiency, First Aid Courses, Latin and Peripatetic Music Lessons. Annual competitions take place including Cake and Photography. Students enthusiastically take part in Young Enterprise Week.

Music is compulsory for Key Stage 3 and some students have taken it for GCSE. A variety of music events have taken place including a Snow White musical by the Junior school and an outdoor concert by the Secondary school.

Various sports events have taken place during the school year including Sports days, Tournament Days (football, netball and rounders), and Cross Country Running events.

A range of charitable activities have taken place, including Food Bank contributions, Bags 2 School donations, and entertainment for the elderly in local care homes.

Students have been involved in many activities to raise funds for charities. These included Diabetes UK (£1500), Bristol Knowle Sea Cadets (£60) and RNLI (£500).

The school has links with other schools in UK and Europe. Virtual Classroom (VC) lessons have taken place with students in Rome, Italy, and one member of the Rome school has visited the school to join in the lessons. The school exports Law VC lessons to schools in Gloucester and Coventry. The school imports Economics VC lessons from Newtown.

Many students regularly involve themselves in supporting Novus Trading Ltd, the school trading company, in trading activities.

## **FINANCIAL REVIEW**

### **Policies**

The School is supported and financed principally by School Fees, grants from Focus Learning Trust, income from the trust's trading subsidiary Novus Trading Ltd and School fundraising events.

During the financial year fee relief provision was made available at the discretion of the Trustees for those who cannot afford full fees. All pupils are treated equally and in making any decisions regarding the education of a pupil, the Trustees ensure that the same attention, facilities and provision are available to all pupils, taking into account their individual needs.

The Trust considers the financial position to be satisfactory. The group received income of £1,900,256 primarily from charitable trust grants. Net incoming resources for the period were £68,658 and net assets at the balance sheet date were £158,523.

## **PROSPECT EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015**

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#### **PLANS FOR THE FUTURE**

We intend to continue to provide a quality education in a supportive environment, in accordance with the Trust's ethos and values. In particular:

- To implement the Career Advantage Programme (CAP) to improve students' access to the world of work, to help them achieve well immediately from the point they leave school
- To implement specific elements of SDL to include staff training, project planning and lesson observations. SDL lessons have been rolled out to Year 7 and Year 8. Also, an SDL classroom is currently being planned and designed by students in readiness for September 2016
- To maintain the 'Management of Effectiveness' Programme in conjunction with Focus Learning Trust to improve personal and overall performance
- To continue to improve learning environments for the success of SDL learning methodologies.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

Prospect Education Trust is constituted by a trust deed dated 13 March 1995, amended 15 October 1996 and 26 March 2010. The Trust is an unincorporated association and is registered with the Charity Commission, number 1045736.

##### **Recruitment and Appointment of Trustees**

Appointment of new Trustees is at the proposal and unanimous agreement of the existing Trustees bearing in mind the specialised nature of the charity. Trustees thus appointed will be such as have already been trained or have gained significant experience in the field in which their responsibility will lie. A formal policy has not hitherto been considered necessary.

##### **Trustee Induction and Training**

The Trust's policy for the induction of new Trustees is to introduce them to the responsibilities and activities of the Trust at Trust meetings. They are trained under the supervision of existing Trustees at these meetings and in a personal way as may be necessary. They will already have been carrying responsibility in the relevant area of the schools' administration.

##### **Risk Management**

The Trustees keep under review the issue of risk management and believe that the internal controls within the trust are adequate for an organisation of this size and nature.

The Trustees have examined the major strategic, business and operational risks which the trust faces and confirm that systems have been established to enable regular reports to be produced so that the necessary steps can be taken to lessen these risks.



## **PROSPECT EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015**

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#### **Teacher sickness/absence**

One member of staff is dedicated to coordinate cover for teacher absence, in addition to which we have good working relationships with many teacher agencies for the provision of supply staff.

#### **Intruder and Fire**

We have a security fence which surrounds the buildings. CCTV, security and fire alarm systems are installed and monitored 24 hours by third party surveillance companies. A caretaker lives locally who is a keyholder.

