

**Company No. 2042309**  
**Registered in England and Wales**  
**Charity No. 518009**

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

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**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**GOVERNORS, OFFICERS AND ADVISERS**  
**YEAR ENDED 31 AUGUST 2020**

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**GOVERNORS, DIRECTORS AND CHARITY TRUSTEES**

The Governors of Priory School Edgbaston Trustees Limited are the School's charity trustees under charity law and they are the directors of the charitable company. Members of the Governing Body (Governing Council) who served in office as Governors during the year and subsequently are detailed below.

		(1)	(2)	(3)
Ms H Somerfield (Chair)		x	x	x
Ms D Mattison (Vice Chair)		x		
Mr M Hunt		x		
Mr V Naik		x		
Mr S M Q Gilmore				
Mr T J P Ryan				x
Sister M Matthews			x	
Dr T Wood				
Mrs A Cleary	Appointed 9 October 2019			x

During the year certain activities of the Governing Body were carried out through three committees, being the following

- (1) Finance and General Purposes Committee
- (2) Risk and Compliance Committee (incorporating Health and Safety)
- (3) Governor Nomination and Selection Committee

Membership of Committees is shown above for each Governor.

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED  
GOVERNORS, OFFICERS AND ADVISERS (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**ADVISORS**

**OFFICERS (currently and throughout the year)**

Mr J Cramb BA Hons, PGCE, MEd

Headmaster

Mr P Murphy LIB

Finance Director and Company Secretary

**Registered Office**

Priory School, 39 Sir Harry's Road, Edgbaston, Birmingham, B15 2UR

**Auditors**

Crowe U.K. LLP, Rounds Green Road, Oldbury, West Midlands, B69 2DG

**Bankers**

Handelsbanken, 55 Calthorpe Road, Edgbaston, Birmingham B15 1TH

and

Barclays Bank, Birmingham Business Centre, 15 Colmore Row, Birmingham, B3 2EP

**Website**

[www.prioryschool.net](http://www.prioryschool.net)

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The members of the Priory School Governing Body present their Annual Report for the year ended 31 August 2020 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

Priory School Edgbaston Trustees Limited is constituted as a company limited by guarantee registered in England, No. 2042309, and is registered with the Charity Commission under Charity No. 518009.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing documents**

The School is governed by its Memorandum of Association and Articles of Association, as altered by special resolutions passed 29<sup>th</sup> May 2002 and 30<sup>th</sup> July 2002.

**Governing Body**

The Governing Council is the Governing Body. Council members are elected at a general meeting and must be proposed by a member qualified to attend and vote at such meetings, in accordance with the Memorandum and Articles of Association. The number of Council members in office should not be more than 16 and not less than 8, as provided in the Memorandum and Articles of Association.

**Recruitment and training of Directors**

New Directors (Members of the Governing Council) are introduced to the workings of the School, including Governing Council policy and procedures, by the Governor Nomination and Selection Committee. Directors also attend specialist external courses from time to time, for example on Safeguarding Training.

**Organisational management**

The Council members meet as a Board at least four times per annum to determine the general policy of the company and to review its overall management and control, for which they are legally responsible.

The Council members delegate day to day management of the School to the Headmaster and his senior management team, comprising the Finance Director, the Facilities Manager and the Deputy Heads and Assistant Heads of the Preparatory and Senior Schools. Together, this group are the key management personnel.

The Council operates a number of Committees with delegated responsibilities in specific areas. These include the Finance and General Purposes Committee, the Risk and Compliance Committee and the Governor Nomination and Selection Committee. The Head and Finance Director attend meetings of the Governing Council's Committees. In addition, certain members of the Council have specific governance responsibilities in key areas such as Early Years, Child Protection, Marketing and Special Educational Needs.

The Finance and General Purposes Committee meets shortly before each meeting of the full Governing Council, specifically to review financial performance, budgets and management accounts. Responsibilities of this Committee also include Marketing, Facilities, Fundraising and Infrastructural Development projects. The Committee makes recommendations to Governing Council on the annual reviews of School Fee tariffs and Staff Salary scales.

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Employment policy**

Delivery of the School's charitable vision and purpose is primarily dependent on its key management personnel, and staff costs are the largest single element of charitable expenditure.

Remuneration policy is set by the Headmaster and Finance Director, subject to board (Council) approval, with the objective of providing appropriate incentives to encourage optimal performance and of rewarding individual contributions to the Schools' success fairly and responsibly.

