

Company Registration No. 10872612 (England and Wales)

**PROSPERE LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

PROSPERE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Liam Cowell
Aneez Esmail
Helen Jones
Christopher Gray (Appointed 01.04.20)

Trustees

Mark Brookfield
Jennifer Collinson (Chair)
Amanda Edwards
Helen Jones
Beverley Ridyard
Ben Ramm
Iain Ashworth (Appointed 1 April 2020)
Graham Whitham (Appointed 1 April 2020)
Oliva Clayton (Appointed 1 April 2020)

Senior management team

- CEO & Executive Head, Special Cluster	Linda Jones
- Executive Head, Mainstream Cluster	Andy Park
- Executive Head, MEA, MEA Central	Dave Bell (Following Altius transfer on 1 April 2020)
- Director of Finance and Operations (Prospere)	Kate Connolly (resigned 1 November 2020)
- Director of Finance and Operations (Altius)	Rachael Lees (joined on 1 April 2020, until 1 November 2020)
- Chief Operating Officer (Prospere)	Rachael Lees (appointed 2 November 2020)
- Head of HR	Anna White
- Head Teacher, Chorlton High School	Zoe Morris
- Head Teacher, CHS South	David Prophet
- Head Teacher, Grange School	Rachael Clifford
- Head Teacher, Newall Green High School	Kyra Jones
- Head Teacher, Pioneer House High School	Adele Cox
- Head Teacher, Piper Hill High School	Louise Lynn
- Head Teacher, MEA	Ruth Bradbury (Following Altius transfer on 1 April 2020)
- Head Teacher, MEA Central	Emily Reynard (Following Altius transfer on 1 April 2020)

Company registration number

10872612 (England and Wales)

Principal and registered office

Piper Hill High School
Firbank Road
Manchester
M23 2YS
United Kingdom

PROSPERE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated	Location	Headteacher
Grange School	Matthews Lane, Gorton, Manchester M12 4GR	Rachael Clifford
CHS South	Lowry House, 550 Mauldeth Road West, Chorlton, Manchester, M21 7AA	David Prophet
Newall Green High School	Greenbrow Road, Wythenshawe, Manchester, M23 2SX	Kyra Jones
Chorlton High School	Nell Lane, Chorlton, Manchester , M21 7SL	Zoe Morris
Piper Hill High School	Firbank Road, Newall Green, Wythenshawe, Manchester, M23 2YS	Louise Lynn
Pioneer House High School	200 Yew Tree Lane, Northern Moor, Manchester, M23 0FF	Adele Cox
MEA Central	Lytham Road, Fallowfield, Manchester, M14 6PL	Emily Reynard
Manchester Enterprise Academy	Simonsway, Wythenshawe, M22 9RH	Ruth Bradbury
Prospect House Primary Specialist Support School	Matthews Lane, Manchester, M12 4GR	Louise Lynn
Independent auditor	RSM UK Audit LLP 3 Hardman Street Manchester M3 3HF	
Bankers	Lloyds Bank 4th Floor 25 Gresham Street London EC2V 7HN	
Solicitors	Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA	

PROSPERE LEARNING TRUST

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year 1 September 2019 to 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operates 5 secondary mainstream, 2 secondary special, 1 all-through special school and 1 primary special school in Manchester. One of the secondary mainstream schools, CHS South opened in September 2018. The all-through special school, Grange School joined the Trust from 1 May 2019. In April 2020 MEA and MEA Central joined the Trust. The Trust also opened the new free primary special school Prospect House in September 2020.

	Pupil numbers October 2020
<u>Special Schools</u>	
Piper Hill	220
Pioneer House	118
Grange	217
Prospect House	21
Total (Special)	576
<u>Mainstream Schools</u>	
Chorlton High School	1526
CHS South	469
Manchester Enterprise Academy	1215
MEA Central	846
Newall Green High School	101
Total (Mainstream)	4157

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Prospere Learning Trust are also the directors of the charitable company for the purposes of company law. Details of the Trustees who served during the period, and to the date these financial statements are approved, are included in the Reference and Administrative Details on page 1.

Trade Union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) Regulation 2017, Prospere Learning Trust is obliged, as an employer of sufficient size, to report information included in Schedule 2 of the Regulations in relation to the:

- Number of FTE employees who were relevant union officials under the definition
- Percentage of time spent by relevant union officials on union facility time
- Percentage of pay bill spent on facility time
- Time spent on paid trade union activities as a percentage of total paid union facility time hours

The Trust did not employ any relevant union officials engaged on Trade Union facility during the year ended 31 August 2020 and as such incurred no direct cost for this activity. The Trust is however committed to contributing to costs associated with trade union facility time and has opted to make payments into the Local Authority Trade Union. The total costs paid to the Local Authority Trade Union during the year was £23k.

The Trust has also signed up to a Trade Union Recognition Agreement with the unions representing Trust employees, namely ASCL, GMB, NEU, NASUWT, NAHT and Unison.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required not exceeding £10, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Academy Trust through its articles has indemnified its Trustees, Governors and Officers to the fullest extent permissible by law. Professional indemnity insurance is in place to protect Trustees, Governors and Officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

Method of recruitment and appointment or election of Trustees

The Members may appoint by ordinary resolution up to 17 Trustees.

Various recruitment methods are used by the Academy Trust dependent on the skills mix of the current Board. The Trust recruits Trustees and Governors through Governors for Schools and Academy Ambassadors and will seek to fill vacancies dependent on the skill gap on the current board.

Policies and procedures adopted for the induction and training of Trustees

Prospective Trustees are interviewed and selected for the Board through a rigorous process. Once appointed, Trustees are fully inducted into the business of the Trust to provide a clear understanding of their role and responsibility as a Trustee along with understanding of the detailed policies and procedures underpinning the Trust's governance arrangements.

All new Trustees are encouraged to attend a new Trustee/Governor induction training as well as other training courses offered by internal and external providers. The Trust has a Service Level Agreement in place with One Education Governor Support to provide training and support throughout the year and Chairs' Briefings and Governor Training also take place across the year. The Academy Trust is a member of the National Governors' Association and has a subscription to 'The Key' national information and support service for Trustees, Governors and School Leaders. All Trustees have individual access to the services.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

The Trustees have overall responsibility and ultimate decision-making authority for all the work of the Trust, including the establishing and running of schools. The Trustees are responsible for:

- setting general policy, the strategic direction and development of the Trust
- adopting an annual plan and budget
- monitoring the performance of the Trust and member schools using financial management and other performance information
- making appointments to the position of Executive Headteacher and Headteacher
- approving the Annual Report and Financial Statements

The Trustees delegate responsibilities to the Local Governing Body (LGB) of each member school according to a specific Scheme of Delegation appropriate to the context of the school. The constitution, membership and proceedings of the Local Governing Body is determined by the Trustees. The Trustees have the power to direct change where required.

The Local Governing Body (LGB) of each school can establish committees of Governors or identify lead Governors to deal with specific areas of responsibility in line with the Trust Scheme of Delegation. The establishment, terms of reference, constitution and membership of any committee of the Governors or nomination of lead Governors is reviewed at least once every twelve months. Any power or function of the Governors exercised by any committee, any named Governor, the Headteacher or other senior leader in line with the Scheme of Delegation is reported to the Governors at the next full Local Governing Body meeting.

The Trustees delegate responsibility to the Risk & Audit Committee for directing the internal audit resource commissioned by the Trust.

The Trustees delegates responsibilities to the Resources and Finance Committee for finance and Human Resource (HR) matters relating to the cluster.

The Chief Executive Officer/Executive Headteacher Special School's Cluster is the Accounting Officer of the Trust. The day to day leadership and management of the Trust is delegated to the Executive Headteacher of each cluster who works alongside the school Headteachers to ensure that member schools are effectively led and managed.

The Senior Leadership Team (SLT) of the school, led by the Headteacher, controls the school at an executive level and is responsible for the day to day leadership of the school, implementing the policies and procedures agreed by the Trustees and Governors and reporting back to them.

The roles and responsibilities of Trustees, Governors, Senior Leaders and wider leadership posts are clearly defined in the Trust Scheme of Delegation. The Trustees meet at least six times a year. The Finance and Resources Committee meets at least four times a year. Local Governing Bodies meet on at least a termly basis and the Risk and Audit Committee meets three times a year.

Arrangements for setting pay and remuneration of key management personnel

The remuneration for the Executive Management Team, Headteachers and other Trust Leadership staff is set in accordance with the Trust Pay Policy. Thorough and rigorous performance management of executive and senior leaders takes place on an annual basis. The Trust Pay Committee reviews recommendations for pay progression and other remuneration. The Trust Pay Committee is made up of three Trustees and meets at least once a year.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Related parties and co-operation with other organisations

Trust schools are members of the Manchester School's Alliance, a wider network of schools and academies across the city. Leaders from the schools maintain active relationships with their peers in other schools and academies through this collaborative as well as being actively involved in a range of working parties and development groups across the city involving other partner organisations. Senior Leaders engage actively across the Local Authority through several forums, including the School's Funding Forum and the Secondary Behaviour Partnerships.

Trust Academies have strong partnerships with Manchester University, Manchester Metropolitan University and Cumbria University through our engagement with Initial Teacher Training provision and actively work with a range of other Higher Education Institutes across the North West.