#### **Organisational Structure and Decision Making**

The administration and specific functions of the Trust were managed by:

- The Trustees;
- The Management Team
- The Senior Teacher
- Subject Teachers (both voluntary and paid);
- The School Administration Team, including a Caretaker;
- Off-site administration, including finance, logistics, health and safety support and fundraising.

Focus Learning Trust provides advice and guidance to the Trustees on the formulation of School policies and practices and monitors expenditure of the funding it provides'

#### **Related Parties**

The Trustees bring a wealth of relevant business skills and other experience from their interests and professional backgrounds. No Trustee received any emoluments. Transactions with Trustees' interests during the period are disclosed in the notes to the accounts.

Novus Trading Limited is the wholly owned trading subsidiary company of the Trust and its activities are therefore consolidated into the financial statements of the Trust. Any surplus made by the company is donated to the Trust by way of an annual Gift Aid donation. All trading activities between the Trust and its subsidiary are eliminated on consolidation. The accounts of the company are also prepared separately.

The school operates from a property owned by Whitecroft Education Trust. There is a common Trustee between the two Trusts and transactions during the period are disclosed in the notes to the accounts.

#### **TRUSTEES' RESPONSIBILITIES STATEMENT**

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the trust and the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

## PROSPECT EDUCATION TRUST

### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2015

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The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the trust and the group's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the trust and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the Trustees on 26/05/16 and signed on their behalf by:



**A M Nunn**  
Trustee

## **PROSPECT EDUCATION TRUST**

### **INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PROSPECT EDUCATION TRUST**

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We have audited the financial statements of Prospect Education Trust for the year ended 31 July 2015 set out on pages 11 to 23. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the Trustees in accordance with section 145 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Trustees 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 Trustees for our audit work, for this report, or for the opinion we have formed.

#### **RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Trustees' Responsibilities Statement, the Trustees are responsible for the preparation of financial statements which give a true and fair view.

We have been appointed as auditors under section 145 of the Charities Act 2011 and report to you in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable trust's affairs as at 31 July 2015 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## PROSPECT EDUCATION TRUST

### INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PROSPECT EDUCATION TRUST

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#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Trustees' Report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records; or
- the parent charitable trust financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.



#### **Bishop Fleming LLP**

Chartered Accountants  
Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date: 27/5/16

Bishop Fleming LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

**PROSPECT EDUCATION TRUST**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating Income and Expenditure Account)**  
**FOR THE YEAR ENDED 31 JULY 2015**

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
<b>INCOMING RESOURCES</b>					
<b>Incoming resources from generated funds:</b>					
Voluntary income	2	73,684	-	73,684	249,736
Activities for generating funds		589,678	4,208	593,886	411,169
Investment income		17	-	17	45
<b>Incoming resources from charitable activities:</b>					
Educational grants		1,022,115	-	1,022,115	884,000
Fee income		210,554	-	210,554	-
<b>TOTAL INCOMING RESOURCES</b>		<b>1,896,048</b>	<b>4,208</b>	<b>1,900,256</b>	<b>1,544,950</b>
<b>RESOURCES EXPENDED</b>					
<b>Costs of generating funds:</b>					
Trading and fundraising costs		275,603	-	275,603	176,302
<b>Charitable activities:</b>					
- Tutorial fees		854,622	-	854,622	721,074
- Educational resources		219,030	-	219,030	179,470
- Transport		214,611	-	214,611	203,165
- Premises expenses		102,966	-	102,966	96,150
- Administration		151,272	4,844	156,116	117,573
Governance costs		8,650	-	8,650	6,788
<b>TOTAL RESOURCES EXPENDED</b>	3	<b>1,826,754</b>	<b>4,844</b>	<b>1,831,598</b>	<b>1,500,522</b>
<b>NET INCOMING RESOURCES FOR THE YEAR</b>		<b>69,294</b>	<b>(636)</b>	<b>68,658</b>	<b>44,428</b>
Total funds brought forward		86,401	3,464	89,865	45,437
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>155,695</b>	<b>2,828</b>	<b>158,523</b>	<b>89,865</b>

The notes on pages 14 to 23 form part of these financial statements.