The appropriateness and relevance of remuneration policy is reviewed annually. While reviews include reference to conditions in the education sector generally, the School is free to set its pay scales independently. Here the objective is to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere, while adapting to local budgetary conditions

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due attention is given to their training and employment needs.

Communication with employees continues through normal management channels, in particular through the Daily Bulletin in which staff are apprised of current issues and of key decisions affecting the school. Whole staff meetings, which are held termly, include briefings from the Headmaster, Finance Director, and other members of the senior management team.

**Key Relationships**

The School is a member of ISA (Independent Schools Association), AGBIS (Association of Governing Bodies of Independent Schools), and ISBA (Independent Schools Bursars' Association).

Locally, the School is a member of the Birmingham Catholic Schools Partnership.

In recognition of its heritage, the School maintains links with the Society of the Holy Child Jesus and with sister schools in Ireland, Europe and North America.

We cooperate with a number of local organisations in our ongoing endeavours to widen public access to the schooling that we can provide, to optimise the use of our cultural and sporting facilities and to develop in our pupils an awareness of the social context of the education that they receive at the School. We are also involved in the Erasmus "Big Outdoors" project for Early Years children with schools in Sweden, Germany, Iceland and Austria.

The School also benefits from the generosity of its parents' association, the Friends of Priory School, whose close support we greatly appreciate and gladly acknowledge.

**OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

The company is established to advance education by running a School in the United Kingdom as a registered charity for the education of children of both sexes and all denominations.

The company's principal activity remains the provision of independent education for children from Early Years to Sixth Form.

**Strategic Aim**

Priory School is a Catholic school which welcomes pupils of all faiths and abilities and is committed to delivering success for every child in its care, complementing academic life with performing arts, sports, and other extra-curricular activities designed to develop self-confident and well-rounded individuals.

Our aim is encapsulated in the following extract from our Mission Statement :

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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*'In partnership with parents or guardians, we provide a caring community with high standards of teaching and learning, enabling all pupils to achieve success.'*

**Principal activity**

The company's principal activity remains the provision of independent education for children from nursery to sixth form.

**Serving the public benefit**

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. In particular, the School has continued to support the widening of access to our school by pupils from lower income families through the provision of Scholarships and Supported Places. However, as the School has no endowment fund, we have had to maintain a careful balance between fee paying parents and those benefiting from the awards, in order to ensure our ongoing financial viability and to support further development of the School

The Scholarship scheme offers access to our School for bright pupils who excel academically or in areas such as sport, art, music or drama. During the 2019/20 academic year we have again complemented the Scholarship scheme with Supported Place awards, which have been means-tested and which have further supplemented the Scholarship award in appropriate cases.

The Council views our Scholarship and Supported Places awards as essential in helping to ensure that children from families who would otherwise not be able to afford the fees can access the education that we offer. Additionally, awards of Bursaries are made on the basis of parental means or to relieve financial hardship where an existing pupil's place might otherwise be at risk. To underline the value that we place on continuity for families, we continue to offer sibling discounts where parents have more than one child at the School.

The Trustees achieve the wider public benefit aim by providing use of the school's facilities for a range of community events and activities, including car parking for major sporting events at Edgbaston Priory Club (tennis tournaments) and at Edgbaston Stadium (cricket test matches).

Other beneficiaries of this policy this year included

- National Youth Recorder Orchestra
- Football: a local football club has occasional use of our football pitch at the weekends
- Short Tennis: coached in our sports hall under the auspices of Edgbaston Priory Club.

The School continues to play an active part in seeking to extend its charitable activities to the general public and is willing to assist and support in areas of need. We encourage our pupils to be good team players who are able to think independently and lead when required and we seek to foster a strong sense of the pupils' place in their local community and wider society.

We play a key role in the Catholic Partnership, which consists mainly of state schools, by hosting sports events and by opening our acclaimed Forest School to Partnership pupils. Our pupils also serve the community by entertaining residents of Sunrise Senior Living Care Home in Edgbaston and residents of the Little Sisters of the Poor Care Home in Harborne with singing and music. Our pupils also serve the community by suggesting charities to support and by actively engaging in fund raising activities in support of worthy causes, including

- o CAFOD
- o MacMillan Cancer Support
- o Rwanda Appeal
- o British Heart Foundation
- o Little Sisters of the Poor
- o Children in Need

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**DIRECTORS' REPORT**  
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- SIFA Fireside Homeless Charity
- Operation Christmas Child Shoebox Appeal

**STRATEGIC REPORT**

**FINANCIAL REVIEW**

**Results for the year**

Following a run of surplus outcomes (£168k in 2018/19), we had anticipated a significant drop in revenue and in pupil numbers in line with the general economic uncertainty, and with trends in the independent education sector in particular. The outbreak of Coronavirus in March, however, was clearly not expected. The COVID 19 pandemic which ensued had devastating effects on the economy and severely impacted on the School. We were especially affected in the last part of the academic year when public health measures, and government guidance generally, required the adoption of special measures and the closure of the school in the Summer term.