Chorlton High School is a strategic partner of the Manchester Teaching School Alliance led by Chorlton Park Primary School, Brookburn Primary School, Barlow Hall Primary School and Chorlton High School. The Alliance schools are working together to deliver outstanding outcomes for the children of Manchester and to professionally develop teachers at every level. Chorlton High School's main role in the Alliance is to deliver the Alliance's School Direct programme which trains high quality entrants to the teaching profession by providing quality cross phase experiences with embedded research and collaborative opportunities for development.

Piper Hill High School is a lead academy in the Teach Manchester teaching school alliance alongside Loreto Sixth Form College, St Mary's Primary School, Martenscroft Nursery School and St Peter's RC High School. The Alliance is a partnership of school, colleges and centres committed to realising the vision of outstanding education for every child by all teachers in every school. Piper Hill leads on Initial Teacher Training for Specialist Teachers / Teachers of SEN in conjunction with Cumbria University. The school also offers a range of School to School support and delivers a range of High Quality Continued Professional Development.

Newall Green High School has links with a local business group, BW3 which works across the community and other schools in Wythenshawe. The school also has links with the Timpson Group through the Alex Timpson Trust and received a grant of £50,000 in the year.

MEA receives an annual grant of £40,000 from Wythenshawe Community Housing Group to support enrichment activities at the school.

The schools also have some contractual arrangements with the LA, such as the energy management SLA, payroll SLA and the provision of pupil places at the PRU.

Lloyds Bank plc provides the schools banking services.

Trust Academies have close working relationships with many of their partner primary schools and have developed a number of transition activities to support these relationships and the effective transition of students into Year 7.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Engagement with employees

The Trust consults its staff through formal and informal methods including staff consultation committees and regular staff meetings. The Prospere Learning Trust provides staff with access to all Trust policies through access to a staff specific portal.

The Trust consults with National Trade Union bodies through the Joint Consultation and Negotiation Committee (JCNC), meeting a minimum of three times per year. The Trust recognises the following Trade Unions for individual and collective representation, consultation and negotiation purposes: NEU, NASUWT, NAHT, ASCL, GMB and UNISON.

The Trust is committed to ensuring that existing members of staff, job applicants, workers and volunteers are treated fairly in an environment which is free from any form of discrimination with regard to the protected characteristics as outlined by the Equality Act 2010. The Trust's Recruitment and Selection and Equality and Diversity Policies outlines the approach to this issue and specific reference is made within this guidance to job applicants.

Applications from candidates with disabilities are welcomed. A statement confirming this and asking applicants to advise on any reasonable adjustment needed through the recruitment and selection process is included in correspondence with applicants. Should an employee become disabled after having been employed, any reasonable adjustments needed will be made.

All staff, when they have been appointed, are asked to undertake a pre-employment medical questionnaire. This process is managed by occupational health specialists and provides information and advice to the employer to ensure reasonable adjustments can be put in place where appropriate.

Equalities data is collected with respect to Teacher Pay Progression in order to identify whether or not the data indicates that employees with protected characteristics are disadvantaged.

Engagement with suppliers, customers and others in a business relationship with the Academy Trust

As a key enabler to meeting the objectives of the Prospere Learning Trust, the Trustees continue to seek every opportunity to engage actively and positively with all stakeholders in the local community of each academy and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the Trust's operations. During the year the Trust has further promoted this engagement through specific initiatives including:

- Regular communication and engagement with parents and prospective parents of pupils attending the Trust schools to enhance the understanding of the provision to each student and to fully co-ordinate support to students from parents and the academy.
- Engagement with other educational trusts and partners at local and national levels to share best practice and to provide peer support across trusts and individual academies.
- Active dialogues with local councils on matters which impact children and families in the community as well as relate to operation of each academy.
- Engaging with local businesses to promote career and educational opportunities for academy students for their mutual benefit.
- Seeking all possible opportunities to engage with local suppliers in each academy area.
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to each school.
- In particular, the Trust has fully adopted the government's policies and guidance during the Covid-19 pandemic and sought to maximise its support to all suppliers through the crisis in order to sustain their support and services in the future.
- Promoting and encouraging student opportunities to engage in local voluntary and other projects to support the community.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects and aims

Our objectives as set out in the Articles of Association are:

- To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing, by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum ("the mainstream Academies") or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them ("the alternative provision Academies") or 16 to 19 Academies offering a curriculum appropriate to the needs of its students ("the 16 to 19 Academies") or schools specially organised to make special educational provision for pupils with Special Educational Needs ("the Special Academies"); and
- To promote for the benefit of the inhabitants of the areas in which the Academies are situated the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving the condition of life of the said inhabitants.

In accordance with the Articles of Association the charitable company has entered into relevant funding agreements with each Academy with the Secretary of State for Education. The funding agreements specify, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn and that the curriculum should be broad and balanced.

Objectives, strategies and activities

The main objectives of the Trust during the period ended 31 August 2020 are summarised below:

Growth and Expansion – Secondary Provision

- Completed due diligence on Altius Trust joining the Trust and made subsequent proposal to Trust Board for Altius to join – completed in April 2020.
- Continued to develop provision at CHS South, free school opened in September 2018

Growth and Expansion – Specialist Provision

- Grange School joined the Trust 1 April 2019- there was a focus on embedding this school into Trust procedures.
- Works on 6th Form building at Newall Green to allow expansion of Piper Hill Post 16 were completed Autumn term 2019 and they moved into the facility January 2020.
- Progress and development of Prospect House, new free school opened in September 2020
- A bid for a new specialist support free high school in Stockport was successful in June 2020. It is planned to open (Pear Tree High School) in September 2023.

Governance

- Develop structured induction and training process for Governors and Trustees

Central Team

- Reviewed all Trust wide HR policies and implement consistently in each school
- The majority of the objectives have been achieved over the course of the year.

Public benefit

The Trustees confirm that they have had due regard to the guidance on public benefit published by the Charity Commission in reviewing the objectives and setting future priorities. The Trustees feel that the Trust is clearly providing a public benefit through the provision of high quality education to its students and through the hire of Trust facilities to the local community.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Achievements and performance

- The outcomes for Chorlton High School (CHS) are their best ever, and they are recognised as one of the top performing schools in the City.
- Improvement continues at all Trust schools and is monitored through a shared Quality Assurance programme. This is evident at Newall Green High School where all areas have continued to improve. Newall Green High School is to close from August 2021 due to insufficient pupil numbers, although education improvements have continued.
- Highly effective school to school support being provided at Grange School. Improvement continues to be seen on the school and reported through independent Quality Assurance reviews.
- Successful second year of new mainstream free school, CHS South, recognised by a range of external Quality Assurance.
- Refurbishment and move to Newall Green site for the Piper Hill Post 16 offer at the start of 2020, which has been very successful and will allow for future growth of the post-16 offer.
- Outcomes for young people across the Trust, in terms of progress they are making from KS2 to KS4, are strong and continue to improve.
- The effective development of a talent management plan for emerging and senior leaders across the organisation has enabled the Trust to deploy additional leadership capacity across Newall Green High School and Grange School whilst also supporting effective 'back-fill' at the home schools.
- The collaborative working across Trust Schools is enabling us to use the strengths in existing schools to develop an effective School Improvement Strategy particularly focusing around developing literacy and oracy skills, highly effective SEN strategies and high-quality teaching. This is having a positive impact in Newall Green High School and at Grange School and will be refined to provide support at other Trust Schools in 2020-2021.
- An effective performance management process and the development of a collaborative approach to accountability has ensured that key leaders across schools in the Trust are taking a shared responsibility for standards across all schools within the Trust.

The Trust has managed the impact of the Covid-19 pandemic in the following ways:

- Regular (weekly) meetings of the Senior Leadership Team;
- Regular updates to Audit Committee and the Board;
- Detailed risk management plans;
- Providing classroom learning as well as remote learning for pupils. Remote learning has been provided through a combination of printed 'home learning' packs as well as through use of the Trusts IT facilities;
- Regular monitoring of pupil engagements and wellbeing (including safeguarding) particularly for remote study;
- Regular monitoring of staff safety and wellbeing through line management structures;
- Updated business plans for 2020-21;
- Liaison with DfE.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Promoting the success of the charitable company

Section 172 of the Companies Act 2006 requires the Trustees to act in the way they consider, in good faith, would be most likely to promote the success of the charity to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

