

**PROSPECT EDUCATION TRUST**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2017**

# PROSPECT EDUCATION TRUST

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## PROSPECT EDUCATION TRUST

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST, ITS TRUSTEES AND ADVISERS FOR THE PERIOD ENDED 31 DECEMBER 2017

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**Trustees**

G M Biggs (resigned 29 November 2016)  
A S Leflaive  
G M Leflaive<sup>1</sup>  
A Mitchell (appointed 4 April 2017)<sup>1</sup>  
K T Mitchell (resigned 4 April 2017)  
A M Nunn (resigned 20 September 2016)  
B Small (appointed 20 September 2016)<sup>1</sup>  
M Smith (appointed 14 February 2018)<sup>1</sup>  
N Taylor (resigned 22 September 2017)<sup>1</sup>  
D Turner (appointed 20 September 2016)  
J Van As (resigned 14 February 2018)<sup>1</sup>

<sup>1</sup> 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 PERIOD ENDED 31 DECEMBER 2017

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The Trustees present their annual report together with the audited financial statements of Prospect Education Trust for the period 1 August 2016 to 31 December 2017.

#### 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 180 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.

**c. Activities for achieving objectives**

The School provides an education for 180 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 report (dated November 2017), the inspectors found that the School achieved Outstanding in all 4 sections of the inspection:

- The quality of education
- Pupils personal development
- Safeguarding pupils' welfare Health & Safety
- Leadership, management & governance

**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 PERIOD ENDED 31 DECEMBER 2017**

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**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 increase the use of the Virtual Learning Environment (VLE) and 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 play our part in the life of our local community;
- To maintain the 'Management of Effectiveness' Program in conjunction with Focus Learning Trust to improve personal and overall performance;
- To further develop and improve assessment methods and Value Added scores;
- To provide an SDL learning area in the Primary building;
- To improve on the previous school inspection result, aiming for Outstanding.

**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;
- Working closely with Focus, the school RP and teachers to improve school inspection result;
- Continue to upgrade the school environment including IT & WiFi;
- Identify AGT students and each subject teacher plans an AGT activity for them at least once a year;
- Teachers to continue to assess students regularly;
- Teachers must adhere to the school Behaviour for Learning protocol.

**TRUSTEES' REPORT (continued)**  
**FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**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.

**b. REVIEW OF ACTIVITIES**

**A Level Results Summer 2017**

**Headlines**

A quarter of the results were either grade A or distinction.

Over half the results were grades A, B or distinction.

A weaker cohort but greater Value Added than last year with an average of +0.5.

Average UCAS score of 294 the equivalent of 3 full A-Levels grades BBB.

**A Level exam results for year 13 (14 students) were as follows:**

Grade	Frequency	Percentage
A or Distinction	10	25
B	11	27.5
C or Merit	14	35
D	4	10
E or Pass	13	2.5
U	0	0

Percentage A of all grades	25
Percentage A/B of all grades	52.5
Percentage A to C of all grades	87.5
Percentage passed of all grades	100
Average Value Added based on the cognitive ability targets	+0.5
Percentage of results that students met or exceeded their cognitive ability targets	77.5
Average UCAS points across all students	294

Note: 300 is equivalent of 3 full A-levels grades BBB

**Comparing average UCAS points with previous years**

<u>Year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
UCAS points	278	167	315	332	294

## PROSPECT EDUCATION TRUST

### TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 DECEMBER 2017

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#### Year 11 GCSE Summer 2017

##### Headlines

87.5% of students achieved at least 5 A\* to C (9-4) grades including English and Maths.

31% of all grades were A\*, A or between 9 and 6.

Focus Value Added (based on CAT) score of 0.7.

An Attainment 8 score of 57.5.

A large range of results/abilities with 52 Attainment 8 points between the highest and lowest students.