All significant changes to the School's operating procedures and practices arising from the pandemic were overseen by the Governing Council and its committees which met as necessary on a virtual basis via ZOOM.

Our teaching and support staff demonstrated extraordinary resilience and commitment in adapting to this unprecedented situation and worked hard to ensure continuing support for pupils and parents, and to minimise disruption to the pupils' education. The adoption and development of remote learning methods became increasingly important, while the continued provision of on - site teaching for children of key workers was a vital support to the Community.

It was necessary, however, to recognise the economic difficulties faced by parents as well as the inevitable impairment of the service provided by the School, and a range of discounts on school fees was agreed by the Governing Council. This loss of revenue is the principal factor behind the poor financial result in the year under consideration, in which we report a deficit of £476k.

The School availed of the government's Coronavirus Job Retention Scheme (CJRS), which enabled us to place a significant number of staff on furlough and to partly offset losses through the furlough payments. Crucially, it also ensured that we were able to avoid any redundancies.

Staff costs represent our biggest expense and it was deemed necessary to forego any contracted annual pay increases in the year, other than the 0.50% which was granted mid - way through the year. Otherwise, continued emphasis on cost control had a positive effect on School overheads but credit management has been challenging as parents struggled to meet commitments. There was a consequential increase in bad debt provisions, though some recovery is expected in the following year.

Total school fees receivable decreased year on year by £1,181k (2017/18 £136k increase), after taking into account

- a reduction of £182k in financial support to parents through bursaries, supported places, scholarships and sibling allowances (2018/19 reduction £82k),
- and
- a general increase in gross school fee tariffs of 3.50%. (2017/18 3.00%)

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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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Average pupil numbers were 411 for the year (2018/19 - 475). Senior School numbers, including Sixth Form, at 215 reduced by 29 while Prep School numbers also reduced by 29 to 129. Numbers in Poppets (including Nursery) reduced by 6 to 67.

In furtherance of our aim to widen access to the School, we have made means-tested awards to 30 pupils (2018/19 – 39 pupils) with a total value of £194k for the year (2018/19 - £209k). This represents 3.20% of our gross tuition fee income compared with 3.50% in the prior year.

Teaching staff numbers were relatively stable, being 88 at August 2020 (90 in August 2019), while teaching staff costs reduced by some £250k, partly reflecting the offsetting effect of the furlough receipts and the absence of the normal annual pay awards.

#### **Reserves Level and Policy and Financial Viability**

The accounts have been prepared on a going concern basis.

The school's total reserves were £1,647,296 at the year - end. £1,360,520 of this represented the net book value of fixed assets, leaving free reserves of £286,776 (2019: £572k) against a policy of £480k. There was no restricted income.

The Council's continuing policy is to seek to have free reserves at a level sufficient to enable us to withstand consequential pupil losses of up to 10%. The target level of free resources on this basis is approximately £480k. There is, therefore, a shortfall of £193k against the desired reserve level as a consequence of the drop in pupil numbers and the financial outcomes mentioned above.

The Council has reviewed financial projections for the future. These projections reflect the School's aim to return to growth in pupil numbers throughout the school and to increase net income through modest annual increases in school fee tariffs while continuing the policy of providing judiciously for scholarships, supported places and bursaries. Combined with continued attention to credit control and costs, achievement of this strategic objective should deliver future surpluses and enable the School to restore its free reserves to the target level over the medium term. In the short term, however, it will take at least another year to recover from the financial effects of the downturn and a deficit of some £250k is forecast for 2020/2021, with a return to surplus in the following year. In the meantime, the projections indicate continuing positive cash balances throughout, on which basis the going concern status is considered appropriate.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Council continues to keep under review the School's activities, the risks that may arise from them and the internal controls, systems and procedures established to manage them.

Detailed consideration of risk is delegated to the Risk and Compliance Committee, which meets three times a year and reports formally to the Governing Body. The structure of the Committee comprises two members of the Governing Council, assisted by Senior Management.

The risk management process adopted by the Risk and Compliance Committee identifies major risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks that are assessed as high. Mitigation measures include ensuring that appropriate insurance cover is in place to cover any insurable risks identified.