- The likely consequence of any decision in the long term: -
The Trust makes all key decision through reference to its long-term strategic plan and after projecting the timing and impact of such decisions. This strategy is primarily designed around the objective to improve educational outcome for students but every decision and operational approach is regularly reviewed for its impact on all stakeholders and the need for any changes or modifications to decisions previously taken.
- The interests of the company's employees: -
Our employees are vital to the Trust and we regard ongoing, regular engagement with them as a top priority. We measure employee engagement through regular feedback and joint communication sessions. We address any issues raised by our employees as quickly as possible and communicate back to them what we have done. All staff are offered access to a number of well-being support services and the Trust seeks to ensure that staff welfare is actively considered and addressed. Through our health and safety policies as well as through local staff committees we also actively seek to ensure that the working environment meets due high standards of safety and security.
- The need to foster the company's business relationships with suppliers, customers, and others: -
Our relationships with partners and suppliers are key to our effectiveness. The Trust actively seeks to engage in service reviews with all key suppliers. These reviews are focused on a two way relationship with the Trust based with an aim of helping one another to achieve an optimum service as efficiently as possible and according to the best value for money. Where the Trust has procured outsourced services, we seek to ensure that staff and management from that contractor are supported as an equal member of the school community and stakeholders.
- The impact of the company's operations on the community and the environment:-
We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. As well as covering environmental issues in our school curriculum, the Trust encourages all staff and students to participate in initiatives to reduce negative environmental impacts. These include the promotion of recycling of waste and actions to maximise efficiency in energy consumption.
- The desirability of the company maintaining a reputation for high standards of business conduct:-
Our reputation and public trust in Prospere Learning Trust and its constituent schools is fundamental to our future success. We use our organisational values and behaviours in our recruitment and training for our employees to ensure that we maintain high standards, and these are used in our appraisal processes. Our procurement and ethical policies and procedures ensure that our values are also part of our selection of partners and suppliers.
- The need to act fairly as between members of the company:-
We aim to be a fully inclusive organisation and we will not unfairly discriminate against our students, staff or any other member of our community and stakeholders.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Financial review

The Trust's total incoming resources for the year amounted to £89m, largely relating to the acquisition of MEA and MEA Central (£56.1m), and ESFA and other local authority pupil funding (£32.5m). Outgoing resources for the year and transfers relating to the LGPS scheme totalled £38.9m, resulting in an overall increase in funds of £50.17m. Total reserves as at 31 August 2020 stood at £126m.

The surplus of revenue income over revenue expenditure (net surplus on funds of £51.5m, adjusted to exclude depreciation, capital income, capital expenditure and adjustments for the LGPS) is £0.4m.

When considering the Trust's underlying revenue reserves position at 31 August 2020, removing the impact of movements in pension liabilities, which do not require full settlement in the short term and the fixed assets held by the Trust, the Trust held revenue reserves of £5.2m at 31 August 2020.

The movement on the LGPS scheme shows an increase of £4.3m on the liability to £14.7m. Whilst this is a substantial increase, this is in line with other academy trusts and £1.9m is in specific relation to the transfer in of The Altius Trust.

Reserves policy

The Trust's funds are allocated to individual schools within the Trust, excluding the restricted fixed asset fund and the pension reserve. However, there is no central endowment and all funds held by the Trust are contributed by the academies within the Trust. Therefore, should an academy go into deficit, it is effectively being funded by all other academies within the Trust.

The Trust is in the process of formalising a Reserves Policy. Careful consideration is given to three year forecasts, financial risks and future plans before approving expenditure from reserves. The Trustees have agreed that it is prudent to hold a certain level of reserves to support the academies following any sudden decreases in income or sudden increases in expenditure. All schools within the Trust apart from Newall Green High School currently hold a sufficient level of reserves.

Trustees recognise the need for a formal reserves policy to be agreed and are working towards implementing such a policy. As part of the next 3 Year Budget Plan, the Resources Committee will be presented with a forward planning report for each school. Such reports can then be used as evidence to support the appropriate reserves to be held by each school.

Investment policy

The Trustees are working towards developing an investment policy which will enable the Trust to make good use of surplus funds, whilst maintaining adequate account balances to meet cash flow fluctuations. The principal consideration is the minimisation of risk.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Key performance indicators

The tables below summarise those areas that the Trustees feel most effective in measuring the performance of the Trust. Overall, the Trustees are satisfied that improvement continues at all Trust schools, and that collaborative working across the Trust is helping to best utilise the strengths found therein.

Self Evaluation	CHS	CHS South	MEA	MEAC	NG	Grange	Pioneer House	Piper Hill	Prospect H
The quality of education	2	2	2	1	4	2	1	1	N/A
Behaviour and attitudes	2	2	2	1	3	2	1	1	N/A
Leadership and management	1	2	2	1	3	2	1	1	N/A
Personal development	1	2	2	1	3	2	1	1	N/A
6th form provision	N/A	N/A	2	N/A	N/A	2	1	1	N/A
S Cairns QA date	Nov-20	Sep-20	Sep-20	Sep-20	Oct-20	Oct-20	Sep-20	Sep-20	Oct-20
Ofsted									
Judgement	2	N/A	2	N/A	4	4	1	1	N/A
Date of last visit	Jul-16	N/A	Mar-15	N/A	Nov-19	Sep-17	Jun-19	Jan-18	N/A

	CHS	CHS South	MEA	MEAC	NG	Grange	Pioneer House	Piper Hill	Prospect House
Pupils of this school	1523	463	1201	841	101	217	118	220	21
Male	58.57%	60.48%	51.04%	59.69%	53.47%	88.02%	66.95%	70.45%	66.67%
Female	41.43%	39.52%	48.96%	40.31%	46.53%	11.98%	33.05%	29.55%	33.33%
Single Reg	1512	460	1182	839	98	217	118	220	21
Free School Meals	23.31%	44.71%	54.54%	38.29%	48.51%	53.92%	60.17%	51.36%	
EAL	22.26%	26.78%	12.99%	46.25%	3.96%	38.71%	18.64%	38.64%	
Pupil Premium	30.40%	55.94%	62.61%	44.35%	62.38%	49.31%	67.80%	49.10%	
SBN Status	19.96%	23.33%	20.82%	18.31%	28.71%	100%	100%	98.64%	
Attendance	93.84%	93.87%	94.29%	94.31%	93.02%	90.09%	79.20%	88.02%	89.90%
Authorised	4.13%	4.12%	0.69%	1.74%	4.84%	7.58%	18.96%	10.01%	10.10%
Unauthorised	1.85%	1.99%	5.00%	3.94%	2.13%	2.32%	1.34%	1.65%	
Persistent A >=10%	276	78	185	158	22	63	25	74	
Present	93.66%	93.87%	94.16%	94.20%	92.60%	90.09%	91.46%	88.02%	
Lates	1.28%	1.18%	0.83%	1.43%	3.91%	0.37%		0.05%	
Child Protection	0.07%	1	0.43%	2	0.83%	10	0.48%	4	0.00%
Child In Need	0.46%	7	0.43%	2	0.75%	9	1.07%	9	0.99%
Looked at Child	0.59%	9	0.43%	2	2.58%	31	0.83%	7	1.98%
Early Help	0.39%	6	1.30%	6	0.58%	7	0.00%	0	0.00%

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Going concern

The Trustees have assessed whether the use of going concern is appropriate. After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in the operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

In coming to this view the Trustees have considered the following:

Chorlton High School continues to be a school of choice within Chorlton and in line with Manchester City Council projections, the school is confident that the PAN will continue to be achieved.

MEA and MEA Central, which joined the Trust in April 20, both have strong pupil recruitment trends and future projections show this is expected to continue.

CHS South, whilst numbers were slightly down on prediction in September 2020, the new permanent building is currently under construction and is on track for completion for August 2021. The school has also developed excellent relationships with local primary schools and as such, the school is confident that numbers will continue to grow thus ensuring the financial viability of the school.

The consultation on the closure of Newall Green High School began in January 2020, and in March 2020 it was agreed to close the school to all year groups in September 2020 apart from Y11. This decision was approved by the Secretary of State for Education. The educational offer for pupils continues to improve and the Trust is working hard to deliver improved outcomes for the final Year 11 cohort within the school.

The Trust is working closely with the ESFA, Regional Schools Commissioner and Local Authority to ensure that the future financial projections don't impact on the financial viability of the Trust as a whole. Due to the on-going dialogue, the Trustees are confident that the situation at Newall Green High School will not have a significant financial detriment on the Trust going forward.

Within the Special Schools Cluster, demand for these places across the city and from surrounding boroughs, remains extremely high. We are confident that the schools will continue to meet pupil number targets and indeed the key risk is the ability of the schools to meet demand. Piper Hill has continued to increase pupil numbers in the post 16 provision, Pioneer House is also increasing numbers. Grange School joined the Trust in May 2019, the educational offer is strong, and discussions are on-going regarding an increase in pupil numbers with additional improvements to the building to facilitate this. The planning for the reopening of the new free special primary school Prospect House began successfully in the summer term of 2020.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

The high-level strategic objectives for the Trust are:

