

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 2022

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 2022

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	
Ms D Mattison (Vice Chair)		X	X	
Mr V Naik		X		
Mrs A Cleary		X		
Mr S Brereton	Appointed 8 December 2021		X	
Mrs P Skrybant	Appointed 10 November 2021			
Mr T J P Ryan	Resigned 8 May 2022			
Sister M Matthews	Resigned 13 June 2022		X	
Dr T Wood	Resigned 18 May 2022			

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.

Post Year - end Appointments to Governing Council

- Rev J O'Brien was appointed 5 October 2022
- Miss Shernice Rai was appointed 5 October 2022

**PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
GOVERNORS, OFFICERS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022**

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

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The members of the Priory School Governing Body present their Annual Report for the year ended 31 August 2022 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 29th May 2002 and 30th 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 2022

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 School's 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 Heritage 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.

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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

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

During the year, the Governing Council has been working with management to consider how we can best ensure that the School has the broadest possible appeal to our increasingly diverse pupil and parent population while continuing to respect its traditional Catholic values. To this end, a new Mission Statement will be adopted in the year commencing in September 2022.

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 2021/2022 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 Place 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.

This year, special full scholarship awards were made to two Ukrainian children, as part of the School's response to the crisis in their native country.

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.
- Birmingham Reggae Choir.

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.

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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 British Heart Foundation
- o Little Sisters of the Poor
- o Children in Need
- o SIFA Fireside Homeless Charity
- o Operation Christmas Child Shoebox Appeal

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

STRATEGIC REPORT

FINANCIAL REVIEW

Results for the year

This year, the School reports a **surplus of £23k**, an improvement of £240k on the previous year's result (deficit £217k).

The return to surplus, after two years of deficits, occasioned largely by the Coronavirus pandemic, is a welcome development. This has been achieved through the dedicated efforts of the entire Priory team, which have been directed towards cost savings and strategic management of key resources, while maintaining optimal quality of education for pupils.

The teaching staff, who deliver the educational product, are often rightly cited as our greatest asset. Inevitably, their remuneration accounts for over seventy per cent of the School's costs, which is in line with sector norms. Our loyal colleagues have shown great commitment and understanding in accepting the limited ability to increase salaries over the last two years. During this time, the usual teacher pay scale arrangements have been suspended. The Governing Council has committed to keeping overall remuneration under review with a view to further improvement when finances permit.

As reported last year, one of the principal issues arising from the pandemic was a significant drop in pupil numbers due to parental circumstances, with the consequent loss of school fee revenue. It has been a prime goal of School management to restore pupil numbers. At the date of writing, this aim has been partly achieved and numbers have risen in the new academic year from September 2022.

Reserves Level and Policy and Financial Viability

The school's total reserves were £1,452,614 at the year - end. £1,029,164 of this represented the net book value of fixed assets, leaving free reserves of £423,450 (2021 £282,747). There were no restricted funds.

The Council's continuing policy is to seek to have free reserves at a level sufficient to enable the School to withstand consequential pupil losses of up to 10%. The target level of free resources on this basis is approximately £505k. There is, therefore, a shortfall of £82k against the desired reserve level as a consequence of the financial outcomes mentioned above. This compares favourably, however, with the prior year £222k shortfall

The Council has reviewed financial projections for the future. These projections reflect the School's aim to continue the 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 growing surpluses in the years ahead, while free reserves should reach the desired level in 2022 – 2023.

On this basis, production of these accounts on a going concern basis is considered appropriate.

The Governing Council is aware of the wider general threats to the independent education sector in a high inflation economy combined with the potential for major changes in taxation policy at some future date. There is little that can be done to forestall adverse changes in public policy, other than to keep informed and to rely on the combined lobbying efforts of our representative bodies.