The key risks and actions to mitigate those areas are as follows:

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

Risk identified	Mitigation
<p>Damage to reputation from fraud, accident, unsatisfactory inspection reports or adverse media coverage</p>	<p>Careful financial management by Governing Council, supported by a Finance and General Purposes Committee and by the Finance Director;</p> <p>A Risk and Compliance Committee of the Board with specific delegated responsibility for Health &amp; Safety meets three times a year and reviews policy, practice, and any incidents requiring Board level attention.</p> <p>Continuous programme of campus security improvements in place</p> <p>All external and parent communications channelled through senior management for immediate attention;</p> <p>Detailed risk register maintained by the Facilities Manager</p>
<p>Reduction in pupil numbers</p>	<p>Heavy emphasis on and continuing investment in marketing;</p> <p>Close involvement of senior management in pupil recruitment process;</p> <p>Increased focus on improving the academic achievement of pupils</p>

*Other risk aspects:*

The Trustees consider the affordability of fees by parents across the independent sector to be the principal financial risk faced by the School, especially as local competition from other independent schools remains intense. In recognition of these factors, the Governing Council decided to limit general fee increases from September 2019 to 3.5%.

Health and Safety is always a significant area for risk management. The risks generally range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the School is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment. A particular concern in the year under review was the management of the public health risks associated with the pandemic outbreak. This risk was mitigated by strict adherence to government guidelines and by some judicious changes in the internal and external infrastructure of the School to facilitate the maintenance of social distancing

The generic controls used by the School to minimise risk include:

- detailed terms of reference together with formal agendas for Committee and Board activity;
- comprehensive budgeting and management accounting;
- established organisational structures and lines of reporting;
- formal written policies including clear authorisation and approval levels;
- vetting procedures as required by law for the protection of the vulnerable.

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**FUTURE PLANS**

2020/2021 will be another challenging year for Priory School, in which we shall seek to contain the impact of the pandemic and to start growing pupil numbers again.

Plans include:

- Seeking to build up pupil numbers again throughout the school by use of intensive marketing initiatives
- Optimising the use of the Mayfield building
- Securing a high cohort value for pupils entering the School at Year 7
- Continuing to manage our estate in a cost - effective way, while adapting for the needs of COVID
- Using the School grounds where possible for development of the outdoor curriculum;
- Continuing to strengthen our IT platform and pupil access to IT learning facilities;
- Keeping parents informed through extensive use of ParentMail.

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

The trustees (who are also the directors of Priory School for the purposes of company law) are responsible for preparing the Annual Report and the financial statements with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

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

- select the most appropriate 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;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

**Relevant Audit Information**

Insofar as each of the Directors, as members of the Governing Body, at the date of approval of this report is aware there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Governing Council of Priory School Edgbaston on 24 February 2021 including, in their capacity as company directors, approving the Directors' and Strategic Reports contained herein, and signed on its behalf by:

*H Somerfield*

**H Somerfield**  
Chair of Governing Council

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Opinion**

We have audited the financial statements of Priory School Edgbaston Trustees Limited for the year ended 31 August 2020 set out on pages 14 to 30. 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), including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland.

In our opinion the financial statements:

- Give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of its 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 the requirements of the Companies Act 2006.

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

**Conclusions relating to going concern**

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

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

**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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Opinions on other matters prescribed by the Companies Act 2006**

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

- The information given in the trustees' report, including the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit .

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company'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 charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 auditor's report.

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INDEPENDENT AUDITOR'S REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Use of our report**

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Drew (Senior statutory auditor)

For and on behalf of

**Crowe U.K. LLP**

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 25 March 2021

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted Funds £	<b>2020 Total £</b>	<i>2019 Total £</i>
<b>Income from:</b>				
<b>Charitable activities</b>				
School fees receivable	2	3,873,871	<b>3,873,871</b>	4,872,471
Ancillary trading income	3	197,766	<b>197,766</b>	405,215
<b>Other trading activities</b>				
Other activities	4	7,240	<b>7,240</b>	13,237
<b>Investments</b>				
Bank and other interest	5	3,977	<b>3,977</b>	5,290
<b>Voluntary sources</b>				
Grants and donations	6	<u>1,000</u>	<b><u>1,000</u></b>	<u>248</u>
<b>Total incoming resources</b>		<u>4,083,854</u>	<b><u>4,083,854</u></b>	<u>5,296,461</u>
<b>Expenditure on:</b>				
<b>Raising funds</b>				
Financing costs	8	164,705	<b>164,705</b>	96,123
<b>Charitable activities</b>				
Education	7	<u>4,395,270</u>	<b><u>4,395,270</u></b>	<u>5,031,978</u>
<b>Total expenditure</b>		<u>4,559,975</u>	<b><u>4,559,975</u></b>	<u>5,128,101</u>
<b>Net incoming funds from operations before transfers</b>		<u>(476,121)</u>	<b><u>(476,121)</u></b>	<u>168,360</u>
Net movement in funds for the year		<u>(476,121)</u>	<b><u>(476,121)</u></b>	<u>168,360</u>
Fund balances at 1 September 2019		<u>1,955,057</u>	<b><u>2,123,417</u></b>	<u>1,955,057</u>
<b>Fund balances at 31 August 2020</b>		<u>1,647,296</u>	<b><u>1,647,296</u></b>	<u>2,123,417</u>