##### GCSE exam results for year 11 (24 students) were as follows:

Grade	Frequency	Percentage
A*/9/8	15	6
A/7/6	58	25
B/5	78	34
C/4	51	22
D/3	28	12
E/2	2	1
F	0	0
G/1	0	0
U	0	0

Percentage A*/A (9-6) of all grades	31
Percentage A* to C (9-4) of all grades	87
Percentage passed of all grades	100
Focus Value Added based on the cognitive ability (CAT) targets	+0.71
Value added using the new Progress 8 weightings	+0.83
Percentage of results that students met or exceeded their CAT targets	82.6
Percentage achieving at least 5 A* to C (9-4) grades	91.7
Percentage achieving at least 5 A* to C (9-4) grades including English and Maths	87.5

##### Comparing percentage achieving at least 5 A\* to C (9-4) grades including English and Maths

<u>Year</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
England Average	59.2	53.4	57.1	57.4	TBA
Berkeley	82	68	85.7	80	87.5

Attainment 8			57.5
Range	52	Standard Deviation	11.3

##### Comparing Attainment 8

<u>Year</u>	<u>2016</u>	<u>2017</u>
England Average	48.5	TBA
Berkeley	56	57.5



## **PROSPECT EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 DECEMBER 2017**

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The School offers many Co-curricular activities including First Aid courses, peripatetic music lessons, cycling proficiency, photography competitions and Young Enterprise week.

Sports tournaments have been held between certain year groups with neighbouring Gloucester School. A combined Sports Day is held jointly with Swansea School at a sports stadium in Cardiff.

Musical events are held and included a whole school musical performance called Music through the ages, the event being held at Cheltenham Ladies College.

The School engages in various charitable activities including Bag 2 School donations, British Heart Foundation donations and raising money for other charities as chosen by the students, such as UNICEF (£1,350) and GWAA (£567).

The School has links with other schools in UK and Europe through use of Virtual Classroom (VC).

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

## **FINANCIAL REVIEW**

### **a. Financial Review**

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.

Student intake numbers are naturally decreasing over the coming years and the increase of funding from trading activities are seen as an area to cover potential decrease of income through school fees. To this end a rebrand and change of the trading company shop to a 'superstore' has been started to increase funds direct to the school.

The Trust considers the financial position to be satisfactory. The group received income of £2,758,246. primarily from charitable trust grants. Net outgoing resources for the period were £20,430, and net assets at the Balance Sheet date were £422,431.

### **b. Reserves Policy**

The Trustees review the reserve levels of the group annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees have determined that the appropriate level of free reserves should be in the region of £300,000. At the period end the total reserves were £422,431 (2016: £442,861), of which £194,256 (2016: £66,438) comprises fixed assets, leaving £228,175 (2016: £376,423) as free reserves. There are no restricted funds.

## **PROSPECT EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 DECEMBER 2017**

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#### **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 parent involvement through offering learning walks during the school day;
- To work with Focus Learning Trust to deliver a consistent and high level of educational experience and outcome for all students and staff.

#### **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.

**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 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.

## **PROSPECT EDUCATION TRUST**

### **TRUSTEES' REPORT (continued) FOR THE PERIOD ENDED 31 DECEMBER 2017**

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#### **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.

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

and signed on their behalf by:

**D Turner**  
Trustee

## **PROSPECT EDUCATION TRUST**

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

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#### **OPINION**

We have audited the financial statements of Prospect Education Trust (the 'parent charity') and its subsidiaries (the 'group') for the period ended 31 December 2017 set out on pages 14 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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: Statement 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.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable trust's affairs as at 31 December 2017 and of the group's incoming resources and application of resources for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### **BASIS FOR OPINION**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **USE OF OUR REPORT**

This report is made solely to the Trustees in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. 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 opinions we have formed.

#### **CONCLUSIONS RELATING TO GOING CONCERN**

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charitable trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **PROSPECT EDUCATION TRUST**

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

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#### **OTHER INFORMATION**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 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
- the parent charitable trust has not kept 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.

