

PROSPECT EDUCATION TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

PROSPECT EDUCATION TRUST

CONTENTS

	Page
Reference and Administrative Details of the Charity, its Trustees and Advisers	1
Trustees' Report	2 - 10
Independent Auditors' Report	11 - 12
Consolidated Statement of Financial Activities	13
Consolidated Balance Sheet	14
Trust Balance Sheet	15
Consolidated Cash Flow Statement	16
Notes to the Financial Statements	17 - 29

PROSPECT EDUCATION TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 JULY 2016

Trustees

G Biggs (resigned 29 November 2016)
J R Coldrick (resigned 23 February 2016)
C Huntley (resigned 23 February 2016)
G J Huntley (resigned 23 February 2016)
A S Leflaive¹
D E Leflaive (resigned 23 February 2016)
G M Leflaive (appointed 23 February 2016)¹
K T Mitchell
A M Nunn (resigned 20 September 2016)
E C Nunn (resigned 23 February 2016)
B Small (appointed 20 September 2016)
R H Smith (resigned 23 February 2016)
R G Taylor (resigned 5 November 2015)
N Taylor (appointed 23 February 2016)¹
D Turner (appointed 20 September 2016)
J Van As¹

¹ Campus Administrators

Charity registered number

1045736

Registered office

Prospect Education Trust
Focus School - Berkeley Campus
Wanswell
Berkeley
GL13 9RS

Department for Education number

916/6002

Auditors

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

Bankers

HSBC Bank Plc
817 Bath Road
Brislington
Bristol
BS4 5NR

CAF Bank Ltd
25 Kings Hill Avenue
Kings Hill
West Malling
Kent
ME19 4JQ

Trading Company

Novus Trading Ltd
Unit 1 St Ivel Way
Warmley
Bristol
BS30 8TY

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 2016

The Trustees present their annual report together with the audited financial statements of Prospect Education Trust for the year 1 August 2015 to 31 July 2016.

OBJECTIVES AND ACTIVITIES

a. 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.

b. 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.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2016**

c. Activities for achieving objectives

The School provides an education for 186 children between the ages 7 to 18 and up to Year 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, History, Science, Geography, Art & Graphics, French, Music, Accounts, Citizenship, RMT, Food & Nutrition, Law, Economics, Textiles, Business Studies, PSHE, IT/Keyboarding and Swimming. Physical education is mandatory and all students are expected to take part.

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. In the most recent inspection (February 2016), the inspectors found that:

- Focus School Berkeley Campus provides a good quality of education for all pupils.
- The education provided fulfils the school's aims for a safe and secure learning environment in which every child can develop academically and morally;
- The developments in self-directed learning (SDL) and a broadening of the curriculum strengthen the fulfilment of these aims and make the curriculum outstanding;
- Pupils make good progress in their learning and achieve standards that are at least in line with national expectations through the good quality of teaching they receive;
- Pupils learn well and develop academically, spiritually and morally through the breadth of educational experience. This has a significant impact on their personal development which is good and has many excellent features.

d. 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.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2016**

e. 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.

f. 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.

Key objectives for the year included:

- To progress Self Directed Learning (SDL) Methodology;
- To improve IT availability and usage;
- To maintain a broad academic curriculum with an appropriate range of GCSE/ A-level/ vocational qualification options;
- To work closely with Focus Learning Trust and other schools to enhance the quality of education through professional networking and increased CPD;
- To continuously strive to enhance and improve the co-curricular provision for pupils;
- To continue to provide first class pastoral care for pupils;
- To maintain the 'Management of Effectiveness' Programme in conjunction with Focus Learning Trust to improve personal and overall performance;
- To further develop and improve assessment methods and Value Added scores;
- Provide a specific SDL learning area.

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 practice;
- Year 12 & 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 IT and WiFi facilities and physical learning spaces.

ACHIEVEMENTS AND PERFORMANCE

a. GOING CONCERN

After making appropriate enquiries, the trustees have a reasonable expectation that the trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

The majority of the charity's income is received from Focus Learning Trust. Should there be significant reductions in income, the Trustees would raise funds from other sources and in the unlikely event that they were insufficient, the Trustees consider they have the ability to cut expenditure in line with the reduced income.

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2016

b. REVIEW OF ACTIVITIES

SDL Learning centre has been planned and construction started in August 2016.