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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:

Risk identified	Mitigation
Damage to reputation from fraud, accident, unsatisfactory inspection reports or adverse media coverage	<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 & 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>
Reduction in pupil numbers	<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>
Change in Charitable Status and/or imposition of VAT on School Fees	<p>Limited, as changes would apply to the entire independent education sector</p> <p>Change may be gradual rather than immediate</p>

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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 increase school fee tariffs by a lower than inflation level of 3.00% (following a zero increase in 2020/21)

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 pupils or teachers are 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. Particular attention is given to government advice and guidelines on public health issues. This measure served the School well during the pandemic, and continues to help keep health related absences under control.

FUTURE PLANS

2022/2023 will be another challenging year for Priory School, in which we shall seek to build on the financial recovery now underway

Plans include:

- Continuing to build up pupil numbers throughout the school by use of intensive marketing initiatives
- Optimising the use of all available classroom space
- Securing a high cohort value for pupils at the main entry points (principally at Year 7)
- Continuing to manage our estate in a cost - effective way, with limited capital expenditure
- Using the School grounds where possible for development of the outdoor curriculum;
- Investing in our IT platform and widening pupil access to IT learning facilities;

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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.

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 is aware, as members of the Governing Body, at the date of approval of this report, there is no relevant audit information 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 including, in their capacity as company directors, approving the Directors' and Strategic Reports contained herein, and signed on its behalf by:

H Somerfield
Chair of Governing Council
Date:

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of Priory School Edgbaston Trustees Limited for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law 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).

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 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Trustees are responsible for the other information contained within the Annual report. 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 or conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

We have nothing to report in this regard.

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance & General Purposes Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

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.

Kerry Brown (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:

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted Funds £	2022 Total £	<i>2021 Total £</i>
Income from:				
Charitable activities				
School fees receivable	2	4,247,862	4,247,862	4,207,764
Ancillary trading income	3	221,891	221,891	165,509
Other trading activities	4	10,807	10,807	9,973
Investments	5	14	14	19
Other income	6	=	=	<u>20,311</u>
Total incoming resources		<u>4,480,574</u>	<u>4,480,574</u>	<u>4,403,576</u>
Expenditure on:				
Raising funds				
Financing costs	7	52,330	52,330	(8,340)
Charitable activities				
Education	7	4,405,480	4,405,480	4,629,362
Total expenditure		<u>4,457,810</u>	<u>4,457,810</u>	<u>4,621,022</u>
Net incoming funds from operations before transfers		<u>22,764</u>	<u>22,764</u>	<u>(217,446)</u>
Net movement in funds for the year		<u>22,764</u>	<u>22,764</u>	<u>(217,446)</u>
Fund balances at 1 September 2021		<u>1,429,850</u>	<u>1,429,850</u>	<u>1,647,296</u>
Fund balances at 31 August 2022		<u>1,452,614</u>	<u>1,452,614</u>	<u>1,429,850</u>

The notes on pages 19 to 31 form part of these financial statements

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	10	<u>1,029,164</u>	<u>1,147,103</u>
CURRENT ASSETS			
Debtors	11	245,948	344,109
Cash and deposits		<u>742,729</u>	<u>744,179</u>
		988,677	1,088,288
CURRENT LIABILITIES			
Creditors payable within one year	12	<u>(565,227)</u>	<u>(805,541)</u>
NET CURRENT ASSETS		<u>423,450</u>	<u>282,747</u>
NET ASSETS		<u>1,452,614</u>	<u>1,429,850</u>
REPRESENTED BY:			
UNRESTRICTED FUNDS			
General Reserve	15	<u>1,452,614</u>	<u>1,429,850</u>

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

H Somerfield
 (Chair)
 Date:

The notes on pages 19 to 31 form part of these financial statements

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
CASH FLOW STATEMENT
AS AT 31 AUGUST 2022