The trust has no recognised gains or losses other than the results for the year as set out above.

All of the activities of the trust are classed as continuing.

**PROSPECT EDUCATION TRUST**

**CONSOLIDATED BALANCE SHEET  
AS AT 31 JULY 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	7		47,709		26,711
<b>CURRENT ASSETS</b>					
Stocks		42,531		33,415	
Debtors	9	79,466		57,070	
Cash at bank and in hand		78,087		55,226	
		<u>200,084</u>		<u>145,711</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	<u>(89,270)</u>		<u>(82,557)</u>	
<b>NET CURRENT ASSETS</b>			<u>110,814</u>		<u>63,154</u>
<b>NET ASSETS</b>			<u>158,523</u>		<u>89,865</u>
<b>TOTAL FUNDS</b>					
Restricted funds	12		2,828		3,464
Unrestricted funds	12		155,695		86,401
<b>TOTAL FUNDS</b>			<u>158,523</u>		<u>89,865</u>

The financial statements were approved by the Trustees on their behalf, by:

26/05/16

and signed on



**A M Nunn  
Trustee**

The notes on pages 14 to 23 form part of these financial statements.

**PROSPECT EDUCATION TRUST**

**TRUST BALANCE SHEET  
AS AT 31 JULY 2015**

	Note	£	2015 £	£	2014 £
<b>FIXED ASSETS</b>					
Tangible assets	7		45,440		25,943
Investments	8		2		2
			<u>45,442</u>		<u>25,945</u>
<b>CURRENT ASSETS</b>					
Debtors	9	130,559		89,855	
Cash at bank and in hand		40,401		26,308	
		<u>170,960</u>		<u>116,163</u>	
<b>CREDITORS:</b> amounts falling due within one year	10	(60,111)		(52,974)	
<b>NET CURRENT ASSETS</b>			<u>110,849</u>		<u>63,189</u>
<b>NET ASSETS</b>			<u><u>156,291</u></u>		<u><u>89,134</u></u>
Restricted funds	12		3,464		3,464
Unrestricted funds	12		152,827		85,670
<b>TOTAL FUNDS</b>			<u><u>156,291</u></u>		<u><u>89,134</u></u>

The financial statements were approved by the Trustees on behalf, by:

26/05/16

and signed on their



**A M Nunn  
Trustee**

The notes on pages 14 to 23 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

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**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005 and applicable accounting standards.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the trust alone as permitted by paragraph 397 of the SORP.

**1.2 CONSOLIDATION**

The accounts consolidate those of the Trust and its wholly owned subsidiary, Novus Trading Limited.

The Trust's Statement of Financial Activities is not included in the Financial Statements. The Trust's gross income of £1,603,894 and expenditure of £1,536,737 resulted in a surplus of £67,157 for the year. No separate SOFA has been presented for the Trust alone as permitted by paragraph 397 of the SORP.

**1.3 INCOMING RESOURCES**

All incoming resources are included in the Statement of Financial Activities when the trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

**1.4 RESOURCES EXPENDED**

Expenditure is accounted for on an accruals basis and has been included under expense categories that aggregate all costs for allocation to activities. Where costs cannot be directly attributed to particular activities they have been allocated on a basis consistent with the use of the resources.

**1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets with an expected useful economic life of more than one year are capitalised at cost. Sundry items are not capitalised but are written off in the year of purchase.

Tangible fixed assets are stated at cost less depreciation. 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:

Furniture and equipment	-	2 - 10 years straight line or reducing balance
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**1.6 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015

1. ACCOUNTING POLICIES (continued)

1.7 FUND ACCOUNTING

General funds are unrestricted funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the trust and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.8 PENSION SCHEMES

Retirement benefits to employees of the Trust are provided by the Teachers' Pension Scheme ("TPS"). This defined benefit scheme, is contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the school.