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

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	10	<u>1,360,520</u>	<u>1,551,178</u>
<b>CURRENT ASSETS</b>			
Debtors	11	466,275	424,843
Cash and deposits		<u>420,770</u>	<u>843,386</u>
		887,045	1,268,229
<b>CURRENT LIABILITIES</b>			
Creditors payable within one year	12	<u>(600,269)</u>	<u>(695,990)</u>
<b>NET CURRENT ASSETS</b>		<u>286,776</u>	<u>572,239</u>
<b>NET ASSETS</b>		<u>1,647,296</u>	<u>2,123,417</u>
<b>REPRESENTED BY:</b>			
<b>UNRESTRICTED FUNDS</b>			
General Reserve	16	<u>1,647,296</u>	<u>2,123,417</u>
		<u>1,647,296</u>	<u>2,123,417</u>

These financial statements were approved by the Governing Body and signed on its behalf by:

*H Somerfield*

**H Somerfield**

(Chair)

Date: 24 February 2021

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

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**CASH FLOW STATEMENT**  
**AS AT 31 AUGUST 2020**

	2020		2019	
	£	£	£	£
<b>Net cash outflow from operations</b>				
Net cash provided by operating activities		<u>(227,141)</u>		<u>262,433</u>
<b>Cash flows from investing activities:</b>				
Payments for tangible fixed assets	(34,747)		(548,050)	
Investment income and bank interest received	<u>3,977</u>		<u>5,290</u>	
<b>Net cash used in by investing activities</b>		<u>(30,770)</u>		<u>(542,760)</u>
<b>Cash flows from financing activities:</b>				
Finance costs paid	(164,705)		(96,123)	
Repayment of borrowings	<u>-</u>		<u>-</u>	
<b>Net cash provided by financing activities</b>		<u>(164,705)</u>		<u>(96,123)</u>
Change in cash and cash equivalents in the period		(422,616)		(376,450)
Cash and cash equivalents at the beginning of the period		<u>843,386</u>		<u>1,219,836</u>
Cash and cash equivalents at the end of the period		<u>420,770</u>		<u>843,386</u>

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

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**NOTES TO THE CASH FLOW STATEMENT**  
**AS AT 31 AUGUST 2020**

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**(i) Reconciliation of net income to net cash flow from operating activities**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Net incoming resources	<b>(476,121)</b>	<b>168,360</b>
Elimination of non-operating cash flows:		
- Investment income	<b>(3,977)</b>	<b>(5,290)</b>
- Finance costs	<b>164,705</b>	<b>96,123</b>
Depreciation charge	<b>225,405</b>	<b>286,594</b>
(Increase) in debtors	<b>(41,432)</b>	<b>(56,753)</b>
(Decrease) in creditors (excluding fees in advance and deposit)	<b>(87,720)</b>	<b>(113,773)</b>
(Decrease) in fees in advance scheme creditors	<b>(6,806)</b>	<b>(89,211)</b>
(Decrease) in parents' deposits	<b><u>(1,195)</u></b>	<b><u>(23,617)</u></b>
<b>Net cash inflow/(outflow) from operations</b>	<b><u>(227,141)</u></b>	<b><u>262,433</u></b>

**(ii) Analysis of cash and cash equivalents**

Cash at bank	<u>420,770</u>	<u>843,386</u>
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**(iii) Analysis of changes in net debt**

	<b>At 1</b>	<b>Cash</b>	<b>Other</b>	<b>At 31</b>
	<b>September</b>	<b>flows</b>	<b>non-cash</b>	<b>August</b>
	<b>2019</b>		<b>changes</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	<u>843,386</u>	<u>(422,616)</u>	=	<u>420,770</u>

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. ACCOUNTING POLICIES**

**1.1 Basis**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

The functional currency of the School is considered to be sterling because that is the currency of the primary economic environment in which the School operates.