<p>LEADERSHIP & MANAGEMENT: Agree and implement a single, integrated leadership and management structure operating across the combined Trust.</p> <p>1.1</p>	<p>LEADERSHIP & MANAGEMENT: Covid response: Ensure all schools have appropriate procedures in place and appropriate levels of support.</p> <p>1.2</p>	<p>LEADERSHIP & MANAGEMENT: Ensure the Prospero 'Vision and Ethos' is communicated to all staff across the larger Trust and that communication to all stakeholders is strong.</p> <p>1.3</p>	<p>LEADERSHIP & MANAGEMENT: Develop a Trust well-being strategy that also supports high attendance from all employees.</p> <p>Covid Response - well-being on leadership in particular.</p> <p>1.4</p>
<p>CURRICULUM: With a focus on robust blended and remote learning, ensure that we deliver a high quality curriculum provision for all students which is strongly aligned to their school's formal curriculum offer.</p> <p>2.1</p>	<p>CURRICULUM: Develop common Assessment policies and procedures across all academies, being cognisant of teacher workload and the need for accurate and effective data. Targets at all ages and abilities are set to be realistic but ambitious across all Trust schools.</p> <p>2.2</p>	<p>CURRICULUM: Deliver a full understanding of Quality of Teaching across all Trust schools, identifying strengths and areas for development. Collaboratively develop a Trust wide strategy for teaching and learning, ensuring that quality improvements are driven by high quality research and sustained improvements in quality of curriculum implementation and curriculum impact are fully embedded within all our schools.</p> <p>2.3</p>	
<p>BUSINESS OPPORTUNITIES: Produce and implement a plan for the centralisation of support functions for HR, Finance, ICT, Estates and administrative functions – flexible to allow for MAT expansions, use of incoming expertise.</p> <p>3.1</p>	<p>BUSINESS OPPORTUNITIES: Develop and implement consistent and efficient financial operating processes across the MAT.</p> <p>3.2</p>	<p>BUSINESS OPPORTUNITIES: To implement a highly efficient and effective ICT service across the Trust so that all our staff and students can benefit from a high functioning digital offer.</p> <p>3.3</p>	<p>BUSINESS OPPORTUNITIES: Develop a strategic approach to the management of the Trust estate ensuring that we provide the very best educational environments for the students in our care.</p> <p>3.4</p>
<p>Link to L and M QUALITY ASSURANCE: Continued development of appropriate metrics and processes to support evaluation of how schools and teams are performing.</p> <p>4.1</p>	<p>Link to L and M QUALITY ASSURANCE: Further develop the strategy to support improvements in schools and teams, especially if underperforming.</p> <p>4.2</p>		
<p>WORKFORCE DEVELOPMENT: Develop systems to ensure we identify, know and understand our workforce.</p> <p>5.1</p>	<p>WORKFORCE DEVELOPMENT: Ensure consistency across the trust in our service delivery.</p> <p>5.2</p>	<p>WORKFORCE DEVELOPMENT: Develop an HR operating model fit for purpose to fulfil.</p> <p>5.3</p>	<p>WORKFORCE DEVELOPMENT: Recruit, develop and retain a high-quality workforce.</p> <p>5.4</p>
<p>VULNERABLE LEARNERS: To develop and implement a fully coated high quality offer internal to the Trust for the most complex mainstream pupils.</p> <p>6.1</p>	<p>VULNERABLE LEARNERS: Develop systems and structures, designed to raise attendance and progress made amongst vulnerable groups of students, by implementing Best Practice consistently across all academies, to include a focus on the best use of Pupil Premium and catch up monies.</p> <p>6.2</p>	<p>WS6.3 VULNERABLE LEARNERS: Ensure that there is a well-defined Trust process and support to meet implement this across all schools.</p> <p>6.3</p>	

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

- We will continue to work in collaboration with our Local Authorities and support their ambitions for children and young people. Maintaining a positive relationship with the Local Authority is a key area of our overall approach to the development of the MAT and has been central to decisions made about expansion, for example, free school bids.
 - Primary Schools – the Trust would welcome primary schools with a view to creating a 3 – 18 pathway for learners that builds on good primary learning and provides a seamless progression into Key Stage 3.
 - Free Schools - based on four successful applications (CHS South, Pioneer House, Prospect House and Pear Tree) to open new schools through the Government's Free School programme, we will continue to respond to opportunities to expand through this route. A focus will be on the opening of Prospect House in Y1 and the development of Pear Tree.
 - Alternative Provision – our work in Trust schools to date has increased awareness of the need for high quality alternative provision pathways.
 - Specialist Services & Specialist Places - in line with our specialism in special educational needs and our inclusive approach to seeking the very best outcomes for all students, we are open to exploring the role of the Trust in delivering specialist services and increasing specialist provision.
- As the MAT develops and grows, we will continue to develop and strengthen our governance. The Trust will achieve this by:
 - Establishing strong LGBs and ensuring that the Scheme of Delegation responsibilities are fully understood
 - Ensuring the Trust values are well understood by all relevant parties
 - Quality Assurance Systems and Reports are acted upon
 - Statutory Policies are reviewed regularly and compliantly and published
 - Strengthening the role of the Senior Leadership Team in making operational decisions
- Maintaining financial strength
 - Embed Guidance and Challenge Mechanisms for strategic financial and workforce planning
 - Update financial planning assumption for the national funding change
 - Implement a Reserves and Treasury Management System and Centralised Banking
 - Implement a new operating model for Business Support Services
 - Develop a Capital Programme underpinned by strategies for ICT, Estates, Other assets
 - Develop centralised Procurement

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Principal risks and uncertainties

The Trust Board is responsible for the management of the risks faced by the Trust. The Risk and Audit Committee established by the Trust will monitor the risks to the Trust. The major risks to which the Trust is exposed have been identified on the Trust Risk Register. Consideration of the risks is undertaken by Trustees. The Trustees ensure that the Senior Leadership Team actively manage risks and report progress through the appropriate governing boards and that risks will be identified, assessed and controls established on an ongoing basis.

Key risks currently facing the organisation are:

- Risks regarding the national Covid-19 pandemic in effectively running and delivering education in our schools effectively.
- Financial risks as a result of the national Covid-19 pandemic.
- If there is significant internal variance between the performance of subject areas across a school, then the school will not ensure all pupils achieve well which may lead to reputational damage and risk to pupil numbers.
- If safeguarding procedures are not robust, there is a risk to pupils, staff and reputation.
- If Trust and School policies/processes are not delivered or implemented consistently across the academies in the Trust then the Trust will be more vulnerable to significant risk such as: employment claims, inconsistent/poor teaching practice and low staff morale.

Through the risk management process established by the Trust, the Trustees are satisfied that the major risks have been identified and will be adequately mitigated where appropriate.

The main controls used by the Trust are:

- Formal agenda for all Trust Board, Committee and LGB meetings
- Detailed and comprehensive terms of reference for all governance meetings
- Written scheme of delegation
- Comprehensive strategic planning and budgeting cycle
- Established organisational structure and lines of reporting
- Clear authorisation and approval levels

If we fail to ensure robust maintenance and development of the existing approach to health, safety and safeguarding; the Trust may be at risk of a significant failing which may lead to reputational and economic detriment.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020

<i>Energy consumption</i>	kWh	kWh
Aggregate of energy consumption in the year		7,230,077
- Gas combustion	4,396,287	
- Fuel consumed for transport	2,833,790	
- Electricity purchased	-	
		=====
<i>Emissions of CO2 equivalent</i>	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	808	
- Fuel consumed for owned transport	-	
	-----	808.34
Scope 2 - indirect emissions		
- Electricity purchased		660.67
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Academy Trust		-

Total gross emissions		1,469.01
		=====
<i>Intensity ratio</i>		
Tonnes CO2e per pupil		0.38
		=====

Quantification and reporting methodology

We have followed the 2019 HM Government Environment Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Although transport information is present at each of the schools it is not possible to extract it for the 2019/20 return. Systems are currently in place to collate this information for future returns.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

The steps taken to improve energy efficient during the period include:

- The appointment of a Trust Head of Estates.
- The appointment of a local authority energy team as both energy consultants and to assist the school with the investigation and delivery of improved reporting and sustainability projects.
- A continuation of rolling programmes to upgrade circulation lighting system to LED, with (where appropriate) automatic movement detection.
- The continued practice of upgrading lighting in refurbished areas to LED.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

AUDITOR

RSM UK Audit LLP was appointed auditor to the charitable company. A resolution proposing reappointment will be put to members.

Statement as to disclosure of information to auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The Board approved the draft financial statements at the meeting on 18th December 2020, and delegated responsibility for approval of the final accounts to the Chair of the Trust Board. The Chair approved the final financial statements on 25th February 2021:



.....
Jennifer Collinson
Chair

PROSPERE LEARNING TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Prospere Learning Trust has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Prospere Learning Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of Trustees' responsibilities. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Mark Brookfield	8	8
Jennifer Collinson (Chair)	8	8
Amanda Edwards	8	8
Helen Jones	8	8
Beverley Ridyard	6	8
Ben Ramm	8	8
Iain Ashworth (Appointed 1 April 2020)	0	4
Graham Whitham (Appointed 1 April 2020)	3	4
Oliva Clayton (Appointed 1 April 2020)	2	4

Iain Ashworth is currently unable to attend the scheduled Trust Board meetings due to other commitments so his non-attendance has been agreed with the Chair. Ian chairs the Trust's Resources Committee.

Risk and Audit Committee is a sub-committee of the main board of trustees. The committee was constituted in December 2018. The committee is tasked with reviewing the overall risk profile of the Trust and to monitor the risk management techniques employed at all levels within the Trust. In addition, it will review the effectiveness of financial controls and advise the Trust on all aspects of internal and external audit. The committee met twice during the year. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mark Burgess	1	2
Roger Griffiths	0	1
Helen Oakley	2	2
Denise Ogden	1	2
Alf Parrington	2	2

PROSPERE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money

As Accounting Officer, the Chief Executive has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Using an approved Curriculum Led Financial Planning Tool within the Mainstream schools to keep staffing structures under review and to deploy staff efficiently to support an improved curriculum, or to target areas of curriculum that are in need of development
- Focusing on individual pupils and managing differing needs of pupils
- Continually reviewing provision of services within the Trust and those procured externally to maximise potential savings and drive efficiency
- Utilising strength of Trust resources to provide support internally and to sponsored schools to deliver school improvement

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of these risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Prosperere Learning Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

The risk and control framework

The Academy Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for an internal audit function and appointed Beever and Struthers to complete a programme of agreed upon procedures for the 2020/21 financial year. This programme will continue to provide the assurance gained from checks undertaken in previous years.