In line with national developments in the SEND Code of Practice 2014, we have worked with Focus Learning Trust to further enhance the SEND provision. Classroom inclusivity is increasingly promoted along with the concept that the class teacher takes responsibility for the learning of all pupils in their class, regardless of SEND.

GCSE exam results for year 11 (15 students) were as follows:

Grade	Frequency	Percentage
A*	12	10.7
A	23	20.5
B	32	28.6
C	30	26.8
D	12	10.7
E	3	2.7
F	0	0
G	0	0
U	0	0

Percentage A*/A of all grades	31.2
Percentage A* to C of all grades	86.6
Percentage passed of all grades	100
Average Value Added based on the cognitive ability targets	+0.80
Percentage of results that students met or exceeded their cognitive ability targets	89.3
Average point score per qualification per pupil	44.6
Average point score per GCSE per pupil	44.5
Average point score per qualification per pupil 2015	44.0
Average point score per qualification per pupil 2016	44.6
Percentage of students that achieved 5 A* to C grades	86.7
Percentage of students that achieved 5 A* to C grades including English and Maths	80.0

Comparing percentage of students that achieved 5 A* to C grades including English and Maths

<u>Year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
England Average	59.2	53.4	53.8	TBA
Berkeley	82.0	68.0	85.7	80.0

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2016

AS level exam results for year 12 (14 students) were as follows:

Grade	Frequency	Percentage
A	7	24
B	11	38
C	3	10
D	5	17
E	1	3
U	2	7

Percentage A of all grades	24
Percentage A* to C of all grades	72
Percentage passed of all grades	90
Average Value Added based on the cognitive ability targets	+1.00
Percentage of results that students met or exceeded their cognitive ability targets	86

A level exam results for year 13 (18 students) were as follows:

Grade	Frequency	Percentage
A*	4	11
A	14	38
B	12	32
C	5	14
D	2	5
E	0	0
U	0	0

Percentage A of all grades	49
Percentage A* to C of all grades	95
Percentage passed of all grades	100
Average Value Added based on the cognitive ability targets	+0.40
Percentage of results that students met or exceeded their cognitive ability targets	84
Average UCAS points across all students*	330

**Note: 340 is the equivalent of 3 full A-Levels grades AAB*

Comparing average UCAS points with previous years

	2013	2014	2015	2016
UCAS points	278	167	315	330

Percentage of students that achieved at least 360 UCAS (Equivalent to 3 full A-Levels grades AAA)	39
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Percentage of students that achieved at least 240 UCAS (Equivalent to 3 full A-Levels grades CCC)	72
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The School offers many Co-Curricular activities including cycling proficiency, First Aid courses, Latin and peripatetic music lessons. There is an annual Photography competition and Young Enterprise week.

A combined Sports Day event was held jointly with a neighbouring Campus at a sports stadium in Cardiff. The school hosts various sports tournaments and cross country running events.

Music is compulsory for Key Stage 3 and some students take it for GCSE. Musical events included Wind in the Willows for Junior school.

PROSPECT EDUCATION TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 JULY 2016

The School engages in various charitable activities including Bag 2 School donations and raising money for other charities as chosen by the students, such as Severn Area Rescue Association (£500) Winston's Wish (£1,000) and Devon Racqueteers (£250).

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 Campus to join lessons.

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

FINANCIAL REVIEW

a. 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 £2,293,104. primarily from charitable trust grants. Net incoming resources for the period were £284,338. and net assets at the Balance Sheet date were £442,861.

FUTURE PLANS

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 provide high quality mentoring and ensure success in future studies.
- To implement specific elements of SDL to include staff training, project planning and lesson observations.
- 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

a. 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.

b. Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Board of Trustees has agreed pay and performance management policies for all staff and these are reviewed annually. Guidance, policies and support are provided by Focus Learning Trust (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.), of which Prospect Education Trust is affiliated.

A Human Resources (HR) team headed by the HR Trustee, has responsibility to consider the pay and performance of the Headteacher. The pay of other staff personnel is set by the HR team taking account of recommendations by the Headteacher following performance management meetings.

c. 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.

d. 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.

e. 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.

f. 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.

g. 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.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 JULY 2016**

h. 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.

i. Related Parties

There are no related parties which either control or significantly influence the decisions and operations of Prospect Education Trust.

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 year are disclosed in the notes to the accounts.

