

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 2021

PROSPERE LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Liam Cowell
Aneez Esmail
Helen Jones
Christopher Gray

Trustees

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

Senior management team

- CEO, Accounting Officer & Executive Head, Grange School, Piper Hill, Prospect House and Pioneer House	Linda Jones
- Executive Head, Newall Green, Chorlton High School, CHS South	Andy Park
- Executive Head, MEA, MEA Central	Dave Bell
- Chief Operating Officer	Rachael Lees
- 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
- Head Teacher, MEA Central	Emily Reynard
- Head Teacher, Prospect House	Tracy Gallier (appointed 6th May 2021)

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
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	Tracy Gallier
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
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 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report, a strategic 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. Following the creation of the Trust in 2019 with 4 schools, a number of schools have joined the Trust as follows. CHS South, a mainstream Secondary school, opened in September 2018 and moved to its permanent site in September 2021. The all-through special school, Grange School joined the Trust from 1 May 2019. In April 2020 MEA and MEA Central joined the Trust and a new free primary special school, Prospect House, opened in September 2020. On 31 August 2021, Newall Green High School permanently closed.

	NOR 21-22	PAN
Chorlton High School	1,528	1,500
CHS South	717	780
Manchester Enterprise Academy	1,218	1,260
MEA Central	1,065	1,050
Grange	235	220
Pioneer House	123	117
Piper Hill	240	240
Prospect House	50	50
Total	5,176	5,217

In 2022-23, CHS South's PAN will rise to 1,020 and will increase by 60 students a year until 2025-26 when there will be 1,200 students on roll (240 in each year group).

For Prospect House, the PAN will rise to 75 in 2022-23 and 100 in 2023-24.

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 Prospera 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, Prospera 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 2021 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 £21k.

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 additional Governor training to complement the training package offered by the Trust. The SLA also provides support throughout the year. In addition, the Trust organises regular Chairs' Briefings 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
- 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 delegate responsibility to the Resources and Finance Committee for Finance, Human Resource (HR) and Estates matters.

The Trust delegates responsibility for monitoring Educational standards to the Standards Committee.

The Chief Executive Officer is the Accounting Officer of the Trust and has overall responsibility for running of the Trust, reporting into the Chair of the Trust Board. The day to day leadership and management of the Trust is delegated between the CEO and the Executive Headteachers, who have allocated groups of schools. They work alongside the school Headteachers to ensure that member schools are effectively led and managed. The Executive Headteachers report into the CEO.

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. Members meet at least three times per year. The Trustees meet at least seven times a year, once per half term with an additional meeting at the start of the Academic Year, along with further additional meetings as required. 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 four 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.

The Trust has taken part in the salary survey for Executive Leadership roles undertaken by the Confederation of School Trusts. The Trust will take the outcome of the benchmarking process into consideration in the context of setting Executive team pay. Headteacher and school leadership posts are benchmarked using the standard Individual School Ranges (ISR's) produced by the School Teachers Review Body.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Related parties, connected charities 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.

The Trust is a member of the Confederation of School Trusts (CST), which provides support to Executive and Governance leaders in school Trusts.

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 Teacher Manchester Teaching School Alliance. Piper Hill High School is leading a partnership of Manchester special and mainstream primary schools to deliver an innovative and exciting School Direct Primary (5-11) PGCE with an SEN specialism in 2022-23 in conjunction with the University of Cumbria. Trainees on the course will spend their year based in school, training to teach a primary curriculum to children with additional needs in both mainstream and special schools.

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 is carrying forward a £50k balance on a grant received in the prior year.

MEA receives an annual grant of £40k 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 Trust's 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.

Streamlined energy and carbon reporting

This content is included under that heading within the strategic report section.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Engagement with employees and disabled persons

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. This provides an opportunity for any feedback from school representatives to be communicated to the Trust and for any significant organisational changes to be discussed with unions.

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.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Objectives, strategies and activities

The main work streams for the Trust for 2020-21 were as below:

Leadership and Management:

1. Operating model - implement a well developed, integrated central team structure
2. Covid response- including remote learning and all aspects of Health and Safety
3. Prospere vision and ethos- to raise awareness amongst all stakeholders
4. Well-being strategy- ensure a well planned approach to staff and student wellbeing

Curriculum:

1. Remote learning- ensure that all pupils are able to access remote education seamlessly as the need arises.
2. Quality of Education- develop a common language and understanding of teaching, learning and assessment across the Trust. This will be evidence informed, based on the Great Teaching Toolkit developed by Cambridge International

Business Opportunities:

1. Central operating model- develop and implement a new operating model for our central services that is effective and efficient, will be sustainable and able to adapt to growth for the key strands of Finance, Estates, HR, ICT and Catering