PROSPERE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular, checks carried out in the current period included:

- Financial controls
- HR controls
- Safeguarding controls

The Risk and Audit Committee will take forward the review of the resultant actions from the report to ensure that appropriate progress is made.

The internal auditor/reviewer has delivered their schedule of work as planned. The assurances were in the substantial range.

Review of effectiveness

As Accounting Officer the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the internal auditor
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trust Board and Audit Committee during 2019/20 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 25th February 2021 and signed on its behalf by:



Jennifer Collinson
Chair

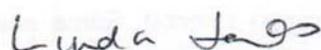
PROSPERE LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Prospere Learning Trust, I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2019.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



Linda Jones (Non-statutory)

Accounting Officer

25 February 2021

PROSPERE LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also the directors of Prospere Learning Trust for the purposes of company law) are responsible for preparing the Trustees' report (including the strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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 its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 and 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees on 25th February 2021. and signed on its behalf by:



Jennifer Collinson
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROSPERE LEARNING TRUST

Opinion

We have audited the financial statements of Prospere Learning Trust (the "charitable company") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

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 Auditor's 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 UK, including the FRC'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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report and the incorporated 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 Trustees' Report and the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROSPERE LEARNING TRUST (CONTINUED)

Matters on which we are required to report by exception

In the 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 and the incorporated 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 returns adequate for our audit have not been received from branches not visited by us; 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 Statement of Trustees' Responsibilities set out on page 23, the Trustees (who act as trustees for the charitable activities of the charitable company 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 auditor's 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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Anna Spencer-Gray (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF
26.2.21

PROSPERE LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

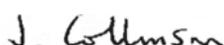
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Donations and capital grants	4	59	-	129	188	669
Donations - Gift of net assets	30	193	1,457	54,460	56,110	13,327
Charitable activities:						
- Funding for educational operations	5	121	32,251	-	32,372	22,088
- Funding for teaching school	29	-	90	-	90	106
Other trading activities	6	257	46	-	303	334
Investments	7	6	-	-	6	4
Total		<u>636</u>	<u>33,844</u>	<u>54,589</u>	<u>89,069</u>	<u>36,528</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	1,091	33,190	2,699	36,980	25,754
- Teaching school	29	-	87	-	87	95
Total	8	<u>1,091</u>	<u>33,277</u>	<u>2,699</u>	<u>37,067</u>	<u>25,849</u>
Net income/(expenditure)		(455)	567	51,890	52,002	10,679
Transfers between funds	19	(1,250)	(332)	1,582	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit pension schemes	26	-	(1,833)	-	(1,833)	(3,721)
Net movement in funds		<u>(1,705)</u>	<u>(1,598)</u>	<u>53,472</u>	<u>50,169</u>	<u>6,958</u>
Reconciliation of funds						
Total funds brought forward		<u>2,810</u>	<u>(8,973)</u>	<u>81,993</u>	<u>75,830</u>	<u>68,872</u>
Total funds carried forward		<u>1,105</u>	<u>(10,571)</u>	<u>135,465</u>	<u>125,999</u>	<u>75,830</u>

PROSPERE LEARNING TRUST**BALANCE SHEET****AS AT 31 AUGUST 2020**

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	14		135,359		83,004
Current assets					
Stocks	15	2		2	
Debtors	16	2,006		1,218	
Cash at bank and in hand		6,179		3,376	
			<u>8,187</u>	<u>4,596</u>	
Current liabilities					
Creditors: amounts falling due within one year	17	(2,888)		(1,440)	
Net current assets			<u>5,299</u>		<u>3,156</u>
Net assets excluding pension liability			<u>140,658</u>		<u>86,160</u>
Defined benefit pension scheme liability	26		(14,659)		(10,330)
Total net assets			<u>125,999</u>		<u>75,830</u>
Funds of the Academy Trust:					
Restricted funds					
- Restricted fixed asset funds	19		135,465		81,993
- Restricted income funds			4,088		1,357
- Pension reserve			(14,659)		(10,330)
Total restricted funds			<u>124,894</u>		<u>73,020</u>
Unrestricted income funds	19		<u>1,105</u>		<u>2,810</u>
Total funds			<u>125,999</u>		<u>75,830</u>

The draft financial statements on pages 26 to 57 were approved by the Board of Trustees on 18th December 2020, who authorised the accounts for issue and delegated responsibility for approval of the final accounts to the Chair of the Trust Board. The Chair approved the final financial statements and signed on behalf of the Board on 25th February 2021:



Jennifer Collinson
Chair

PROSPERE LEARNING TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	23		3,271		1,308
Cash flows from investing activities					
Dividends, interest and rents from investments		6		4	
Capital funding received from sponsors and others		129		601	
Purchase of tangible fixed assets		(603)		(630)	
		<u> </u>		<u> </u>	
Net cash used in investing activities			<u>(468)</u>		<u>(25)</u>
Net increase in cash and cash equivalents in the reporting period			2,803		1,283
Cash and cash equivalents at beginning of the year			<u>3,376</u>		<u>2,093</u>
Cash and cash equivalents at end of the year			<u><u>6,179</u></u>		<u><u>3,376</u></u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

General information

Prosper Learning Trust is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Trustees' report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

Basis of preparation

The financial statements of the Academy Trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS 102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Going concern

The Trustees have assessed whether the use of going concern is appropriate. After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in the operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing financial statements.

In coming to this view the Trustees have considered the following:

Chorlton High School continues to be a school of choice within Chorlton and in line with Manchester City Council projections, the school is confident that the PAN will continue to be achieved.

MEA and MEA Central, which joined the Trust in April 20, both have strong pupil recruitment trends and future projections show this is expected to continue.

CHS South, whilst numbers were slightly down on prediction in September 2020, the new permanent building is currently under construction and in on track for completion for August 2021. The school has also developed excellent relationships with local primary schools and as such, the school is confident that numbers will continue to grow thus ensuring the financial viability of the school.

The consultation on the closure of Newall Green High School began in January 2020, and in March 2020 it was agreed to close the school to all year groups in September 2020 apart from Y11. This decision was approved by the Secretary of State for Education. The educational offer for pupils continues to improve and the Trust is working hard to deliver improved outcomes for the final Year 11 cohort within the school.

The Trust is working closely with the ESFA, Regional Schools Commissioner and Local Authority to ensure that the future financial projections don't impact on the financial viability of the Trust as a whole. Due to the on-going dialogue, the Trustees are confident that the situation at Newall Green High School will not have a significant financial detriment on the Trust going forward.

Within the Special Schools Cluster, demand for these places across the city and from surrounding boroughs, remains extremely high. We are confident that the schools will continue to meet pupil number targets and indeed the key risk is the ability of the schools to meet demand. Piper Hill has continued to increase pupil numbers in the post 16 provision, Pioneer House is also increasing numbers. Grange School joined the Trust in May 2019, the educational offer is strong, and discussions are on-going regarding an increase in pupil numbers with additional improvements to the building to facilitate this. The planning for the reopening of the new free special primary school Prospect House began successfully in the summer term of 2020.

Transfers and Conversions to an academy trust

Where assets and liabilities are received by the academy trust on conversion to an academy or when an existing academy trust joins, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust.

A corresponding amount of income is recognised in Donations – Gift of net assets in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

On 31 March 2020 The Altius Trust MAT was transferred into Prospere Learning Trust MAT which included two operating academies - MEA Central and Manchester Enterprise Academy. This merger adhered to this accounting policy and involved the transfer of identifiable assets, liabilities and the operating of the MAT for £nil consideration.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Income

All incoming resources are recognised when the Academy Trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the Statement Of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Transfer of assets on conversion/on transfer of existing academies into the academy trust

Where assets are received by the Trust on transfer to the academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as transfer on conversion/transfer of existing academies into the trust within donations and capital grant income.

The land and buildings are recognised in the balance sheet on the basis of the flow of future economic benefit from the use of the property and its continuing occupancy by the school on the basis of substance over form. The property was valued at depreciated replacement cost on the following dates:

- Chorlton High School was valued at £29,245,000, split £1,965,000 land and £27,280,000 buildings on 1 January 2013 by FHP Property Consultants.
- Newall Green High School was valued at £23,910,000, split land £3,410,000 and buildings £20,500,000 on 1 April 2015 by FHP Property Consultants.
- Piper Hill Specialist High School was valued at £12,812,000, split £244,000 land and £12,568,000 buildings on 1 March 2015 by Mouchel on behalf of the ESFA.
- Pioneer House Specialist High School was valued on 1 September 2017 by FHP Property Consultants at £7,390,000, split £1,120,000 land and £6,270,000 buildings.
- The Grange School was valued on 1 November 2019 by FHP Property Consultants at £13,000,000, split £2,000,000 land and £11,000,000 buildings.
- MEA Central was valued at £20,760,000, split £2,760,000 land and £18,000,000 buildings on 12 February 2020 by FHP Property Consultants.
- Manchester Enterprise Academy was valued at £30,650,000, split £4,790,000 land and £25,860,000 buildings on 12 February 2020 by FHP Property Consultants.