#### **RESPONSIBILITIES OF TRUSTEES**

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## **PROSPECT EDUCATION TRUST**

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

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#### **AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

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

#### **Bishop Fleming LLP**

Chartered Accountants  
Statutory Auditors

16 Queen Square  
Bristol  
BS1 4NT  
Date:

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 PERIOD ENDED 31 DECEMBER 2017**

	<b>Note</b>	<b>Total funds 17 months ended 31 December 2017 £</b>	<b>Total funds year ended 31 July 2016 £</b>
<b>INCOME FROM:</b>			
Donations	2	129,030	56,793
Charitable activities	3	1,656,631	1,338,498
Trading and fundraising activities		972,568	897,802
Investments		17	11
<b>TOTAL INCOME</b>		<b>2,758,246</b>	<b>2,293,104</b>
<b>EXPENDITURE ON:</b>			
Raising funds		461,026	360,455
Charitable activities		2,317,650	1,648,311
<b>TOTAL EXPENDITURE</b>	4	<b>2,778,676</b>	<b>2,008,766</b>
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>		<b>(20,430)</b>	<b>284,338</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(20,430)</b>	<b>284,338</b>
<b>RECONCILIATION OF FUNDS:</b>			
Total funds brought forward		442,861	158,523
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>422,431</b>	<b>442,861</b>

The notes on pages 18 to 31 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 DECEMBER 2017**

		<b>31 December 2017</b>			<b>31 July 2016</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible assets	8		<b>194,256</b>		66,438
<b>CURRENT ASSETS</b>					
Stocks	10	<b>50,933</b>		57,580	
Debtors	11	<b>137,367</b>		337,350	
Cash at bank and in hand		<b>132,740</b>		90,951	
			<b>321,040</b>	<b>485,881</b>	
<b>CREDITORS:</b> amounts falling due within one year	12	<b>(92,865)</b>		<b>(109,458)</b>	
<b>NET CURRENT ASSETS</b>			<b>228,175</b>		376,423
<b>NET ASSETS</b>			<b>422,431</b>		442,861
<b>CHARITY FUNDS</b>					
Unrestricted funds	14		<b>422,431</b>		442,861
<b>TOTAL FUNDS</b>			<b>422,431</b>		442,861

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

and signed on

**D Turner**

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

**PROSPECT EDUCATION TRUST**

**TRUST BALANCE SHEET  
AS AT 31 DECEMBER 2017**

		<b>31 December 2017</b>			<b>31 July 2016</b>
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>FIXED ASSETS</b>					
Tangible assets	8	<b>148,228</b>			59,543
Investments	9	<b>2</b>			2
		<b>148,230</b>			59,545
<b>CURRENT ASSETS</b>					
Debtors	11	<b>234,491</b>		368,458	
Cash at bank and in hand		<b>62,306</b>		62,915	
		<b>296,797</b>		431,373	
<b>CREDITORS:</b> amounts falling due within one year	12	<b>(58,240)</b>		(54,916)	
<b>NET CURRENT ASSETS</b>		<b>238,557</b>			376,457
<b>NET ASSETS</b>		<b>386,787</b>			436,002
<b>CHARITY FUNDS</b>					
Unrestricted funds		<b>386,787</b>			436,002
<b>TOTAL FUNDS</b>		<b>386,787</b>			436,002

The financial statements were approved by the Trustees on

and signed on their behalf, by:

**D Turner**

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

PROSPECT EDUCATION TRUST

CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 DECEMBER 2017

		17 months ended 31 December 2017 £	Year ended 31 July 2016 £
	Note		
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	15	<u>131,141</u>	<u>45,648</u>
<b>Cash flows from investing activities:</b>			
Interest received		17	11
Purchase of tangible fixed assets		<u>(89,369)</u>	<u>(32,795)</u>
<b>Net cash used in investing activities</b>		<u>(89,352)</u>	<u>(32,784)</u>
<b>Change in cash and cash equivalents in the period</b>		<b>41,789</b>	<b>12,864</b>
Cash and cash equivalents brought forward		<u>90,951</u>	<u>78,087</u>
<b>Cash and cash equivalents carried forward</b>	16	<u><u>132,740</u></u>	<u><u>90,951</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES**

**1.1 GENERAL INFORMATION**

Prospect Education Trust is an unincorporated charity. The principal office is Prospect Education Trust, Focus School - Berkeley Campus, Wanswell, Berkeley, GL13 9RS.

These financial statements cover the period 1 August 2016 to 31 December 2017. The financial period was extended to bring it in line with affiliated entities. As a result of this, the comparatives will not be entirely comparable.

**1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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 the Charities SORP (FRS 102) published 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.