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 quinquennial valuations using a prospective benefit method. As stated in note 6, the TPS is a multi-employer scheme and the Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

1.9 DONATED SERVICES AND FACILITIES

The Trust benefits from volunteers time and organisations donating use of facilities for free. The value to the trust of such donations is not quantifiable and is therefore not included within the financial statements.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	73,684	-	73,684	249,736

**PROSPECT EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**3. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2015 £	Depreciation 2015 £	Other costs 2015 £	Total 2015 £	Total 2014 £
Trading expenses	-	-	275,603	275,603	176,302
<b>COSTS OF GENERATING FUNDS</b>	<b>-</b>	<b>-</b>	<b>275,603</b>	<b>275,603</b>	<b>176,302</b>
<b>CHARITABLE ACTIVITIES:</b>					
Tutorial fees	779,094	-	75,528	854,622	721,074
Educational resources	-	-	218,280	218,280	179,470
Transport	-	-	214,611	214,611	203,167
Premises expenses	-	10,963	92,003	102,966	96,150
Administration	89,522	-	67,344	156,866	117,571
	<b>868,616</b>	<b>10,963</b>	<b>667,766</b>	<b>1,547,345</b>	<b>1,317,432</b>
<b>GOVERNANCE</b>	<b>-</b>	<b>-</b>	<b>8,650</b>	<b>8,650</b>	<b>6,788</b>
	<b>868,616</b>	<b>10,963</b>	<b>952,019</b>	<b>1,831,598</b>	<b>1,500,522</b>

**4. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	10,963	6,300
Auditors' remuneration - trust	6,600	4,800
Auditors' remuneration - subsidiary	2,050	1,988
Pension costs	80,842	71,361

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015

5. STAFF COSTS

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	732,976	628,995
Social security costs	54,798	48,608
Other pension costs	80,842	71,361
	<u>868,616</u>	<u>748,964</u>

The average monthly number of employees during the year was as follows:

2015 No.	2014 No.
<u>29</u>	<u>24</u>

One employee (2014: none) received remuneration amounting to more than £60,000 in the year.

No trustees received any remuneration or expenses from the trust during the year (2014 : £Nil).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015

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**6. PENSION COMMITMENTS**

**Teachers' Pension Scheme**

**Introduction**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge) (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £134,736 (2014: £116,662).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

**PROSPECT EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

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**7. TANGIBLE FIXED ASSETS**

	Furniture and Equipment £
<b>GROUP</b>	
<b>COST</b>	
At 1 August 2014	97,969
Additions	31,961
At 31 July 2015	<u>129,930</u>
<b>DEPRECIATION</b>	
At 1 August 2014	71,258
Charge for the year	10,963
At 31 July 2015	<u>82,221</u>
<b>NET BOOK VALUE</b>	
At 31 July 2015	<u><u>47,709</u></u>
At 31 July 2014	<u><u>26,711</u></u>

# PROSPECT EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

### 7. TANGIBLE FIXED ASSETS (continued)

	Furniture and Equipment £
<b>TRUST</b>	
<b>COST</b>	
At 1 August 2014	95,025
Additions	29,961
At 31 July 2015	<u>124,986</u>
<b>DEPRECIATION</b>	
At 1 August 2014	69,082
Charge for the year	10,464
At 31 July 2015	<u>79,546</u>
<b>NET BOOK VALUE</b>	
At 31 July 2015	<u>45,440</u>
At 31 July 2014	<u>25,943</u>

### 8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
<b>TRUST</b>	
At 1 August 2014 and 31 July 2015	<u>2</u>
	2015      2014
	£      £
Subsidiary undertaking - Novus Trading Limited	<u>2</u> <u>2</u>

Prospect Education Trust owns 100% of the issued share capital of Novus Trading Limited, a company incorporated in England on 12 December 2007.