These properties are being depreciated over its remaining useful economic life.

On transfer to the Academy Trust, during period ended 31 August 2018, Chorlton High School and Piper Hill Specialist High School received transfer of property under lease agreements and license arrangements for £Nil consideration. The land and buildings were valued by FHP Property Consultants and Mouchel for the ESFA on the basis of fair value and were transferred to the Trust as follows:

Piper Hill Learning Trust	- 125 year lease agreement with Manchester Council
Chorlton High School	- 125 year lease agreement with Manchester Council

CHS South, a new free school that opened on 1 September 2018, is housed in a new temporary site funded by the ESFA. No value for this site has therefore been brought into the financial statements.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Charitable activities

These are costs incurred on the Academy Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the statement of financial activities as incurred.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Buildings depreciated over 50 years
Leasehold land and buildings	Buildings depreciated over 50 years
Fixtures, fittings and computer equipment	3-10 years straight line
Motor vehicles	10 years straight line

Assets in the course of construction are included at cost less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

Stocks

Unsold uniforms and catering stocks are valued at the lower of cost and estimated selling price less costs to complete and sell.

Liabilities

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

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Financial instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset of financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an agreement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'), which are multi-employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised as other comprehensive income. Actuarial gains and losses are recognised immediately as other recognised gains or losses.

Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

Designated income funds within unrestricted funds represent the purchase of assets out of unrestricted funds. The balance on the fund equates to the net book value of these assets and will be gradually eroded through depreciation.

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Department for Education Group.

Agency Arrangements

The Academy Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 28.

2 Critical accounting estimates and areas of judgement

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and areas of judgement (Continued)

Critical accounting estimates and assumptions

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. The Trust has considered the implication of the McCloud/Sargeant judgement and is satisfied with the actuarial treatment within the valuations at 31 August 2020 as detailed in note 26.

Critical accounting estimates – Useful economic lives of tangible fixed assets

In making decisions regarding the depreciation of tangible fixed assets, management must estimate the useful life and residual value of said assets to the Trust. A change in estimate would result in a change in the depreciation charged to the statement of financial activities in each year.

The carrying value of tangible fixed assets subject to such estimates total £135,359k (2019: £83,004k).

Critical areas of judgement

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

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

3 Statement of financial activities - comparative year information

Year ended 31 August 2019	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2019 £'000
Income and endowments from:				
Donations and capital grants	68	-	601	669
Donations - Gift of net assets	1,066	(1,175)	13,436	13,327
Charitable activities:				
- Funding for educational operations	215	21,873	-	22,088
- Funding for teaching school	-	106	-	106
Other trading activities	334	-	-	334
Investments	4	-	-	4
Total	<u>1,687</u>	<u>20,804</u>	<u>14,037</u>	<u>36,528</u>
Expenditure on:				
Charitable activities:				
- Educational operations	1,125	22,845	1,784	25,754
- Teaching school	-	95	-	95
Total	<u>1,125</u>	<u>22,940</u>	<u>1,784</u>	<u>25,849</u>
Net income/(expenditure)	562	(2,136)	12,253	10,679
Transfers between funds	(59)	9	50	-
Other recognised gains/(losses)				
Actuarial losses on defined benefit pension schemes	-	(3,721)	-	(3,721)
Net movement in funds	<u>503</u>	<u>(5,848)</u>	<u>12,303</u>	<u>6,958</u>

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Capital grants	-	129	129	601
Other donations	59	-	59	68
	<u>59</u>	<u>129</u>	<u>188</u>	<u>669</u>

Included within capital grants above for 2020 is income receivable from Manchester City Council of £19k (2019: £42k).

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	22,846	22,846	16,154
Start up grants	-	303	303	264
DfE teaching school grants	-	40	40	40
Other DfE group grants	-	3,217	3,217	1,818
	-	26,406	26,406	18,276
Other government grants				
Local authority grants	-	5,863	5,863	3,637
Teaching School	-	50	50	66
Other incoming resources	121	22	143	215
	121	72	193	281
	121	32,341	32,462	22,194

Included within the above total of £32,462k (2019: £22,194k) are amounts relating to Teaching School income of £90k (2019: £106k) shown separately on page 26 in the statement of financial activities.

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Hire of facilities	55	-	55	127
Catering income	62	-	62	60
Other income	140	46	186	147
	257	46	303	334

7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Other investment income	6	-	6	4

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

8 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2020 £'000	Total 2019 £'000
Academy's educational operations					
- Direct costs	22,771	-	2,075	24,846	16,983
- Allocated support costs	5,023	5,470	1,641	12,134	8,771
Teaching school					
- Direct costs	33	-	5	38	47
- Allocated support costs	48	-	1	49	48
	<u>27,875</u>	<u>5,470</u>	<u>3,722</u>	<u>37,067</u>	<u>25,849</u>

Net income/(expenditure) for the year includes:

	2020 £'000	2019 £'000
Operating lease rentals	320	276
Depreciation of tangible fixed assets	2,708	1,822
Loss on disposal of fixed assets	-	25
Net interest on defined benefit pension liability	215	139
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	31	26
- Other services	6	4
	<u>320</u>	<u>276</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000	Total 2019 £'000
Direct costs				
Educational operations	144	24,702	24,846	16,983
Teaching school	-	38	38	47
Support costs				
Educational operations	947	11,187	12,134	8,771
Teaching school	-	49	49	48
	<u>1,091</u>	<u>35,976</u>	<u>37,067</u>	<u>25,849</u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

9 Charitable activities (Continued)

	Teaching School £'000	Educational operations £'000	Total 2020 £'000	Total 2019 £'000
Analysis of support costs				
Support staff costs	48	5,023	5,071	3,334
Depreciation	-	2,708	2,708	1,847
Technology costs	1	142	143	80
Premises costs	-	2,762	2,762	2,213
Legal costs	-	39	39	23
Other support costs	-	1,425	1,425	1,281
Governance costs	-	35	35	41
	49	12,134	12,183	8,819
	49	12,134	12,183	8,819

10 Staff

Staff costs

Staff costs during the year were:

	2020 £'000	2019 £'000
Wages and salaries	18,929	13,560
Social security costs	2,107	1,255
Pension costs	5,938	3,196
Staff costs - employees	26,974	18,011
Agency staff costs	663	480
Staff restructuring costs	238	-
	27,875	18,491
Staff development and other staff costs	75	82
Total staff expenditure	27,950	18,573

Staff restructuring costs comprise:

Redundancy payments	236	-
Severance payments	2	-
	238	-

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £8k.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

10 Staff (Continued)

Staff numbers

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

	2020 Number	2019 Number
Teachers	261	158
Administration and support	414	311
Management	29	35
	<u>704</u>	<u>504</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 Number	2019 Number as restated
£60,001 - £70,000	7	5
£70,001 - £80,000	3	2
£80,001 - £90,000	2	1
£100,001 - £110,000	1	1
£130,001 - £140,000	2	2
	<u> </u>	<u> </u>

The bandings above include all employee benefits including salary, taxable benefits in cash or in kind and termination payments. They exclude the Academy Trust's own pension costs.

The figures for 2019 have been restated after discovery of an accounts preparation error. The underlying data used to prepare the prior year disclosure was accurate. The 2019 and 2020 disclosures are now complete and have been prepared on the same basis.

Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £1,060,041 (2019: £1,034,174).

11 Central services

The Academy Trust has provided the following central services to its academies during the year:

- Executive Leadership (CEO and Executive Head)
- Trust Director of Finance and Operations
- Trust Head of HR
- IT Support
- External and internal audit fees
- Governance and legal fees, including clerking
- Apprentice levy
- Trust wide software
- School improvement resources

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

11 Central services (Continued)

The Academy Trust charges for these services on the following basis:
5% of core income (GAG, Pupil Premium and SEN funding) This is a 1% increase on 2018-19.

The amounts charged during the year were as follows:	2020 £'000	2019 £'000
Grange School	185	61
CHS South	131	52
Newall Green High School	214	169
Chorlton High School	441	358
Piper Hill High School	200	148
Pioneer House High School	102	58
MEA Central	-	-
Manchester Enterprise Academy	-	-
Prospect House Primary Specialist Support School	-	-
	<u>1,273</u>	<u>846</u>

12 Trustees' remuneration and expenses

During the period no trustees received remuneration from the Trust.

During the period ended 31 August 2020, travel and subsistence expenses totaling £Nil (2019: £Nil) were reimbursed to one Trustee of the Academy Trust.