Quality Assurance (QA):

1. Develop common metrics for both special and mainstream schools and common systems of QA, based on a robust, well defined QA system. To also develop scorecards with key metrics for trust wide analysis
2. To support our schools when audits/QA highlight areas for improvement particularly focussing on literacy, the development of teachers and other staff and SEND

Workforce Development:

1. Ensure systems are in place to enable us to know our workforce
2. Ensure our systems and procedures enable a consistent service delivery
3. Develop our HR operating model
4. Focus on recruiting, retaining and developing our workforce and develop a Trust People strategy

Vulnerable Learners

1. Develop our capacity and provision for our more complex mainstream students
2. Embed the process to identify early student needs in mainstream schools

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

- Improvement continues at all Trust schools and is monitored through a shared Quality Assurance programme. All schools continue to improve from their starting points in 2020. Newall Green High School formally closed on 31st August 2021, due to insufficient pupil numbers, although education improvements continued, and Ofsted visits acknowledged the continuous improvement

General

- 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 areas that have required additional support during the national Pandemic.
- The collaborative working across Trust Schools in a formal manner 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, and our community of belonging focus has developed a well-defined strategy. 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.

Mainstream

- The outcomes for Chorlton High School (CHS) continue to be very strong and they are recognised as one of the top performing schools in the City in terms of exam results. Based on the Ofsted IDSR, Chorlton is in the top 20% of schools nationally.
- MEA continues to perform well. MEA's 2021 Ofsted judged that the school continues to be 'Good'
- MEA Central now has a full complement of students. External Quality Assurance continues to recognise the excellence of the provision.
- CHS South has completed a successful third year of operation, as recognised by a range of external Quality Assurance processes.
- In the Summer term of 2021 the closure of the 6th form at MEA was approved by the RSC.

Special

- At Grange School the improvement continues to be seen and is reported regularly through independent Quality Assurance reviews.
- Piper Hill and Grange School had significant changes approved to pupil numbers- Piper Hill now has an increased PAN of 240 and Grange School has an increased PAN of 220.
- Pioneer House school continues to have strong performance.
- Prospect House School have had a positive first year and performance is strong.
- The special schools use a range of benchmarking activities and external audits to ensure current evaluations are accurate. These include a range of financial benchmarks, curriculum led financial planning, attendance data for staff and pupils, external accreditation and a range of external moderation activities on progress data. External Quality Assurance is undertaken for all areas of the Education Inspection framework. In addition, benchmarking takes place for wellbeing and mental health activities.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Covid-19

Despite the challenges presented by the pandemic, all of the school across the Trust have continued to improve and make progress.

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

- Regular (weekly) meetings of the Executive 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 Trust's 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 2021-22;
- Liaison with DfE

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.

Further details of our engagement with employees, beneficiaries, and stakeholders can be found on page 7.

- 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.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

- 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.

Financial review

The Trust's total incoming resources for the year amounted to £74m (2020: £89m). The most significant sources of income relate to the transfer of a school's assets (CHS South) from the ESFA for £Nil consideration (£25.8m) (2020: £56m in respect of MEA and MEA Central), and ESFA and other local authority pupil funding (£45.1m) (2020: £32.4m). Outgoing resources for the year and transfers relating to the LGPS scheme totalled £53.8m (2020: £38.9m) resulting in an overall increase in funds of £20.0m (2020: £50.2m). Total reserves as at 31 August 2021 stood at £146.0m (2020: £125.9m). Cash balances held by the Trust at 31 August 2021 amount to £7.5m (2020: £6.2m).

The surplus of revenue income over revenue expenditure (net surplus on funds of £20.0m, adjusted to exclude depreciation, capital income, capital expenditure and adjustments for the LGPS) is £4.0m (2020: £0.4m).

When considering the Trust's underlying revenue reserves position at 31 August 2021, 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 £7.2m (2020: £5.2m) at 31 August 2021.

The movement on the LGPS scheme shows an increase of £7.1m (2020: £4.3m) on the liability to £21.8m (2020: £14.7m). Whilst this is a substantial increase, this is in line with other academy trusts.

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.

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

The Trust is carrying healthy revenue reserves of £7.2m, cashflow is strong and stable and there are no concerns over liquidity.

Numbers on Roll (NOR) against the Planned Admissions Number (PAN) are shown on page 3 and demonstrate that the Trust is at over 99% of capacity. The Trust also still has further growth to come from CHS South and Prospect House. In terms of the individual schools, NOR remains stable and strong across the Trust:

- 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 2020, 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, now have their new permanent building which opened in September 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.
- Newall Green High School closed to its remaining students over the summer of 2021.
- Within the Special Schools, 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 new free special primary school Prospect House opened successfully in September 2020.