The Trustees have a reasonable expectation that Priory School Edgbaston Trustees Limited has adequate resources to continue in operational existence for the foreseeable future. There are no material uncertainties about the School's ability to continue and therefore the Trustees adopt the going concern basis of accounting in preparing the financial statements.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 30 July 1986 (company number: 2042309) and registered as a charity on 6 October 1986 (charity number: 518009). The registered office and principal place of business is 39 Sir Harry's Road, Edgbaston, Birmingham, B15 2UR.

**1.2 Critical accounting judgements and key sources of estimation uncertainty**

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

**1.3 Fees and similar earned income**

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

Fees received in advance of education to be provided in future years are treated as deferred income and included within creditors.

**1.4 Donations, legacies, grants and other voluntary incoming resources**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**ACCOUNTING POLICIES (continued)**

**1.5 Expenditure**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

**1.6 Tangible fixed assets**

Fixed assets are stated at historical cost less accumulated depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value, evenly over its expected useful life, as follows:

- Fixtures, fittings and equipment                      3 to 10 years
- Leasehold improvements                                      5 to 20 years

Depreciation is provided in full in the year of acquisition.

Expenditure of a capital nature below £500 are not capitalised.

**1.7 Debtors**

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

**1.8 Creditors and provisions**

Creditors and provisions are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

**1.9 Fund accounting**

The charitable trust funds of the School are accounted for as unrestricted or restricted income

**Unrestricted** income belongs to the Schools' corporate reserves, spendable at the discretion of the Trustees either to further the School's Objects or to benefit the School itself. Where the Trustees decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

**Restricted** income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**ACCOUNTING POLICIES (continued)**

**1.10 Pension costs**

Retirement benefits to employees of the School who are teachers are provided through a defined benefit scheme. The pension costs charged in the Statement of Financial Activities are determined as follows:

The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the Schools' share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The Schools' contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

**1.11 Operating leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

**1.12 Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

**1.13 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.

**2. CHARITABLE ACTIVITIES – FEES RECEIVABLE**

	2020	2019
	£	£
<b>Fees receivable consist of:</b>		
School fees	<b>4,799,294</b>	<i>5,980,722</i>
Less: total scholarships and bursaries	<b><u>(926,053)</u></b>	<i><u>(1,108,251)</u></i>
	<b><u>3,873,871</u></b>	<i><u>4,872,471</u></i>

Scholarships, bursaries and other awards were paid to 188 pupils (2019: 184). Within this means-tested bursaries totalling £193,537 were paid to 60 pupils (2019: £219k to 38 pupils).

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>3. CHARITABLE ACTIVITIES – OTHER INCOME</b>	<b>2020</b>	<i>2019</i>
	£	£
Extras	<b>147,496</b>	251,898
Entrance and registration fees	<b>40,756</b>	43,201
Excursions	-	18,348
Commissions and other income	<b><u>9,514</u></b>	<u>91,768</u>
	<b><u>197,766</u></b>	<u>405,215</u>
<b>4. OTHER TRADING ACTIVITIES</b>	<b>2020</b>	<i>2019</i>
	£	£
<b>Other activities</b>		
Lettings	<b>1,920</b>	5,799
Other	<b><u>5,320</u></b>	<u>7,438</u>
	<b><u>7,240</u></b>	<u>13,237</u>
<b>5. BANK AND OTHER INTEREST</b>	<b>Total</b>	<i>Total</i>
	<b>2020</b>	<i>2019</i>
	£	£
Bank interest	<b><u>3,977</u></b>	<u>5,290</u>
<b>6. GRANTS AND DONATIONS RECEIVABLE</b>	<b>Total</b>	<i>Total</i>
	<b>2020</b>	<i>2019</i>
	£	£
Other donations	<b><u>1,000</u></b>	<u>248</u>

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**7. ANALYSIS OF EXPENDITURE**

**(a) Total expenditure**

	Staff costs	Depreciation	Other	Total	<i>Total</i>
	(note 9)	(note 10)		2020	2019
	£	£	£	£	£
<b>Costs of generating funds</b>					
Financing costs (note 8)	-	-	<u>164,705</u>	<b><u>164,705</u></b>	<u>96,123</u>
<b>Total costs of generating funds</b>	<u>-</u>	<u>-</u>	<u>164,705</u>	<b><u>164,705</u></b>	<u>96,231</u>
<b>Charitable expenditure</b>					
<b>Education</b>					
Teaching	2,707,236	-	254,328	<b>2,961,564</b>	3,249,008
Welfare	-	-	219,764	<b>219,764</b>	254,880
Premises	327,613	225,405	361,969	<b>914,987</b>	906,641
Support costs and governance	231,685	-	67,270	<b>298,955</b>	621,449
<b>Total charitable expenditure</b>	<u>3,266,534</u>	<u>225,405</u>	<u>903,331</u>	<b><u>4,395,270</u></b>	<u>5,031,978</u>
<b>Total expended</b>	<u>3,266,534</u>	<u>225,405</u>	<u>1,068,036</u>	<b><u>4,559,975</u></b>	<u>5,128,101</u>