13 Trustees and officers' insurance

The Trust has opted into the Department for Education risk protection arrangement (RPA), as an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business and provides cover up to £10,000,000. It is not possible to quantify the Trustee's and officers indemnity element from the overall cost of the RPA scheme membership.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

14 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Fixtures, fittings and computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2019	25,279	59,018	2,053	107	86,457
Gift on transfer	50,860	2,540	1,060	-	54,460
Additions	154	99	350	-	603
At 31 August 2020	76,293	61,657	3,463	107	141,520
Depreciation					
At 1 September 2019	820	1,980	629	24	3,453
Charge for the year	613	1,381	701	13	2,708
At 31 August 2020	1,433	3,361	1,330	37	6,161
Net book value					
At 31 August 2020	74,860	58,296	2,133	70	135,359
At 31 August 2019	24,459	57,038	1,424	83	83,004

Transactions relating to land and buildings during the year include:

- £59k relating to freehold land and building costs in relation to internal remodelling at Manchester Enterprise Academy
- £37k relating to freehold land and building costs in relation to a construction of a new building for education use (The Hub Project) at Manchester Enterprise Academy
- £5k relating to freehold land and building costs in relation to initial design fees for the dining project at MEA Central
- £19k of leasehold land and buildings in relation to the Sport Hall project at Grange School, £54k related to other various small projects at Grange School
- £6k of leasehold land and buildings relating to final costs on the post 16 building project at Piper Hill High School
- £7k of leasehold land and buildings in relation to the new Drama classroom at Newall Green High School, £14k related to new fire doors and fob access system at Newall Green High School

15 Stocks

	2020 £'000	2019 £'000
Other stock	2	2

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

16 Debtors	2020	2019
	£'000	£'000
Trade debtors	33	30
VAT recoverable	1,013	580
Prepayments and accrued income	960	608
	<u>2,006</u>	<u>1,218</u>
	<u><u>2,006</u></u>	<u><u>1,218</u></u>
17 Creditors: amounts falling due within one year	2020	2019
	£'000	£'000
Trade creditors	982	569
Other creditors	662	151
Accruals and deferred income (see note 18)	1,244	720
	<u>2,888</u>	<u>1,440</u>
	<u><u>2,888</u></u>	<u><u>1,440</u></u>
18 Deferred income	2020	2019
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	487	407
	<u>487</u>	<u>407</u>
Deferred income at 1 September 2019	407	50
Resources deferred in the year	80	357
	<u>487</u>	<u>407</u>
Deferred income at 31 August 2020	<u><u>487</u></u>	<u><u>407</u></u>

At the balance sheet date deferred income included funds received in advance by the Academy Trust, in relation to rates relief from ESFA of £106,553, opening grant of £97,515, funding for sports hall from Manchester City Council of £142,310, Bursary funding of £29,722, Teaching school of £25,391, Cumbria income of £28,994, DW consulting of £1,500, Beelong festival funding of £6,916, teachers pension balance of £20,759, lottery funding of £8,040 and other small amounts.

The year end balance of £487k is expected to be released in the 2020/21 year.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds

	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
Restricted general funds					
General Annual Grant (GAG)	-	22,846	(18,490)	(332)	4,024
Start up grants	-	303	(303)	-	-
Other DfE / ESFA grants	-	3,217	(3,217)	-	-
Other government grants	1,286	5,863	(7,149)	-	-
Teaching school	55	90	(87)	-	58
Other restricted funds	16	2,024	(2,034)	-	6
Pension reserve	(10,330)	(499)	(1,997)	(1,833)	(14,659)
	<u>(8,973)</u>	<u>33,844</u>	<u>(33,277)</u>	<u>(2,165)</u>	<u>(10,571)</u>
Restricted fixed asset funds					
Inherited on conversion	73,473	54,460	(2,147)	-	125,786
DfE group capital grants	1,004	129	(174)	225	1,184
Capital expenditure from GAG	61	-	(21)	34	74
Other capital income	54	-	(7)	-	47
Local authority capital grant	261	-	(8)	112	365
Designated Funds- capital expenditure	-	-	(217)	1,211	994
Local authority capital donations	7,140	-	(125)	-	7,015
	<u>81,993</u>	<u>54,589</u>	<u>(2,699)</u>	<u>1,582</u>	<u>135,465</u>
Total restricted funds	<u>73,020</u>	<u>88,433</u>	<u>(35,976)</u>	<u>(583)</u>	<u>124,894</u>
Unrestricted funds					
Unrestricted funds	1,432	636	(1,082)	119	1,105
Designated funds - IT	167	-	(9)	(158)	-
Designated Funds - Capital Expenditure	1,211	-	-	(1,211)	-
	<u>2,810</u>	<u>636</u>	<u>(1,091)</u>	<u>(1,250)</u>	<u>1,105</u>
Total funds	<u>75,830</u>	<u>89,069</u>	<u>(37,067)</u>	<u>(1,833)</u>	<u>125,999</u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds (Continued)

The movement of £1,211k from unrestricted funds to the fixed asset fund related to a spent fund which has previously been presented as an available capital fund. As this fund has been fully utilised with only depreciation being charged against the balance, the correct classification is as a Fixed Asset Fund.

The specific purposes for which the funds are to be applied are as follows:

a) Restricted General Fund

The General Annual Grant (GAG) is the core funding for the educational activities of the academy provided via the Education and Skills Funding Agency (ESFA).

Other ESFA grants are grants received from the ESFA which can only be utilised for the purpose intended. Other funds generated by the Academy include specific donations.

The Pension reserve is the deficit in the Local Government Pension Scheme.

b) Restricted Fixed Asset Fund

This includes fixed assets transferred on Academy conversion, together with capital grants.

c) Unrestricted Fund

Designated income funds - capital expenditure within unrestricted funds represent the purchase of assets out of unrestricted funds. The balance on the fund equates to the net book value of these assets and will be gradually eroded through depreciation.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds (Continued)

Funds prior year

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	891	16,154	(17,054)	9	-
Start up grants	-	264	(264)	-	-
Other DfE / ESFA grants	204	1,818	(2,022)	-	-
Other government grants	30	3,637	(2,381)	-	1,286
Teaching school	44	106	(95)	-	55
Other restricted funds	16	-	-	-	16
Pension reserve	(4,310)	(1,175)	(1,124)	(3,721)	(10,330)
	<u>(3,125)</u>	<u>20,804</u>	<u>(22,940)</u>	<u>(3,712)</u>	<u>(8,973)</u>
Restricted fixed asset funds					
Transfer on conversion	61,521	13,436	(1,484)	-	73,473
DfE group capital grants	584	561	(148)	7	1,004
Capital expenditure from GAG	35	-	(17)	43	61
Other capital income	61	-	(7)	-	54
Local authority capital grant	224	40	(3)	-	261
Local authority capital donations	7,265	-	(125)	-	7,140
	<u>69,690</u>	<u>14,037</u>	<u>(1,784)</u>	<u>50</u>	<u>81,993</u>
Total restricted funds	<u>66,565</u>	<u>34,841</u>	<u>(24,724)</u>	<u>(3,662)</u>	<u>73,020</u>
Unrestricted funds					
Unrestricted funds	867	1,687	(1,063)	(59)	1,432
Designated funds - IT	198	-	(31)	-	167
Designated Funds - Capital Expenditure	1,242	-	(31)	-	1,211
	<u>2,307</u>	<u>1,687</u>	<u>(1,125)</u>	<u>(59)</u>	<u>2,810</u>
Total funds	<u>68,872</u>	<u>36,528</u>	<u>(25,849)</u>	<u>(3,721)</u>	<u>75,830</u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds (Continued)

Total funds analysis by academy

	2020	2019
	£'000	£'000
Fund balances at 31 August 2020 were allocated as follows:		
Grange School	773	675
CHS South	266	100
Newall Green High School	(611)	(238)
Chorlton High School	1,427	2,655
Piper Hill High School	597	492
Pioneer House High School	696	483
MEA Central	554	-
Manchester Enterprise Academy	1,595	-
Prospect House Primary Specialist Support School	-	-
Central services	(104)	-
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	5,193	4,167
Restricted fixed asset fund	135,465	81,993
Pension reserve	(14,659)	(10,330)
	<hr/>	<hr/>
Total funds	<u>125,999</u>	<u>75,830</u>

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2020	Total 2019
	£'000	£'000	£'000	£'000	£'000	£'000
Grange School	2,996	385	134	560	4,075	1,696
CHS South	1,406	204	155	779	2,544	1,657
Newall Green High School	2,700	753	451	861	4,765	4,782
Chorlton High School	6,450	902	571	1,679	9,602	9,294
Piper Hill High School	2,911	564	111	690	4,276	4,217
Pioneer House High School	1,357	265	73	293	1,988	1,362
MEA Central	1,379	5	134	286	1,804	-
Manchester Enterprise Academy	2,435	15	263	505	3,218	-
Prospect House Primary Specialist Support School	-	-	-	-	-	-
Central services	910	455	3	(6)	1,362	1,019
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	<u>22,544</u>	<u>3,548</u>	<u>1,895</u>	<u>5,647</u>	<u>33,634</u>	<u>24,027</u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

20 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	135,359	135,359
Current assets	1,105	7,082	-	8,187
Creditors falling due within one year	-	(2,994)	106	(2,888)
Defined benefit pension liability	-	(14,659)	-	(14,659)
Total net assets	<u>1,105</u>	<u>(10,571)</u>	<u>135,465</u>	<u>125,999</u>

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	83,004	83,004
Current assets	2,810	1,786	-	4,596
Creditors falling due within one year	-	(429)	(1,011)	(1,440)
Defined benefit pension liability	-	(10,330)	-	(10,330)
Total net assets	<u>2,810</u>	<u>(8,973)</u>	<u>81,993</u>	<u>75,830</u>