Novus Trading Limited recorded a surplus in the year ended 31 July 2015 of £1,501 (2014: £733) after a Gift Aid donation to Prospect Education Trust of £278,512 (2014: £184,687). At 31 July 2015 the net assets of company were £2,236 (2014: £735).

## PROSPECT EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

#### 9. DEBTORS

	GROUP		TRUST	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	58,038	34,634	-	8
Amounts owed by group undertakings	-	-	122,445	83,035
Other debtors	-	5,001	-	-
Prepayments and accrued income	21,428	17,435	8,114	6,812
	<b>79,466</b>	<b>57,070</b>	<b>130,559</b>	<b>89,855</b>

#### 10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		TRUST	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	44,986	21,252	28,647	3,265
Other taxation and social security	28,252	25,513	18,291	15,867
Other creditors	859	1,500	-	1,500
Accruals and deferred income	15,173	34,292	13,173	32,342
	<b>89,270</b>	<b>82,557</b>	<b>60,111</b>	<b>52,974</b>

#### 11. RELATED PARTY TRANSACTIONS

During the year, the Trust made purchases from related parties as follows:

- £764 (2014: £500) from Severn Sales - G Biggs is a partner of Severn Sales and a trustee of Prospect Education Trust. At the year end the Trust owed £764 (2014: £Nil) to Severn Sales.
- £998 (2014: £60) from Southgate Plastics - K Mitchell is a partner of Southgate Plastics and a trustee of Prospect Education Trust. At the year end the Trust owed £Nil (2014: £Nil) to Southgate Plastics.
- £2,447 (2014: £Nil) from Toffeln - D Leflaive is a partner of Toffeln and a trustee of Prospect Education Trust. At the year end the Trust owed £Nil (2014: £Nil) to Toffeln.
- £103 (2014: £Nil) from Alansons Industrial Supplies - A Nunn is a partner of Alansons Industrial Supplies and a trustee of Prospect Education Trust. At the year end the Trust owed £103 (2014: £Nil) to Alansons Industrial Supplies.
- £941 (2014: £Nil) from Taylor West - R Taylor is a partner of Taylor West and a trustee of Prospect Education Trust. At the year end the Trust owed £Nil (2014: £Nil) to Taylor West.

# PROSPECT EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2015

### 12. STATEMENT OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>				
General Funds	86,401	1,896,048	(1,826,754)	155,695
<b>RESTRICTED FUNDS</b>				
Charity fundraising	3,464	4,208	(4,844)	2,828
Total of funds	89,865	1,900,256	(1,831,598)	158,523

### RESTRICTED FUNDS

The restricted fund balance represents amounts raised for charities which is due for distribution.

### SUMMARY OF FUNDS

	Brought Forward £	Incoming resources £	Resources Expended £	Carried Forward £
General funds	86,401	1,896,048	(1,826,754)	155,695
Restricted funds	3,464	4,208	(4,844)	2,828
	89,865	1,900,256	(1,831,598)	158,523

### 13. ANALYSIS OF NET ASSETS BETWEEN FUNDS- GROUP

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	47,710	-	47,710	26,711
Current assets	197,255	2,828	200,083	145,711
Creditors due within one year	(89,270)	-	(89,270)	(82,557)
	155,695	2,828	158,523	89,865



**PROSPECT EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JULY 2015**

**ANALYSIS OF NET ASSETS - TRUST**

	<b>Tangible Fixed Assets £</b>	<b>Cash At Bank £</b>	<b>Other Net Assets £</b>	<b>Total 2015 £</b>	<b>Total 2014 £</b>
<b>Restricted funds</b>					
Charity fundraising	-	3,873	-	3,873	3,464
	<u>-</u>	<u>3,873</u>	<u>-</u>	<u>3,873</u>	<u>3,464</u>
<b>Unrestricted funds</b>					
General funds	45,440	40,401	66,986	152,827	85,670
	<u>45,440</u>	<u>44,274</u>	<u>66,986</u>	<u>156,700</u>	<u>89,134</u>