	Staff costs	Depreciation	Other	Total	<i>Total</i>
	(note 9)	(note 10)		2020	2019
	£	£	£	£	£
Costs of generating funds					
Financing costs (note 8)	-	-	<u>164,705</u>	<u>164,705</u>	<u>96,123</u>
Total costs of generating funds	<u>-</u>	<u>-</u>	<u>164,705</u>	<u>164,705</u>	<u>96,123</u>

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

<b>7.</b>	<b>ANALYSIS OF EXPENDITURE (CONTINUED)</b>	<b>2020</b>	<b>2019</b>
	<b>(b) Governance included in support costs:</b>		
		£	£
	Remuneration paid to auditor for audit services	<b>13,547</b>	13,333
	Other governance costs	<b><u>66,090</u></b>	<u>45,343</u>
		<b><u>79,637</u></b>	<u>58,676</u>
<b>8.</b>	<b>FINANCE AND OTHER COSTS</b>	<b>2020</b>	<b>2019</b>
		£	£
	Bank charges	<b>8,317</b>	10,322
	Bad and doubtful debts	<b><u>156,388</u></b>	<u>85,801</u>
		<b><u>164,705</u></b>	<u>96,123</u>
<b>9.</b>	<b>STAFF COSTS</b>	<b>2020</b>	<b>2019</b>
		£	£
	The aggregate payroll costs for the year were as follows:		
	Wages and salaries	<b>2,552,619</b>	2,953,186
	Social security costs	<b>251,759</b>	269,049
	Other pension costs	<b><u>460,976</u></b>	<u>328,420</u>
		<b>3,265,354</b>	3,550,655
	Supply staff costs	<b>1,180</b>	3,023
	Staff restructuring costs	<b><u>-</u></b>	<u>300</u>
		<b><u>3,266,534</u></b>	<u>3,553,978</u>
	None of the members of the governing body received any remuneration or other benefits from Priory School or from any connected body.		
	Travel expenses reclaimed by members of the governing body – Nil (2019: Nil).		
	Aggregate employee-benefits of key management personnel	<b><u>534,157</u></b>	<u>501,230</u>

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**9. STAFF COSTS (CONTINUED)**

	<b>2020</b>	2019
Number of higher paid employees in taxable emoluments bands of: £120,001 to £130,000	<u>1</u>	<u>1</u>
 The number with retirement benefits accruing - in Defined Benefit schemes was	 1	 1
 of which contributions amounted to	 <b><u>£29,792</u></b>	 <b><u>£20,631</u></b>

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

	<b>2020</b>	2019
Teaching	88	90
Other activities	<u>25</u>	<u>26</u>
	<b><u>113</u></b>	<b><u>116</u></b>

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**10. TANGIBLE FIXED ASSETS**

	Leasehold Improvements £	Fixtures, Fittings & Equipment £	Total £
<b>Cost</b>			
At 1 September 2019	2,001,228	690,057	<b>2,691,285</b>
Additions	34,747	-	<b>34,747</b>
Disposals	-	-	-
Transfers	<u>2,035,975</u>	<u>690,057</u>	<u>-</u>
<b>At 31 August 2020</b>			
<b>Depreciation</b>			
At 1 September 2019	<u>617,653</u>	<u>522,454</u>	<b>1,140,107</b>
Charge for the year	181,187	44,218	<b>225,405</b>
Disposals	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 31 August 2020</b>	<u>798,840</u>	<u>566,672</u>	<b>1,365,512</b>
<b>Net book value</b>			
<b>At 31 August 2020</b>	<u>1,237,135</u>	<u>123,385</u>	<b>1,360,520</b>
<i>At 31 August 2019</i>	<u>1,383,575</u>	<u>167,603</u>	<b>1,551,178</b>

**11. DEBTORS**

	2020 £	2019 £
Trade debtors	<b>269,833</b>	374,901
Other debtors	<b>17,977</b>	24,652
Prepayments and accrued income	<b>178,465</b>	25,290
	<b><u>466,275</u></b>	<b><u>424,843</u></b>

An impairment loss of £156,387 (2019: £85,801) was recognised against the School Fees debtor in the SOFA during the year.