Financial and risk management objectives and policies

Given the nature of the multi-academy trust, and that the financial instruments dealt with by the Trust are largely bank balances, cash and trade creditors, with limited trade and other debtors, information on financial and risk management objectives and policies is not considered by the Trustees to be material to the assessment of the Trust's assets, liabilities, financial position and its results and therefore detailed disclosure has not been given.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Reserves policy

The Trust's funds are allocated to individual schools within the Trust, excluding the restricted fixed asset fund and the pension reserve.

The Trust Board approved a Reserves Policy in July 2021. The policy contains the parameters within which schools must operate, and takes into consideration three year forecasts, financial risks and future plans. 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, whilst ensuring this is balanced with the need to utilise funds for the benefit of current pupils. The Trust's overall reserves position as at 31 August 2021 is £146m. The Trust's underlying reserves position at 31 August 2021, removing the impact of movements in the pension liabilities, which do not require full settlement in the short term and the fixed assets held by the Trust, is £7.2m (2020: £5.2m). Of total revenue reserves of £7.2m, £201k relates to the central reserve and the remainder relates to the schools. Schools are required to hold a minimum reserve level of 5% of annual revenue income. All schools within the Trust apart from Newall Green High School currently hold a sufficient level of reserves. The Newall Green High School deficit came in less than anticipated and has been distributed between the schools within the Trust as agreed by the Trust Board. The policy allows for a central reserve to be held in order to fund future MAT wide initiatives. The annual contribution to central services from schools is reviewed annually, and the level of centrally held funds will be taken into consideration when setting the future contribution rate.

Investment policy

The Trustees have also approved 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. This policy will be implemented in 21-22.

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.

The Trust carried out a financial benchmarking exercise in June 2021. The KPI's selected were chosen taking into consideration a range of information such as the DfE Schools Financial Benchmarking website, the ESFA dashboard which formed part of the School Resources Management return and the criteria used in the SRMA report. The KPI's were as follows:

1. Teacher contact time
2. Average class size
3. Pupil to Teacher ratio
4. Average Teacher cost
5. Percentage spend on Teachers
6. Total teachers as percentage of the workforce
7. Senior Leadership as a percentage of the workforce

The benchmarks used for comparison purposes were drawn from those in the Trust's SRMA report, or from local averages where these were not available. Overall, there were no areas which were a cause for concern. Where figures were outside of averages, this was not by a significant amount and was linked to a characteristic of that school and/or strategy for improvement.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

Plans for future periods

In order to support the Trust, at both its current stage of development and through the next few years of growth, the operating model for business support services was developed to provide a consistent model across the Trust.

The model ensures we have expert and professional staff delivering a range of support services which allow heads and staff to focus on delivering the best possible educational provision for students.

Following consultation in spring 2021, implementation of the Operating Model was effective 1 September 2021. Finance, IT, HR and Estates have developed Service Level Agreements (SLAs) with schools clearly setting out how processes and activities will be managed by the central teams and at school level.

The high-level strategic objectives for 2021-2022 are shown below, under the headings of Leadership and Management, Quality of Education and MAT Central teams along with their corresponding Trust Committee accountability. Each area has its own high level improvement plan which is monitored and challenged regularly by the allocated Committee. For the Quality of Education this is then developed at school level as part of individual School Improvement plans, with a focus on evidence-informed approaches.

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 Y2 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 assumptions for the national funding change
- Implement a Reserves and Investment management system and move to a centralised banking structure
- Implement a new operating model for Business Support Services
- Develop a Capital Programme underpinned by strategies for ICT, Estates and other assets
- Develop a centralised Procurement strategy

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.
- Although schools are robust in safeguarding arrangements, external factors continue to present risks.
- 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.

Streamlined energy and carbon reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021:

	2021 kWh	2020 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	5,864,121	4,396,287
- Electricity purchased	3,713,220	2,833,790
- Fuel consumed for transport	22,979	-
	<hr/>	<hr/>
	9,600,320	7,230,077
	<hr/> <hr/>	<hr/> <hr/>

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

	2021	2020
	metric tonnes	metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	1,081.23	808.34
- Fuel consumed for owned transport	5.64	-
	<hr/>	<hr/>
	1,086.87	808.34
Scope 2 - indirect emissions		
- Electricity purchased	788.43	660.67
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Academy Trust	0.54	-
	<hr/>	<hr/>
Total gross emissions	<u>1,875.84</u>	<u>1,469.01</u>
<i>Intensity ratio</i>		
Tonnes CO2e per pupil	<u>0.48</u>	<u>0.38</u>

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e 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 person to the role of 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.