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.

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.

No separate SOFA has been presented for the Trust alone as permitted by.

**1.3 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 £1,263,669 (2016: £1,603,894) and expenditure of £1,372,758 (2016: £1,536,737) resulted in a deficit of £109,089 (2016: £67,157 surplus) for the 17 month period (2016: year). No separate SOFA has been presented for the Trust alone as permitted by paragraph 397 of the SORP.

**1.4 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.5 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.

**1.6 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.

**1.7 EXPENDITURE**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity.

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.

**1.8 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.

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

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
Computer equipment	-	3 years straight line

**1.9 STOCKS**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is based on a first in, first out basis, and includes all direct costs and an appropriate proportion of fixed and variable overheads.

**1.10 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.11 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.

**1.12 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.

**1.13 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.

**1.14 FINANCIAL INSTRUMENTS**

The Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**1.15 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.

The Trust also operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Trust pays fixed contributions into a separate entity. Once the contributions have been paid the Trust has no further payment obligations.

The contributions are recognised as an expense in the Statement of Financial Activities when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the trust in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**1. ACCOUNTING POLICIES (continued)**

**1.16 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 December 2017.

**1.17 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**

	<b>Total funds 17 months ended 31 December 2017 £</b>	<b>Total funds year ended 31 July 2016 £</b>
Donations	<b>129,000</b>	56,793
Legacies	<b>30</b>	-
	<hr/>	<hr/>
Total donations and legacies	<b>129,030</b>	56,793
	<hr/>	<hr/>
Total year ended 31 July 2016	<b>56,793</b>	
	<hr/>	

PROSPECT EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017

3. INCOME FROM CHARITABLE ACTIVITIES

	Total funds 17 months ended 31 December 2017 £	Total funds year ended 31 July 2016 £
Educational grants	1,201,685	942,446
Fee income	454,946	396,052
	<u>1,656,631</u>	<u>1,338,498</u>
Total year ended 31 July 2016	<u>1,338,499</u>	

4. ANALYSIS OF EXPENDITURE BY EXPENDITURE TYPE

	Staff costs 17 months ended 31 December 2017 £	Depreciation 17 months ended 31 December 2017 £	Other costs 17 months ended 31 December 2017 £	Total 17 months ended 31 December 2017 £	Total year ended 31 July 2016 £
<b>COSTS OF RAISING FUNDS:</b>					
Trading and fundraising expenses	31,031	10,104	419,891	461,026	360,455
	<u>31,031</u>	<u>10,104</u>	<u>419,891</u>	<u>461,026</u>	<u>360,455</u>
<b>CHARITABLE ACTIVITIES:</b>					
Tutorial fees	1,312,244	-	52,568	1,364,812	937,027
Educational resources	-	47,898	162,812	210,710	193,728
Transport	-	-	317,139	317,139	208,924
Premises expenses	-	13,017	194,040	207,057	123,844
Administration	120,586	-	82,779	203,365	170,777
Governance	-	-	14,567	14,567	14,011
	<u>1,432,830</u>	<u>60,915</u>	<u>823,905</u>	<u>2,317,650</u>	<u>1,648,311</u>
	<u>1,463,861</u>	<u>71,019</u>	<u>1,243,796</u>	<u>2,778,676</u>	<u>2,008,766</u>
Total year ended 31 July 2016	<u>1,003,231</u>	<u>14,066</u>	<u>991,469</u>	<u>2,008,766</u>	



## PROSPECT EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2017

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#### 5. NET INCOME/(EXPENDITURE)

This is stated after charging:

	<b>17 months ended 31 December 2017 £</b>	<b>Year ended 31 July 2016 £</b>
Depreciation of tangible fixed assets:		
- owned by the charitable group	<b>71,019</b>	14,066
Auditors' remuneration - audit	<b>7,800</b>	7,800
Auditors' remuneration - subsidiary	<b>2,150</b>	2,150
Auditors' remuneration - other services	<b>540</b>	540
Pension costs	<b>150,145</b>	100,540
	<b><u>                    </u></b>	<b><u>                    </u></b>

During the period, no Trustees received any remuneration (2016: £NIL).

During the period, no Trustees received any benefits in kind (2016: £NIL).