Novus Trading Limited (registered company number 06451874) 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 donated facilities; a property owned by Whitecroft Education Trust (registered charity number 1059446). There is only one common Trustee between the two Trusts.

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.

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 2016

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 4 April 2017 and signed on their behalf by:

D Turner
Trustee

PROSPECT EDUCATION TRUST

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF PROSPECT EDUCATION TRUST

We have audited the financial statements of Prospect Education Trust for the year ended 31 July 2016 set out on pages 13 to 29. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statements of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

This report is made solely to the Trustees in accordance with section 151 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 151 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 2016 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; and
- have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in other respects the requirements of the Charities Act 2011.

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
27 April 2017

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
FOR THE YEAR ENDED 31 JULY 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:					
Donations	2	56,793	-	56,793	73,684
Charitable activities	3	1,338,498	-	1,338,498	1,232,669
Trading and fundraising activities		897,802	-	897,802	593,886
Investments		11	-	11	17
TOTAL INCOME		2,293,104	-	2,293,104	1,900,256
EXPENDITURE ON:					
Raising funds		360,455	-	360,455	270,850
Charitable activities		1,645,483	2,828	1,648,311	1,560,748
TOTAL EXPENDITURE	4	2,005,938	2,828	2,008,766	1,831,598
NET MOVEMENT IN FUNDS		287,166	(2,828)	284,338	68,658
RECONCILIATION OF FUNDS:					
Total funds brought forward		155,695	2,828	158,523	89,865
TOTAL FUNDS CARRIED FORWARD		442,861	-	442,861	158,523

The notes on pages 17 to 29 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 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	8		66,438		47,709
CURRENT ASSETS					
Stocks	10	57,580		42,531	
Debtors	11	337,350		79,466	
Cash at bank and in hand		90,951		78,087	
			<u>485,881</u>	<u>200,084</u>	
CREDITORS: amounts falling due within one year	12	(109,458)		(89,270)	
NET CURRENT ASSETS			<u>376,423</u>		110,814
NET ASSETS			<u>442,861</u>		<u>158,523</u>
CHARITY FUNDS					
Restricted funds	14		-		2,828
Unrestricted funds	14		442,861		155,695
TOTAL FUNDS			<u>442,861</u>		<u>158,523</u>

The financial statements were approved by the Trustees on 4 April 2017
signed on their behalf, by:

and

D Turner
Trustee

The notes on pages 17 to 29 form part of these financial statements.

PROSPECT EDUCATION TRUST

**TRUST BALANCE SHEET
AS AT 31 JULY 2016**

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	8		59,543		45,440
Investments	9		2		2
			<u>59,545</u>		<u>45,442</u>
CURRENT ASSETS					
Debtors	11	368,458		130,559	
Cash at bank and in hand		62,915		40,401	
		<u>431,373</u>		<u>170,960</u>	
CREDITORS: amounts falling due within one year	12	(54,916)		(60,111)	
NET CURRENT ASSETS			<u>376,457</u>		<u>110,849</u>
NET ASSETS			<u>436,002</u>		<u>156,291</u>
CHARITY FUNDS					
Restricted funds	14		-		3,464
Unrestricted funds	14		436,002		152,827
TOTAL FUNDS			<u>436,002</u>		<u>156,291</u>

The financial statements were approved by the Trustees on 4 April 2017 and signed on their behalf, by:

D Turner
Trustee

The notes on pages 17 to 29 form part of these financial statements.

PROSPECT EDUCATION TRUST

CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	16	<u>45,648</u>	<u>54,805</u>
Cash flows from investing activities:			
Interest received		11	17
Purchase of tangible fixed assets		<u>(32,795)</u>	<u>(31,961)</u>
Net cash used in investing activities		<u>(32,784)</u>	<u>(31,944)</u>
Change in cash and cash equivalents in the year		12,864	22,861
Cash and cash equivalents brought forward		<u>78,087</u>	<u>55,226</u>
Cash and cash equivalents carried forward	17	<u><u>90,951</u></u>	<u><u>78,087</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant notes to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 and Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and Charities Act 2011.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Prospect Education Trust constitutes a public benefit entity as defined by FRS 102.

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.

First time adoption of FRS 102

These financial statements are the first financial statements of Prospect Education Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Prospect Education Trust for the year ended 31 July 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 19.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

1. ACCOUNTING POLICIES (continued)

1.3 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.

1.4 INCOME

All income is recognised once the Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

1.5 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.