	2022		2021
	£	£	£
Net cash outflow from operations			
Net cash provided by operating activities (i)		<u>102,313</u>	<u>326,517</u>
Cash flows from investing activities:			
Payments for tangible fixed assets	(51,447)		(11,467)
Investment income and bank interest received	<u>14</u>		<u>19</u>
Net cash used in by investing activities		<u>(51,433)</u>	<u>(11,448)</u>
Cash flows from financing activities:			
Finance costs paid	52,330		(8,340)
Net cash provided by financing activities		<u>52,330</u>	<u>(8,340)</u>
Change in cash and cash equivalents in the period		<u>(1,450)</u>	323,409
Cash and cash equivalents at the beginning of the period		<u>744,179</u>	420,770
Cash and cash equivalents at the end of the period		<u>742,729</u>	<u>744,179</u>

The notes on pages 19 to 31 form part of these financial statements

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
NOTES TO THE CASH FLOW STATEMENT
AS AT 31 AUGUST 2022

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

	2022 £	2021 £
Net incoming resources	22,764	(217,446)
Elimination of non-operating cash flows:		
- Investment income	(14)	(19)
- Finance costs	52,330	(8,340)
Depreciation charge	169,386	224,884
Decrease/(Increase) in debtors	98,161	122,166
Increase/(Decrease) in creditors (excluding fees in advance and deposit)	(55,634)	76,641
Increase/(Decrease) in fees in advance scheme creditors	(194,920)	136,681
(Decrease) in parents' deposits	10,240	(8,050)
Net cash inflow/(outflow) from operations	<u>102,313</u>	<u>326,517</u>

(ii) Analysis of cash and cash equivalents

Cash at bank	<u>742,729</u>	<u>744,179</u>
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(iii) Analysis of changes in net debt

	At 1 September 2021 £	Cash flows	Other non-cash changes	At 31 August 2022 £
		£	£	
Cash at bank and in hand	<u>744,179</u>	<u>(1</u>	<u>-</u>	<u>742</u>

The notes on pages 19 to 31 form part of these financial statements

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES

1.1 Basis

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities

preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

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

	2022	2021
	£	£
Fees receivable consist of:		
School fees	5,050,606	5,027,130
Less: total scholarships and bursaries	<u>(802,744)</u>	<u>(819,366)</u>
	<u>4,247,862</u>	<u>4,207,764</u>

Scholarships, bursaries and other awards were paid to 210 pupils (2021: 209). Within this means-tested bursaries totalling £166,322 were paid to 60 pupils (2021: £212,284 to 66 pupils).

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

3. CHARITABLE ACTIVITIES – OTHER INCOME

	2022	<i>2021</i>
	£	<i>£</i>
Extras	169,193	<i>125,050</i>
Entrance and registration fees	47,851	<i>36,653</i>
Commissions and other income	<u>4,847</u>	<i><u>3,806</u></i>
	<u>221,891</u>	<i><u>165,509</u></i>

4. OTHER TRADING ACTIVITIES

	2022	<i>2021</i>
	£	<i>£</i>
Other activities		
Lettings	3,500	<i>3,500</i>
Other	<u>7,307</u>	<i><u>6,473</u></i>
	<u>10,807</u>	<i><u>9,973</u></i>

5. INVESTMENTS

	Total 2022	<i>Total 2021</i>
	£	<i>£</i>
Bank interest	<u>14</u>	<i><u>19</u></i>

6. OTHER INCOME

	Total 2022	<i>Total 2021</i>
	£	<i>£</i>
Government grant	<u>-</u>	<i><u>20,311</u></i>

The government grant received during the prior year related to the Coronavirus Job Retention Scheme.