During the period, no Trustees received any reimbursement of expenses (2016: £NIL).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**6. STAFF COSTS**

Staff costs were as follows:

	<b>17 months ended 31 December 2017 £</b>	<b>Year ended 31 July 2016 £</b>
Wages and salaries	<b>1,197,922</b>	832,135
Social security costs	<b>115,794</b>	70,556
Other pension costs	<b>150,145</b>	100,540
	<b><u>1,463,861</u></b>	<b><u>1,003,231</u></b>

The average number of persons employed by the Group during the period was as follows:

<b>17 months ended 31 December 2017 No.</b>	<b>Year ended 31 July 2016 No.</b>
<b>29</b>	29

Average headcount expressed as a full time equivalent:

<b>17 months ended 31 December 2017 No.</b>	<b>Year ended 31 July 2016 No.</b>
<b>25</b>	25

The number of higher paid employees was:

	<b>17 months ended 31 December 2017 No.</b>	<b>Year ended 31 July 2016 No.</b>
In the band £60,001 - £70,000	<b>1</b>	1

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 during the 17 month period was £116,634 (year ended 2016: £72,513).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

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**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
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £149,696 (2016: £100,540).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

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.

**Defined Contributions Pension Scheme**

The Trust operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge represents contributions payable by the Trust to the fund and amounted to £449 (2016: £NIL). Contributions totalling £NIL (2016: £NIL) were payable to the fund at the reporting date.

PROSPECT EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017

8. TANGIBLE FIXED ASSETS

	Furniture and Equipment £	Computer equipment £	Total £
<b>GROUP</b>			
<b>COST</b>			
At 1 August 2016	162,725	-	162,725
Additions	55,142	143,695	198,837
At 31 December 2017	217,867	143,695	361,562
<b>DEPRECIATION</b>			
At 1 August 2016	96,287	-	96,287
Charge for the period	23,121	47,898	71,019
At 31 December 2017	119,408	47,898	167,306
<b>NET BOOK VALUE</b>			
At 31 December 2017	98,459	95,797	194,256
At 31 July 2016	66,438	-	66,438
	Furniture and Equipment £	Computer equipment £	Total £
<b>TRUST</b>			
<b>COST</b>			
At 1 August 2016	151,641	-	151,641
Additions	5,905	143,695	149,600
At 31 December 2017	157,546	143,695	301,241
<b>DEPRECIATION</b>			
At 1 August 2016	92,098	-	92,098
Charge for the period	13,017	47,898	60,915
At 31 December 2017	105,115	47,898	153,013
<b>NET BOOK VALUE</b>			
At 31 December 2017	52,431	95,797	148,228
At 31 July 2016	59,543	-	59,543

**PROSPECT EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**9. FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
<b>TRUST</b>	
<b>MARKET VALUE</b>	
At 1 August 2016 and 31 December 2017	<b>2</b>
	<u><u>2</u></u>
	31 December 2017 31 July 2016
	£ £
Subsidiary undertaking - Novus Trading Limited	<u><u>2</u></u> <u><u>2</u></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 profit in the 17 month period ended 31 December 2017 of £27,956 (year ended 2016: £4,626) after a Gift Aid donation to Prospect Education Trust of £473,275 (2016: £269,576). At 31 December 2017 the net assets of company were £34,818 (31 July 2016: £6,862).

**10. STOCKS**

	<b>GROUP</b>		<b>TRUST</b>	
	31 December 2017	31 July 2016	31 December 2017	31 July 2016
	£	£	£	£
Finished goods and goods for resale	<u><u>50,933</u></u>	<u><u>57,580</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

**11. DEBTORS**

	<b>GROUP</b>		<b>TRUST</b>	
	31 December 2017	31 July 2016	31 December 2017	31 July 2016
	£	£	£	£
<b>DUE AFTER MORE THAN ONE YEAR</b>				
Other debtors	-	63,000	-	63,000
<b>DUE WITHIN ONE YEAR</b>				
Trade debtors	100,100	148,865	39,947	61,478
Amounts owed by group undertakings	829	-	168,612	129,481
Other debtors	9,483	108,000	9,425	108,000
Prepayments and accrued income	26,955	17,485	16,507	6,499
	<u><u>137,367</u></u>	<u><u>337,350</u></u>	<u><u>234,491</u></u>	<u><u>368,458</u></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017**