Comparability to previous year

Due to a number of circumstances and changes, it is felt that comparing this years report to the previous year's report would be of very limited value. These factors include:

- MEA is a significant energy user but only joined the Trust towards the end of the 2019/2020 reporting period. The 2020/21 report captures a full year consumption and emissions related to these two sites.
- The new CHS South site came on line during the current year and the report includes some "overlap" in consumption relating to the outgoing site and the new site going live.
- The Newall Green HS site has been ramping down over the 2019/20 and 2020/21 SECR reporting periods and finally closed in August 2021.
- The 2019/20 reporting period in particular captured the impact of lockdown and school closures due to Covid 19.

PROSPERE LEARNING TRUST

TRUSTEES' REPORT (CONTINUED)

AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

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 Trustees' report is approved by order of the Board of Trustees and the strategic report (included therein) is approved by the Board of Trustees in their capacity as the directors at a meeting on 17th December 2021 and signed on its behalf by:



.....

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 Trust regularly reviews all levels of Governance through skills and committee composition audits, along with audits and action plans at Trust and LGB level. The Scheme of Delegation is reviewed annually and training supports statutory Governance roles. Governance is included in the scope of internal audit activities. External QA and Ofsted also review Governance as part of Leadership and Management. Through these actions, the Trust Board has been able to address any skills challenge arising in the year and has been able to gain comfort over the Trust Board's effectiveness. The Trust Board is also satisfied that the quality of information supplied in its decision-making is high, having been prepared by a competent management team that is subject to robust oversight.

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 nine 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	7	9
Jennifer Collinson (Chair)	9	9
Amanda Edwards	8	9
Helen Jones	8	9
Beverley Ridyard	5	9
Ben Ramm	8	9
Iain Ashworth	0	9
Graham Whitham	8	9
Oliva Clayton	4	9

Iain Ashworth is currently unable to attend the scheduled Trust Board meetings due to other commitments therefore his non-attendance has been agreed with the Chair. Iain chairs the Trust's Resources Committee. Of the nine Trust Board meetings, seven were the main scheduled Trust Board meetings and two were additional meetings arranged for specific purposes. Although some Trustees have not been able to attend all of the meetings, they have access to the papers for every meeting and opportunity to provide feedback. Therefore, the Trust is satisfied that the Trust Board has discharged its duties fully and thoroughly throughout the year.

PROSPERE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

The Risk and Audit Committee (RAC) 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 four times during the year. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Graham Whitham	3	4
Roger Griffiths	4	4
Ian Pickup	1	4
Denise Ogden	0	4
Ryan Conlon	2	3

Although some Committee members have not been able to attend all of the meetings, they have access to the papers for every meeting and the opportunity to provide feedback. Therefore the Trust is satisfied that the RAC has discharged its duties fully and thoroughly throughout the year.

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, to ensure we spend our funds in a targeted way and avoid waste
- 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 Prospere Learning Trust for the period 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

PROSPERE LEARNING TRUST

GOVERNANCE STATEMENT (CONTINUED)

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 Resources 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 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 Beevers and Struthers to complete a programme of agreed upon procedures for the 2020/21 financial year. The Trust plans to re-tender the Internal Audit service in 2021-22.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. This year, an advisory review of the Trust's financial procedures was carried out.

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 Board receives all minutes and reports of the Risk and Audit Committee.

The internal auditor/reviewer has delivered their schedule of work as planned. The assurances were in the substantial range. The main internal audit review in 2020-21 was the Key Financial Controls review, which provided assurance that previous findings had been addressed, and reviewed the financial procedures across the Trust ahead of the centralisation project.

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:

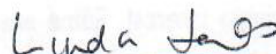
- the work of the internal auditor
- the work of the external auditor
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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 2020/21 and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 17th December 2021 and signed on its behalf by:



Jennifer Collinson
Chair



Linda Jones (Non-statutory)
Accounting Officer

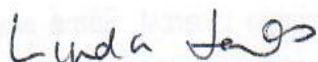
PROSPERE LEARNING TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Prosper 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 2020.

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 2020.

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

17th December 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 2020 to 2021;
- 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 17th December 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 2021 which comprise the Statement of Financial Activities (including Income and Expenditure Account), the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2020 to 2021 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 2021 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 2020 to 2021 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

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees' are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

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, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 Directors' Report or the Strategic Report included within the Trustees' 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 25, 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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academies Financial Handbook and Annual Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgments and estimates.

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.