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7. ANALYSIS OF EXPENDITURE

(a) Total expenditure

	Staff costs	Depreciation	Other	Total	Total
	(note 9)	(note 10)		2022	2021
	£	£	£	£	£
Costs of generating funds					
Financing costs (note 8)	-	-	52,330	52,330	<i>(8,340)</i>
Total costs of generating funds	-	-	52,330	52,330	<i>(8,340)</i>
Charitable expenditure					
<i>Education</i>					
Teaching	2,706,210	-	158,077	2,864,287	3,013,021
Welfare	-	-	227,294	227,294	324,455
Premises	279,560	169,386	282,733	731,679	809,394
Support costs and governance	285,690	-	296,530	582,220	482,492
Total charitable expenditure	<u>3,271,460</u>	<u>169,386</u>	<u>964,634</u>	4,405,480	<u>4,629,362</u>
	0				
Total expended	<u>3,271,460</u>	<u>169,386</u>	<u>1,016,964</u>	<u>4,457,820</u>	<u>4,629,362</u>
Total expenditure comparative					
	Staff costs	Depreciation	Other	Total	Total
	(note 9)	(note 10)		2021	2020
	£	£	£	£	£
Costs of generating funds					
Financing costs (note 8)	-	-	<i>(8,340)</i>	<i>(8,340)</i>	<u>164,705</u>
Total costs of generating funds	-	-	<i>(8,340)</i>	<i>(8,340)</i>	<u>164,705</u>
Charitable expenditure					
<i>Education</i>					
Teaching	2,864,561	-	148,460	3,013,021	2,961,554
Welfare	-	-	324,455	324,455	219,764
Premises	317,649	224,884	266,861	809,394	914,987
Support costs and governance	301,968	-	180,524	482,492	298,955
Total charitable expenditure	<u>3,484,178</u>	<u>224,884</u>	<u>920,300</u>	<u>4,629,362</u>	<u>4,395,260</u>
Total expended	<u>3,484,178</u>	<u>224,884</u>	<u>911,960</u>	<u>4,621,552</u>	<u>4,629,362</u>

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

7.	ANALYSIS OF EXPENDITURE (CONTINUED)	2022	2021
	(b) Governance included in support costs:		
		£	£
	Remuneration paid to auditor for audit services	11,500	11,490
	Other governance costs	<u>56,758</u>	<u>57,217</u>
		<u>68,258</u>	<u>68,707</u>
8.	FINANCE AND OTHER COSTS	2022	2021
		£	£
	Bank charges	9,539	9,434
	Bad and doubtful debts	<u>42,791</u>	<u>(17,774)</u>
		<u>52,330</u>	<u>(8,340)</u>
9.	STAFF COSTS	2022	2021
		£	£
	The aggregate payroll costs for the year were as follows:		
	Wages and salaries	2,592,981	2,772,528
	Social security costs	249,873	259,195
	Other pension costs	<u>405,537</u>	<u>428,063</u>
		3,248,391	3,459,786
	Supply staff costs	23,069	24,392
		<u>3,271,460</u>	<u>3,484,178</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 (2021: Nil).		
	Aggregate employee-benefits of key management personnel	<u>608,300</u>	<u>647,217</u>

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

9. STAFF COSTS (CONTINUED)

	2022	<i>2021</i>
Number of higher paid employees in taxable emoluments bands of: £120,001 to £130,000	<u>1</u>	<u><i>1</i></u>
The number with retirement benefits accruing - in Defined Benefit schemes was	1	<i>1</i>
of which contributions amounted to	<u>29,741</u>	<u><i>£29,941</i></u>

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

	2022	<i>2021</i>
Teaching	77	<i>83</i>
Other activities	<u>22</u>	<u><i>24</i></u>
	<u>99</u>	<u><i>107</i></u>

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

10. TANGIBLE FIXED ASSETS

	Leasehold Improvements £	Fixtures, Fittings & Equipment £	Total £
Cost			
At 1 September 2021		699,573	2,737,499
Additions	8,354	43,093	51,447
Disposals		-	-
At 31 August 2022			<u>2,788,946</u>
Depreciation			
At 1 September 2021		618,288	1,590,396
Charge for the year	120,187	49,199	169,386
Disposals		-	-
At 31 August 2022		<u>667,487</u>	<u>1,759,782</u>
Net book value			
At 31 August 2022	<u>953</u>	<u>75,179</u>	
<i>At 31 August 2021</i>		<u>81,285</u>	<u>1,147,103</u>

11. DEBTORS

	2022 £	2021 £
Trade debtors	166,825	225,912
Other debtors	15,681	16,967
Prepayments and accrued income	63,442	101,230
	<u>245,948</u>	<u>344,109</u>

An impairment loss of £42,791 (2021: gain of £17,774) was recognised against the School Fees debtors during the year.