21 Capital commitments

	2020 £'000	2019 £'000
Expenditure contracted for but not provided in the financial statements	<u>717</u>	<u>27</u>

Of the £717k capital commitments figure, £575k relates to a project at MEA to construct a new building which will be used for their alternative pathways students. £142k relates to sports hall works at Grange School.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

22 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £'000	2019 £'000
Amounts due within one year	389	353
Amounts due between one and five years	671	910
	<u>1,060</u>	<u>1,263</u>

23 Reconciliation of net income to net cash flow from operating activities

	2020 £'000	2019 £'000
Net income for the reporting period (as per the statement of financial activities)	52,002	10,679
Adjusted for:		
Net surplus on transfer from existing academy	(56,110)	(13,327)
Capital grants from DfE and other capital income	(129)	(601)
Interest receivable	(6)	(4)
Defined benefit pension scheme costs less contributions payable	1,782	985
Defined benefit pension scheme finance cost	215	139
Depreciation of tangible fixed assets	2,708	1,822
Loss on disposal of fixed assets	-	25
Movements in working capital:		
(Increase) in stocks	-	(2)
(Increase)/decrease in debtors	(788)	96
Increase in creditors	1,448	430
Stocks, debtors and creditors transferred on conversion	2,149	1,066
Net cash provided by operating activities	<u>3,271</u>	<u>1,308</u>

24 Analysis of changes in net funds

	1 September 2019 £'000	Cash flows £'000	31 August 2020 £'000
Cash	3,376	2,803	6,179
	<u>3,376</u>	<u>2,803</u>	<u>6,179</u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

25 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

26 Pension and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Greater Manchester Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2019/20). The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £1,745,751 (2019: £1,288,427).

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

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

26 Pension and similar obligations (Continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 18.5% for employers and 5.5 to 12.5% for employees.

As described in note 30 the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Accounting for the McCloud/Sargeant Judgement

In December 2018 the Government lost a court of Appeal case (the McCloud/Sargeant case) which found that transitional protection arrangements put in place when the firefighters' and judges' schemes were reformed were age discriminatory. The Government's appeal to the Supreme Court was denied in June 2019. In a Written Ministerial Statement on 15 July 2019 the Government committed to seeking a remedy across all public sector schemes.

LGPS actuaries have been instructed by employers to calculate an approximate approach for quantifying a constructive obligation for accounting purposes and this has been incorporated into liabilities at 31 August 2020.

Total contributions made	2020	2019
	£'000	£'000
Employer's contributions	1,330	939
Employees' contributions	430	290
	<hr/>	<hr/>
Total contributions	1,760	1,229
	<hr/> <hr/>	<hr/> <hr/>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2020 by a qualified independent actuary.

	2020	2019
	%	%
Rate of increase in salaries	3.0	3.1
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.7	1.9
	<hr/> <hr/>	<hr/> <hr/>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

26 Pension and similar obligations (Continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2020	2019
	Years	Years
Retiring today		
- Males	20.5	20.6
- Females	23.1	23.1
Retiring in 20 years		
- Males	22.0	22.0
- Females	25.0	24.8

The Academy Trust's share of the assets in the scheme

	2020	2019
	Fair value	Fair value
	£'000	£'000
Equities	17,032	11,956
Bonds	4,008	2,637
Cash	2,254	1,583
Property	1,753	1,407
Total fair value of assets	25,047	17,583

The actual return on scheme assets was £206,000 (2019: £739,000).

Amount recognised in the Statement of Financial Activities

	2020	2019
	£'000	£'000
Current service cost	3,091	1,635
Net interest cost	215	139
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	21	289
Total operating charge	3,327	2,063

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

26 Pension and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2020 £'000
At 1 September 2019	27,913
Transferred in on existing academies joining the Academy Trust	6,193
Current service cost	3,091
Interest cost	613
Employee contributions	430
Actuarial loss	1,641
Benefits paid	(196)
Past service cost	21
	<hr/>
At 31 August 2020	39,706
	<hr/> <hr/>

Changes in the fair value of the Academy Trust's share of scheme assets

	2020 £'000
At 1 September 2019	17,583
Transferred in on existing academies joining the Academy Trust	5,694
Interest income	398
Return on plan assets (excluding net interest on the net defined pension liability)	(192)
Employer contributions	1,330
Employee contributions	430
Benefits paid	(196)
	<hr/>
At 31 August 2020	25,047
	<hr/> <hr/>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

27 Related party transactions

Owing to the nature of the Academy Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the Academy Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

The Trust received a £50k (2019: £30k) donation from The Timpson Trust in the financial year. The Timpson Trust is a related party of the Trust as Helen Oakley who is a member of the Newall Green SIB and the Trust Risk and Audit Committee is also a Trustee of the Timpson Trust.

The Trust received a £31k (2019: £Nil) grant from Wythenshawe Community Housing Group in the financial year. Wythenshawe Community Housing Group is a related party of the Trust as Nick Horne is the Chief Executive of Wythenshawe Community Housing Group and also sits on the Manchester Enterprise Academy Governing Board. No balance was outstanding with Wythenshawe Community Housing Group at 31.8.20 (2019: £Nil).

Rabnawaz Akbar is a Local Councillor who also serves on the MEA Central Local Governing Board, Mandie Shilton Goodwin is a Local Councillor who is also on the Local Governing Board of Chorlton High School.

In entering into these transactions, the Academy Trust has complied with the requirements of the Academies Financial Handbook 2019.

28 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. There was a brought forward creditor at the start of the year of £3,168, comprising £1,193 in relation to Piper Hill and £1,975 in relation to Pioneer House. A further brought forward creditor of £44,406 was transferred in from Manchester Enterprise Academy on 1 April 2020, when The Altius Trust transferred into Prospere Learning Trust. In the accounting period ending 31 August 2020 the trust received £12,397 (2019: £6,544), disbursed £790 (2019: £3,376) and repaid £30,778 (2019: £Nil) from the fund. An amount of £28,402 (2019: £3,168) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

29 Teaching school trading account

	2020		2019	
	£'000	£'000	£'000	£'000
Direct income				
Government grants		40		40
Other external funding		43		57
Other income		7		9
		<u> </u>		<u> </u>
Total income		90		106
Direct costs				
Direct staff costs	33		29	
Educational consultancy	5		18	
	<u> </u>		<u> </u>	
	38		47	
	<u> </u>		<u> </u>	
Other costs				
Support staff costs	48		47	
Technology costs	1		1	
	<u> </u>		<u> </u>	
	49		48	
	<u> </u>		<u> </u>	
Total operating costs		(87)		(95)
		<u> </u>		<u> </u>
Surplus from teaching school		3		11
		<u> </u>		<u> </u>
Teaching school balances at 1 September 2019		55		44
		<u> </u>		<u> </u>
Teaching school balances at 31 August 2020		58		55
		<u> </u>		<u> </u>

Included within Teaching School brought forward balance is a £3k (2019: £3k) balance relating to income transferred into the Academy Trust on conversion.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

30 Transfer from an existing academy trust

On 31 March 2020 The Altius Trust MAT was transferred into Prospere Learning Trust MAT which included two operating academies MEA Central and Manchester Enterprise Academy.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – gift of net assets.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
MEA Central	Lytham Road, Fallowfield, Manchester, M14 6PL	31 March 2020
Manchester Enterprise Academy	Simonsway, Wythenshawe, M22 9RH	31 March 2020

Net assets transferred:	Unrestricted	Restricted funds:		Total
	funds	General	Fixed asset	2020
	£'000	£'000	£'000	£'000
Other tangible fixed assets	-	-	54,460	54,460
Pension scheme deficit	-	(499)	-	(499)
Current assets	2,654	-	-	2,654
Current liabilities	-	(505)	-	(505)
	<u>2,654</u>	<u>(1,004)</u>	<u>54,460</u>	<u>56,110</u>

Funds surplus/(deficit) transferred:	Unrestricted	Restricted funds:		Total
	funds	General	Fixed asset	2020
	£'000	£'000	£'000	£'000
Fixed assets funds	-	-	54,460	54,460
LA budget funds	193	1,956	-	2,149
LGPS pension funds	-	(499)	-	(499)
	<u>193</u>	<u>1,457</u>	<u>54,460</u>	<u>56,110</u>

Included within the £54,460,000 tangible fixed assets transferred in on conversion, £2,540,000 related to the Grange School Sport's Hall the transfer of which was delayed until May 2020.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PROSPERE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 16 March 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, to obtain limited assurance about whether the expenditure disbursed and income received by Prospere Learning Trust during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2019 to 2020 Annex B: Regularity Reporting. We are independent of Prospere Learning Trust in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of Prospere Learning Trust's accounting officer and Trustees

The accounting officer is responsible, under the requirements of Prospere Learning Trust's funding agreement with the Secretary of State for Education dated 25 August 2017 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of Prospere Learning Trust and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2019 to 31 August 2020 have not been applied to purposes identified by Parliament or that the financial transactions do not conform to the authorities which govern them.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO PROSPERE LEARNING TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2019 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2019 to 2020.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to Prospere Learning Trust and the ESFA in accordance with the terms of our engagement letter dated 16 March 2018. Our work has been undertaken so that we might state to the Prospere Learning Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Prospere Learning Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK Audit LLP

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Dated: 26.2.21