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**12. CREDITORS: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deposits from parents	<b>(138,386)</b>	<i>(139,581)</i>
Deferred income	<b>(289,115)</b>	<i>(295,921)</i>
Trade creditors	<b>1,968</b>	<i>(103,509)</i>
Taxes and Social Security Cost	<b>(63,710)</b>	<i>(70,982)</i>
Accruals and other creditors	<b><u>(111,026)</u></b>	<i><u>(85,997)</u></i>
	<b><u>(600,269)</u></b>	<i><u>(695,990)</u></i>

The Governors have reviewed the contract terms under which Pupil fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2020 have been included within current liabilities. The prior year Pupil fee deposits balance has been similarly represented.

**13. DEFERRED INCOME**

<b>Summary of movements in liability</b>	<b>£</b>
Balance at 1 September 2019	295,921
Amounts released to incoming resources	(295,132)
Amounts deferred in the year	289,115
<b>Balance at 31 August 2020</b>	<b><u>289,904</u></b>

Deferred income comprises school fees received in advance.

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**14. FINANCIAL INSTRUMENTS**

Investment income for financial assets measured at fair value through income and expenditure amounted to £3,977 (2019: £5,290).

**15. OPERATING LEASES**

The commitments due over the life of the leases, under non-cancellable operating leases are analysed as follows:

	<b>2020</b>	<i>2019</i>
< 1 year	<b>23,482</b>	<i>19,852</i>
2 – 5 years	<b>43,326</b>	<i>66,910</i>
> 5 years	<b><u>175,500</u></b>	<i><u>175,500</u></i>
Total	<b><u>242,308</u></b>	<i><u>262,262</u></i>

The operating lease expense charged in the year was £23,756 (2019: £19,457).

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**16. STATEMENT OF FUNDS**

	Balance at 1 September 2019 £	Incoming resources £	Resources expended £	Transfers between funds £	Balance at 31 August 2020 £
<b>Unrestricted funds</b>					
General funds	2,123,417	4,083,854	(4,559,975)	-	1,647,296
<b>Total Funds</b>	<u><b>2,123,417</b></u>	<u><b>4,083,854</b></u>	<u><b>(4,559,975)</b></u>	<u>-</u>	<u><b>1,647,296</b></u>

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Transfers between funds £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>					
General funds	1,955,057	5,296,461	(5,128,101)	-	2,123,417
	<u>1,955,057</u>	<u>5,296,461</u>	<u>(5,128,101)</u>	<u>-</u>	<u>2,123,417</u>

**SUMMARY OF FUNDS**

	At 1 September 2019 £	Incoming resources £	Resources expended £	Transfers £	At 31 August 2020 £
Unrestricted funds	2,123,417	-	(476,121)	-	1,647,296
<b>Total Funds</b>	<u><b>2,123,417</b></u>	<u>-</u>	<u>(476,121)</u>	<u>-</u>	<u><b>1,647,296</b></u>

SUMMARY OF FUNDS – PRIOR YEAR

	At 1 September 2018 £	Incoming resources £	Resources expended £	Transfers £	At 31 August 2019 £
Unrestricted funds	1,955,057	168,360	-	-	2,123,417
<b>Total Funds</b>	<u>1,955,057</u>	<u>168,360</u>	<u>-</u>	<u>-</u>	<u>2,123,417</u>

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	<b>Unrestricted</b>	<b>Total</b>
	£	£
Fund balances at 31 August 2020 are represented by:		
Tangible fixed assets	1,360,520	<b>1,360,520</b>
Current assets	887,045	<b>887,045</b>
Current liabilities	(600,269)	<b>(600,269)</b>
	<u>1,647,296</u>	<u><b>1,647,296</b></u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR**

	Unrestricted	Total
	£	£
Fund balances at 31 August 2019 are represented by:		
Tangible fixed assets	1,551,178	1,551,178
Current assets	1,268,229	1,268,229
Current liabilities	(695,990)	(695,990)
	<u>2,123,417</u>	<u>2,123,417</u>

**18. PENSION SCHEMES**

**Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £400,027(2019: £300,007) and at the year-end £36,117 (2019: £25,983) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pensions Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED**  
**INCOME AND EXPENDITURE ACCOUNT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**18. PENSION SCHEMES (CONTINUED)**

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

**19. RELATED PARTY TRANSACTIONS**

There were no related party transactions in the year.