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>GROUP</b>		<b>TRUST</b>	
	<b>31 December</b>	<b>31 July</b>	<b>31 December</b>	<b>31 July</b>
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade creditors	<b>28,464</b>	51,188	<b>10,786</b>	18,627
Other taxation and social security	<b>29,743</b>	41,469	<b>20,179</b>	22,138
Other creditors	<b>6,191</b>	1,075	<b>1,191</b>	1,075
Accruals and deferred income	<b>28,467</b>	15,726	<b>26,084</b>	13,076
	<b>92,865</b>	109,458	<b>58,240</b>	54,916

**13. RELATED PARTY TRANSACTIONS**

During the period, the Trust incurred related party transactions as follows:

- Receipts of £1,250 (2016: purchases of £129) from Toffeln - G Leflaive is a Director of Toffeln Limited and a Trustee of Prospect Education Trust. At the period end £NIL (2016: £NIL) was owed to or from Toffeln Limited.
- Purchases of £927 and receipts of £1,250 (2016: purchases of £851) from Springfield Business Papers Limited - A Leflaive is a Director of Springfield Business Papers Limited and a Trustee of Prospect Education Trust. At the period end £NIL (2016: £NIL) was owed to or from Springfield Business Papers Limited.
- Purchases of £4,362 and receipts of £250 (2016: £NIL) from Rhino Fire Control - A Mitchell is a partner of Rhino Fire Control and a Trustee of Prospect Education Trust. At the period end £184 (2016: £NIL) was owed to Rhino Fire Control.
- Receipts of £1,000 (2016: £NIL) from Harcourt Europe Limited - J Van As is a Director of Harcourt Europe Limited and a Trustee of Prospect Education Trust. At the period end Harcourt Europe Limited owed the Trust £NIL (2016: £NIL).

During the period, the Trust received school fee income of £37,883 (2016: £33,293) from Trustees, and a bad debt expense of £4,280 was recognised in respect of Trustee debtors.

During the period, the Trust received donations of £NIL (2016: £34,101) from Trustees and other related parties.

PROSPECT EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017

14. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 August 2016 £	Income £	Expenditure £	Balance at 31 December 2017 £
<b>UNRESTRICTED FUNDS</b>				
General Funds	442,861	2,758,246	(2,778,676)	422,431

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 August 2015 £	Income £	Expenditure £	Balance at 31 July 2016 £
<b>UNRESTRICTED FUNDS</b>				
General Funds	155,695	2,293,104	(2,005,938)	442,861
	155,695	2,293,104	(2,005,938)	442,861
Restricted funds	2,828	-	(2,828)	-
	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.

PROSPECT EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017

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

	<b>GROUP</b>	
	<b>17 months ended 31 December 2017 £</b>	<b>Year ended 31 July 2016 £</b>
Net (expenditure)/income for the year (as per Statement of Financial Activities)	<b>(20,430)</b>	284,338
<b>Adjustment for:</b>		
Depreciation charges	<b>71,019</b>	14,066
Interest received	<b>(17)</b>	(11)
Decrease/(increase) in stocks	<b>6,647</b>	(15,049)
Decrease/(increase) in debtors	<b>90,515</b>	(257,884)
(Decrease)/increase in creditors	<b>(16,593)</b>	20,188
<b>Net cash provided by operating activities</b>	<b>131,141</b>	45,648

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	<b>GROUP</b>	
	<b>17 months ended 31 December 2017 £</b>	<b>Year ended 31 July 2016 £</b>
Cash at bank and in hand	<b>132,740</b>	90,951
Total	<b>132,740</b>	90,951



PROSPECT EDUCATION TRUST

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2017

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17. FINANCIAL INSTRUMENTS

	17 months ended 31 December 2017 £	Year ended 31 July 2016 £
Financial assets measured at amortised cost	<b>316,445</b>	421,507
Financial liabilities measured at amortised cost	<b>171,399</b>	66,916

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors, other debtors and accrued income.

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