John Guest

John Guest (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

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17/12/21

PROSPERE LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2021 £'000	Total 2020 £'000
Income and endowments from:						
Donations and capital grants	4	3	-	1,737	1,740	188
Donations - Transfer from a school	30	-	-	25,836	25,836	56,110
Charitable activities:						
- Funding for educational operations	5	147	45,000	-	45,147	32,372
- Funding for teaching school	5	-	77	-	77	90
Other trading activities	6	584	313	-	897	303
Investments	7	1	-	-	1	6
Total		<u>735</u>	<u>45,390</u>	<u>27,573</u>	<u>73,698</u>	<u>89,069</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	634	44,013	4,498	49,145	36,980
- Teaching school	29	-	90	-	90	87
Total	8	<u>634</u>	<u>44,103</u>	<u>4,498</u>	<u>49,235</u>	<u>37,067</u>
Net income		101	1,287	23,075	24,463	52,002
Transfers between funds	19	-	(1,968)	1,968	-	-
Other recognised gains/(losses)						
Actuarial losses on defined benefit obligations	26	-	(4,482)	-	(4,482)	(1,833)
Net movement in funds		101	(5,163)	25,043	19,981	50,169
Reconciliation of funds						
Total funds brought forward		<u>1,105</u>	<u>(10,571)</u>	<u>135,465</u>	<u>125,999</u>	<u>75,830</u>
Total funds carried forward		<u>1,206</u>	<u>(15,734)</u>	<u>160,508</u>	<u>145,980</u>	<u>125,999</u>

PROSPERE LEARNING TRUST**BALANCE SHEET****AS AT 31 AUGUST 2021**

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	14		159,577		135,359
Current assets					
Stocks	15	2		2	
Debtors	16	2,752		2,006	
Cash at bank and in hand		7,525		6,179	
			10,279		8,187
Current liabilities					
Creditors: amounts falling due within one year	17	(2,100)		(2,888)	
Net current assets			8,179		5,299
Net assets excluding pension liability			167,756		140,658
Defined benefit pension scheme liability	26		(21,776)		(14,659)
Total net assets			145,980		125,999
Funds of the Academy Trust:					
Restricted funds	19				
- Restricted fixed asset funds			160,508		135,465
- Restricted income funds			6,042		4,088
- Pension reserve			(21,776)		(14,659)
Total restricted funds			144,774		124,894
Unrestricted income funds	19		1,206		1,105
Total funds			145,980		125,999

The financial statements on pages 29 to 59 were approved by the Board of Trustees and authorised for issue on 17th December 2021 and are signed on their behalf by:



.....
Jennifer Collinson
Chair

PROSPERE LEARNING TRUST
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £'000	£'000	2020 £'000	£'000
Cash flows from operating activities					
Net cash provided by operating activities	23		2,488		3,271
Cash flows from investing activities					
Dividends, interest and rents from investments		1		6	
Capital funding received from sponsors and others		1,737		129	
Purchase of tangible fixed assets		(2,880)		(603)	
Net cash used in investing activities			<u>(1,142)</u>		<u>(468)</u>
Net increase in cash and cash equivalents in the reporting period			1,346		2,803
Cash and cash equivalents at beginning of the year			<u>6,179</u>		<u>3,376</u>
Cash and cash equivalents at end of the year			<u><u>7,525</u></u>		<u><u>6,179</u></u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 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.

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.

The Trust is carrying healthy Revenue reserves of £7.2m, cash flow is strong and stable and there are no concerns over liquidity.

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 2020, and 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, now have their new permanent building which opened in September 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.

Newall Green High School closed to its remaining students over the summer of 2021.

Within the Special Schools, 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 new free special primary school Prospect House opened successfully in September 2020.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 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 2021

1 Accounting policies (Continued)

Transfer of assets on conversion

Where assets and liabilities are received by the academy trust on conversion of a local authority school, or where an existing academy joins, the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration is involved. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The net assets transferred on conversion from the school to the academy trust have been valued at their fair values. The fair value has been derived based on that of equivalent items. The amount has been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in "Donations – transfer from a school" in the case of a net gain, or "Charitable activities – transfer from a school" in the case of a net loss, in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the specific transactions in the year ending 31 August 2021 are set out in note 30

The land and buildings are recognised in the balance sheet on the basis of substance over form, recognising the flow of future economic benefit from the use of the property and its continuing occupancy by the school.

Land and buildings pertaining to the permanent site of CHS South were brought onto the Balance Sheet during July 2021 totalling a value of £24,639,822 which was split £2,519,285 land and £22,120,547 buildings in July 2021. The trust will carry out a formal, independent valuation in the 2021-22 year. These assets are being depreciated over their remaining useful economic life.

In September 2020 Prospect House Primary Specialist Support School, a new free school, was opened by Prospere Learning Trust. The school is currently operating from the Grange premises ahead of the permanent site being complete in March 2022.

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.