1.6 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.

Expenditure on raising funds includes all expenditure incurred by the charity to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities are costs incurred on the charity's operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

1.7 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 carried at cost, net of depreciation and any provision for impairment. 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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1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

1. ACCOUNTING POLICIES (continued)

1.9 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the trust; this is normally upon notification of the interest paid or payable by the Bank.

1.10 DEBTORS

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

1.11 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.

1.12 LIABILITIES AND PROVISIONS

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

1.13 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

1.14 PENSIONS

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 quadrennial valuations using a prospective unit credit method. As stated in note 7, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

1. ACCOUNTING POLICIES (continued)

1.15 GOING CONCERN

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 July 2016.

1.16 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments 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.

2. INCOME FROM DONATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	56,793	-	56,793	73,684

In 2015 all of the total income from donations was unrestricted.

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Educational grants	942,446	-	942,446	1,022,115
Fee income	396,052	-	396,052	210,554
	1,338,498	-	1,338,498	1,232,669

In 2015 all of the total incoming resources from charitable activities was unrestricted.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

4. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2016 £	Depreciation 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
COSTS OF RAISING FUNDS:					
Trading and fundraising expenses	-	-	360,455	360,455	275,603
	-	-	360,455	360,455	275,603
CHARITABLE ACTIVITIES:					
Tutorial fees	894,061	-	42,966	937,027	854,622
Educational resources	-	-	193,728	193,728	218,280
Transport	-	-	208,924	208,924	214,611
Premises expenses	-	14,066	109,778	123,844	102,966
Administration	109,170	-	61,607	170,777	156,866
Governance	-	-	14,011	14,011	8,650
	1,003,231	14,066	631,014	1,648,311	1,555,995
	1,003,231	14,066	991,469	2,008,766	1,831,598

5. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	14,066	10,963
Auditors' remuneration - audit	7,800	6,600
Auditors' remuneration - other services	540	-
Auditors' remuneration - subsidiary	2,150	2,050
Pension costs	100,540	80,842

During the year, no Trustees received any remuneration (2015: £NIL).

During the year, no Trustees received any benefits in kind (2015: £NIL).

During the year, no Trustees received any reimbursement of expenses (2015: £NIL).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

6. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	832,135	732,976
Social security costs	70,556	54,798
Other pension costs	100,540	80,842
	<u>1,003,231</u>	<u>868,616</u>

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

	2016 No.	2015 No.
	<u>29</u>	<u>29</u>

Average headcount expressed as a full time equivalent:

	2016 £	2015 £
	<u>25</u>	<u>22</u>

The number of higher paid employees was:

	2016 No.	2015 No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

The key management personnel of the charity comprise the Trustees (who do not receive remuneration) and the Headteacher. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Trust was £72,513 (2015: £69,269).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

7. 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 previous 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 £157,424 (2015: £134,736).

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

Under the definitions set out in FRS 102, the TPS is a 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.

PROSPECT EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

8. TANGIBLE FIXED ASSETS

	Furniture and Equipment £
GROUP	
COST	
At 1 August 2015	129,930
Additions	32,795
	<u>162,725</u>
At 31 July 2016	<u>162,725</u>
DEPRECIATION	
At 1 August 2015	82,221
Charge for the year	14,066
	<u>96,287</u>
At 31 July 2016	<u>96,287</u>
NET BOOK VALUE	
At 31 July 2016	<u>66,438</u>
At 31 July 2015	<u>47,709</u>
	<u>47,709</u>
TRUST	
COST	
At 1 August 2015	124,986
Additions	26,655
	<u>151,641</u>
At 31 July 2016	<u>151,641</u>
DEPRECIATION	
At 1 August 2015	79,546
Charge for the year	12,552
	<u>92,098</u>
At 31 July 2016	<u>92,098</u>
NET BOOK VALUE	
At 31 July 2016	<u>59,543</u>
At 31 July 2015	<u>45,440</u>
	<u>45,440</u>

PROSPECT EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
TRUST	
MARKET VALUE	
At 1 August 2015 and 31 July 2016	2
	2016
	£
	2
Subsidiary undertaking - Novus Trading Limited	2
	2015
	£
	2

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 2016 of £4,626 (2015: £1,501) after a Gift Aid donation to Prospect Education Trust of £269,576 (2015: £278,512). At 31 July 2016 the net assets of company were £6,862 (2015: £2,236).