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

12. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Deposits from parents	(140,576)	(130)
Deferred income	(230,876)	(425)
Trade creditors	(25,838)	(86)
Taxes and Social Security Cost	(63,041)	(62)
Accruals and other creditors	(104,896)	(100)
	<u>(565,227)</u>	<u>(805)</u>

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 2022 have been included within current liabilities. The prior year Pupil fee deposits balance has been similarly represented.

13. DEFERRED INCOME

Summary of movements in liability	£
Balance at 1 September 2021	425,796
Amounts released to incoming resources	(425,796)
Amounts deferred in the year	230,876
Balance at 31 August 2022	<u>230,876</u>

Deferred income comprises school fees received in advance and trip monies received in advance.

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

14. OPERATING LEASES

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

	2022	<i>2021</i>
< 1 year	22,272	<i>17,872</i>
2 – 5 years	34,179	<i>38,468</i>
> 5 years	<u>166,500</u>	<i><u>171,000</u></i>
Total	<u>222,951</u>	<i><u>227,340</u></i>

The operating lease expense charged in the year was £22,272 (2021: £18,185).

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

15. STATEMENT OF FUNDS

	Balance at 1 September 2021	Incoming resources	Resources expended	Transfers between funds	Balance at 31 August 2022
	£	£	£	£	£
Unrestricted funds					
General funds	1,429,850	4,480,574	4,457,810	-	1,452,614
Total Funds	<u>1,429,850</u>	<u>4,480,574</u>	<u>4,457,810</u>	-	<u>1,452,614</u>

STATEMENT OF FUNDS – PRIOR YEAR

	Balance at 1 September 2020	Incoming resources	Resources expended	Transfers between funds	Balance at 31 August 2021
	£	£	£	£	£
Unrestricted funds					
General funds	1,647,296	4,403,576	(4,621,022)	-	1,429,850
Total Funds	<u>1,647,296</u>	<u>4,403,576</u>	<u>(4,621,022)</u>	-	<u>1,429,850</u>

SUMMARY OF FUNDS

	At 1 September 2021	Incoming resources	Resources expended	Transfers	At 31 August 2022
	£	£	£		£
Unrestricted funds	<u>1,429,850</u>	<u>4,480,574</u>	<u>4,457,810</u>		<u>1,452,614</u>
Total Funds	<u>1,429,850</u>	<u>4,480,574</u>	<u>4,457,810</u>		<u>1,452,614</u>

SUMMARY OF FUNDS – PRIOR YEAR

	At 1 September 2020	Incoming resources	Resources expended	Transfers	At 31 August 2021
	£	£	£		£
Unrestricted funds	<u>1,647,296</u>	-	(217,446)		<u>1,429,850</u>
Total Funds	<u>1,647,296</u>	-	(217,446)		<u>1,429,850</u>

PRIORY SCHOOL EDGBASTON TRUSTEES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Total
Fund balances at 31 August 2022 are represented by:	£	£
Tangible fixed assets	1,029,164	1,029,164
Current assets	988,677	988,677
Current liabilities	(565,227)	(565,227)
	<u>1,452,614</u>	<u>1,452,614</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted	Total
Fund balances at 31 August 2021 are represented by:	£	£
Tangible fixed assets	1,147,103	1,147,103
Current assets	1,088,288	1,088,288
Current liabilities	(805,541)	(805,541)
	<u>1,429,850</u>	<u>1,429,850</u>

17. 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 £522,777 (2021: £428,063) and at the year-end £28,630 (2021: £33,751) 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 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). 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
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2022

17. 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 government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

NOW Pension scheme

The school participates in the NOW pension scheme for its non-teaching staff.

The pension charge for the year includes contributions payable to the NOW of £28,164 (2021: £29,830) and at the year-end £639 (2021: £1,300) was accrued in respect of contributions to this scheme.

18. RELATED PARTY TRANSACTIONS

There were no related party transactions in the year.