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.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

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 buildings	Buildings depreciated over 50 years
Leasehold buildings	Buildings depreciated over 50 years
Leasehold land	Depreciated over the life of the lease, 125 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.

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 or services it must provide.

Leased assets

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

Stock

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

Financial instruments

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

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies (Continued)

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 or 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 2021

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.

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.

Critical accounting estimates and assumptions

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

Critical accounting estimates and assumptions - Local Government Pension Scheme

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 2021. 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 of £21,776k (2020: £14,659k).

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

2 Critical accounting estimates and areas of judgement (Continued)

Critical accounting estimates and assumptions – 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 £159,448k (2020: £135,359k).

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.

3 Statement of financial activities - comparative year information

Year ended 31 August 2020	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed asset Funds £'000	Total 2020 £'000
Income and endowments from:				
Donations and capital grants	59	-	129	188
Donations - Transfer from a school	193	1,457	54,460	56,110
Charitable activities:				
- Funding for educational operations	121	32,251	-	32,372
- Funding for teaching school	-	90	-	90
Other trading activities	257	46	-	303
Investments	6	-	-	6
Total	636	33,844	54,589	89,069
Expenditure on:				
Charitable activities:				
- Educational operations	1,091	33,190	2,699	36,980
- Teaching school	-	87	-	87
Total	1,091	33,277	2,699	37,067
Net income/(expenditure)	(455)	567	51,890	52,002
Transfers between funds	(1,250)	(332)	1,582	-
Other recognised gains/(losses)				
Actuarial losses on defined benefit pension schemes	-	(1,833)	-	(1,833)
Net movement in funds	(1,705)	(1,598)	53,472	50,169

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Capital grants	-	1,737	1,737	129
Other donations	3	-	3	59
	<u>3</u>	<u>1,737</u>	<u>1,740</u>	<u>188</u>

Included within capital grants above for 2021 is income receivable from Manchester City Council of £386k (2020: £19k).

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	31,185	31,185	22,846
Other DfE / ESFA grants:				
- Pupil premium	-	2,248	2,248	1,566
- Start up grants	-	402	402	303
- DfE teaching school grants	-	40	40	40
- Teachers' pension grant	-	860	860	608
- Others	-	1,303	1,303	1,184
	<u>-</u>	<u>36,038</u>	<u>36,038</u>	<u>26,547</u>
Other government grants				
Local authority grants	-	8,285	8,285	5,722
	<u>-</u>	<u>8,285</u>	<u>8,285</u>	<u>5,722</u>
COVID-19 additional funding (DfE / ESFA)				
Catch-up premium	-	470	470	-
	<u>-</u>	<u>470</u>	<u>470</u>	<u>-</u>
COVID-19 additional funding (non-DfE / ESFA)				
Coronavirus job retention scheme grant	6	-	6	-
Other non-DFE / ESFA COVID-19 funding	-	199	199	-
	<u>6</u>	<u>199</u>	<u>205</u>	<u>-</u>
Teaching School	-	37	37	50
Other incoming resources	141	48	189	143
	<u>141</u>	<u>85</u>	<u>226</u>	<u>193</u>
	<u>147</u>	<u>45,077</u>	<u>45,224</u>	<u>32,462</u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

5 Funding for the Academy Trust's educational operations (Continued)

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the Academy Trust's funding for Pupil Premium and the Teachers' Pension Grant is no longer reported within the Other DfE/ESFA grants/Other DfE group grants line item, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under COVID-19 additional funding.

The funding received for coronavirus exceptional support covers £470k of catch-up premium costs and £199k of mass testing costs. These costs are included in notes 8 and 9 below as appropriate.

The Academy Trust furloughed some of its catering staff at Chorlton High School under the government's Coronavirus Job Retention Scheme. The funding received of £6k relates to staff costs in respect of 15 staff, which are included within note 10 below as appropriate.

Included within the above restricted funds total of £45,077k (2020: £32,341k) are amounts relating to Teaching School income of £77k (2019: £90k) shown separately on page 26 in the Statement of Financial Activities.