10. STOCKS

	GROUP		TRUST	
	2016	2015	2016	2015
	£	£	£	£
Finished goods and goods for resale	57,580	42,531	-	-

11. DEBTORS

	GROUP		TRUST	
	2016	2015	2016	2015
	£	£	£	£
DUE AFTER MORE THAN ONE YEAR				
Other debtors	63,000	-	63,000	-
DUE WITHIN ONE YEAR				
Trade debtors	148,865	58,038	61,478	-
Amounts owed by group undertakings	-	-	129,481	122,445
Other debtors	108,000	-	108,000	-
Prepayments and accrued income	17,485	21,428	6,499	8,114
	337,350	79,466	368,458	130,559

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

12. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		TRUST	
	2016	2015	2016	2015
	£	£	£	£
Trade creditors	51,188	44,986	18,627	28,647
Other taxation and social security	41,469	28,252	22,138	18,291
Other creditors	1,725	859	1,075	-
Accruals and deferred income	15,076	15,173	13,076	13,173
	109,458	89,270	54,916	60,111

13. RELATED PARTY TRANSACTIONS

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

- £4,369 (2015: £998) 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 (2015: £NIL) to Southgate Plastics.
- £129 (2015: £2,447) from Toffeln - D Leflaive and G Leflaive are Trustees of Toffeln and Prospect Education Trust. At the year end the Trust owed £NIL (2015: £NIL) to Toffeln.
- £851 (2015: £NIL) from Springfield Papers - J Coldrick and A Leflaive are Trustees of Springfield Papers and Prospect Education Trust. At the year end the Trust owed £NIL (2015: £NIL) to Springfield Papers.
- £1,132 (2015: £NIL) from Kensington - C Huntley and G Huntley are Trustees of Kensington and Prospect Education Trust. At the year end the Trust owed £NIL (2015: £NIL) to Kensington.

During the year, the Trust received donations of £34,101 (2015: £NIL) from Trustees and other related parties.

During the year, the Trust received school fee income of £33,293 (2015: £20,472) from Trustees.

PROSPECT EDUCATION TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016**

14. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
UNRESTRICTED FUNDS				
General Funds	155,695	2,293,104	(2,005,938)	442,861
RESTRICTED FUNDS				
Charity fundraising	2,828	-	(2,828)	-
Total of funds	158,523	2,293,104	(2,008,766)	442,861

RESTRICTED FUNDS

The restricted fund balance represented amounts raised for charities which have now been distributed.

SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Carried Forward £
Unrestricted funds	155,695	2,293,104	(2,005,938)	442,861
Restricted funds	2,828	-	(2,828)	-
	158,523	2,293,104	(2,008,766)	442,861

15. ANALYSIS OF NET ASSETS BETWEEN FUNDS- GROUP

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	66,437	-	66,437	47,710
Debtors due after more than 1 year	63,000	-	63,000	-
Current assets	422,882	-	422,882	200,083
Creditors due within one year	(109,458)	-	(109,458)	(89,270)
	442,861	-	442,861	158,523

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

ANALYSIS OF NET ASSETS - TRUST

	Tangible Fixed Assets £	Cash At Bank £	Other Net Assets £	Total 2016 £	Total 2015 £
Restricted funds					
Charity fundraising	-	-	-	-	3,464
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,464</u>
Unrestricted funds					
General funds	59,543	62,915	313,544	436,002	152,827
	<u>59,543</u>	<u>62,915</u>	<u>313,544</u>	<u>436,002</u>	<u>156,291</u>

16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES

	2016 £	2015 £
Net income for the year (as per Statement of Financial Activities)	284,338	68,658
Adjustment for:		
Depreciation charges	14,066	10,963
Interest received	(11)	(17)
Increase in stocks	(15,049)	(9,116)
Increase in debtors	(257,884)	(22,397)
Increase in creditors	20,188	6,714
Net cash provided by operating activities	<u>45,648</u>	<u>54,805</u>

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank and in hand	90,951	78,087
Total	<u>90,951</u>	<u>78,087</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

18. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	90,951	78,087
Financial assets measured at amortised cost	330,556	67,841
	<u>421,507</u>	<u>145,928</u>
Financial liabilities measured at amortised cost	<u>66,916</u>	<u>61,018</u>

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors and accrued income.

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

19. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 July 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 August 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Trust's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.