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Hire of facilities	46	-	46	55
Catering income	302	-	302	62
Other income	236	313	549	186
	<u>584</u>	<u>313</u>	<u>897</u>	<u>303</u>

7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Other investment income	<u>1</u>	<u>-</u>	<u>1</u>	<u>6</u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

8 Expenditure

	Staff costs £'000	Non Pay Expenditure		Total 2021 £'000	Total 2020 £'000
		Premises £'000	Other £'000		
Academy's educational operations					
- Direct costs	29,104	-	2,893	31,997	24,846
- Allocated support costs	6,384	7,760	3,004	17,148	12,134
Teaching school					
- Direct costs	27	-	12	39	38
- Allocated support costs	51	-	-	51	49
	<u>35,566</u>	<u>7,760</u>	<u>5,909</u>	<u>49,235</u>	<u>37,067</u>

Net income/(expenditure) for the year includes:

	2021 £'000	2020 £'000
Operating lease rentals	328	320
Depreciation of tangible fixed assets	4,498	2,708
Net interest on defined benefit pension liability	270	215
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	28	31
- Other services	6	6
	<u>28</u>	<u>31</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000	Total 2020 £'000
Direct costs				
Educational operations	18	31,979	31,997	24,846
Teaching school	-	39	39	38
Support costs				
Educational operations	616	16,532	17,148	12,134
Teaching school	-	51	51	49
	<u>634</u>	<u>48,601</u>	<u>49,235</u>	<u>37,067</u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities (Continued)

	Teaching School	Educational operations	Total 2021	Total 2020
	£'000	£'000	£'000	£'000
Analysis of support costs				
Support staff costs	51	6,384	6,435	5,071
Depreciation	-	4,498	4,498	2,708
Technology costs	-	216	216	143
Premises costs	-	3,262	3,262	2,762
Legal costs	-	68	68	39
Other support costs	-	2,650	2,650	1,425
Governance costs	-	70	70	35
	<u>51</u>	<u>17,148</u>	<u>17,199</u>	<u>12,183</u>

10 Staff

Staff costs

Staff costs during the year were:

	2021 £'000	2020 £'000
Wages and salaries	24,920	18,929
Social security costs	2,503	2,107
Pension costs	7,509	5,938
Staff costs - employees	<u>34,932</u>	<u>26,974</u>
Agency staff costs	579	663
Staff restructuring costs	55	238
Staff development and other staff costs	<u>71</u>	<u>75</u>
Total staff expenditure	<u>35,637</u>	<u>27,950</u>
Staff restructuring costs comprise:		
Redundancy payments	40	236
Severance payments	15	2
	<u>55</u>	<u>238</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £14,841 (2020: £8,000). Individually, the payments were: £1,000, £7,394, £4,947 and £1,500.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff (Continued)

Staff numbers

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

	2021 Number	2020 Number
Teachers	347	261
Administration and support	487	414
Management	36	29
	<u>870</u>	<u>704</u>

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	15	7
£70,001 - £80,000	7	3
£80,001 - £90,000	3	2
£90,001 - £100,000	3	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	1	-
£130,001 - £140,000	2	2
	<u>2</u>	<u>2</u>

The bandings above include all employee benefits including remuneration, salary, taxable benefits in cash or in kind and termination payments, and are before deduction of employee's tax and employee's national insurance costs. They exclude the Academy Trust's own pension costs and the Academy Trust's own national insurance costs. The increase in the £60k to £70k banding is largely due to inflationary increases to pay rather than the Trust significantly expanding headcount in this pay range.

In addition to this, 2020-21 is the first full year that MEA and MEA Central have been part of Prospere Learning Trust, therefore staff members who did not appear in these figures last year due to the schools only being in the Trust for five months are now included.

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 and employer national insurance) received by key management personnel for their services to the Academy Trust was £1,686,878 (2020 restated to include employer pension contributions : £1,386,842).

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

11 Central services

The Academy Trust provides a range of services to Schools funded from the Central Cost Contribution (CCC). Costs covered from the MAT budget during the 2020-21 year include:

- Executive Leadership Team
- Trust Head of HR and Head of Estates
- Finance Director
- School Improvement Lead
- IT and HR Support staff
- External and internal audit fees
- Governance and MAT legal fees, including clerking
- Apprenticeship levy
- Trust wide software and licenses
- School improvement resources
- Recruitment SLA
- Project costs for Trust wide initiatives

The Academy Trust charges for these services on the following basis:
5% of core income (GAG, Pupil Premium and SEN funding).

In line with Trust policy, Prospect House did not contribute to the CCC during the first year opening, but from year two will make a full contribution in line with other Schools in the Trust.

The amounts charged during the year were as follows:	2021 £'000	2020 £'000
MEA Central	268	-
Manchester Enterprise Academy	396	-
Prospect House Primary Specialist Support School	-	-
Grange School	238	185
CHS South	162	131
Newall Green High School	182	214
Chorlton High School	450	441
Piper Hill High School	235	200
Pioneer House High School	120	102
	<hr/>	<hr/>
	2,051	1,273
	<hr/>	<hr/>

12 Trustees' remuneration and expenses

During the period no trustees received remuneration from the Trust.

During the period ended 31 August 2021, travel and subsistence expenses totaling £Nil (2020: £Nil) were reimbursed to any Trustees of the Academy Trust.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

14 Tangible fixed assets

	Freehold buildings	Leasehold buildings	Fixtures, fittings and computer equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2020	76,293	61,657	3,463	107	141,520
Gift on transfer	-	24,640	1,196	-	25,836
Additions	-	1,654	1,168	58	2,880
Disposals	(52,990)	52,990	-	-	-
At 31 August 2021	23,303	140,941	5,827	165	170,236
Depreciation					
At 1 September 2020	1,433	3,361	1,330	37	6,161
Gift on transfer	(188)	188	-	-	-
Charge for the year	418	2,766	1,295	19	4,498
At 31 August 2021	1,663	6,315	2,625	56	10,659
Net book value					
At 31 August 2021	21,640	134,626	3,202	109	159,577
At 31 August 2020	74,860	58,296	2,133	70	135,359

15 Stocks

	2021 £'000	2020 £'000
Uniform	2	2

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Debtors	2021	2020
	£'000	£'000
Trade debtors	222	33
VAT recoverable	968	1,013
Other debtors	38	-
Prepayments and accrued income	1,524	960
	<u>2,752</u>	<u>2,006</u>
17 Creditors: amounts falling due within one year	2021	2020
	£'000	£'000
Trade creditors	877	982
Other creditors	54	662
Accruals and deferred income (see note 18)	1,169	1,244
	<u>2,100</u>	<u>2,888</u>
18 Deferred income	2021	2020
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	<u>347</u>	<u>487</u>
Deferred income at 1 September 2020	487	407
Released from previous years	(411)	-
Resources deferred in the year	<u>271</u>	<u>80</u>
Deferred income at 31 August 2021	<u>347</u>	<u>487</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 £65,380, opening grant of £30,000, top up grants of £36,903, Pupil lunch funding of £7,146, Bursary funding of £45,825, Teaching school of £14,020, Cumbria income of £26,342, DofE grant of £1,500, UIFSM funding of £2,594, lottery funding of £8,040, MCC claw back of £35,837, Timpson's grant of £49,609 and other small amounts.

The year end balance of £347k is expected to be released in the 2021/22 year.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

	Balance at 1 September 2020 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2021 £'000
Restricted general funds					
General Annual Grant (GAG)	4,024	31,185	(27,555)	(1,968)	5,686
Other DfE / ESFA grants:					
- Pupil premium	-	2,248	(2,248)	-	-
- Start up grants	-	402	(402)	-	-
- Teachers' pension grant	-	860	(860)	-	-
- Others	-	1,303	(1,303)	-	-
Catch-up premium	-	470	(213)	-	257
Other non-DfE / ESFA COVID-19 funding	-	199	(199)	-	-
Other government grants	-	8,285	(8,277)	-	8
Teaching school	58	77	(90)	-	45
Other restricted funds	6	361	(321)	-	46
Pension reserve	(14,659)	-	(2,635)	(4,482)	(21,776)
	<u>(10,571)</u>	<u>45,390</u>	<u>(44,103)</u>	<u>(6,450)</u>	<u>(15,734)</u>
Restricted fixed asset funds					
Inherited on conversion	125,786	25,836	-	-	151,622
DfE and LA capital grants	1,184	1,737	(4,498)	-	(1,577)
Capital expenditure from GAG and other sources	8,495	-	-	1,968	10,463
	<u>135,465</u>	<u>27,573</u>	<u>(4,498)</u>	<u>1,968</u>	<u>160,508</u>
Total restricted funds	<u>124,894</u>	<u>72,963</u>	<u>(48,601)</u>	<u>(4,482)</u>	<u>144,774</u>
Unrestricted funds					
General funds	-	6	(6)	-	-
Unrestricted funds	1,105	729	(628)	-	1,206
	<u>1,105</u>	<u>735</u>	<u>(634)</u>	<u>-</u>	<u>1,206</u>
Total funds	<u>125,999</u>	<u>73,698</u>	<u>(49,235)</u>	<u>(4,482)</u>	<u>145,980</u>

The disclosures and groupings of COVID-19 related funds have been included to reflect the disclosure and groupings of Covid-19 funding in the Statement of Financial Activities, in-keeping with guidance in the Academies Accounts Direction Supplementary Bulletin 2020/21.

Opening balances have been restated where necessary to reflect material non-GAG DfE/ESFA grants in-keeping with guidance issued in the Academies Accounts Direction 2020/21.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds (Continued)

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

Unrestricted funds are those other resources which may be used to further the objectives of the Trust.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds (Continued)

Funds prior year

	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
Other DfE / ESFA grants:					
- Universal infant free school meals	-	-	-	-	-
- Pupil premium	-	1,566	(1,566)	-	-
- Start up grants	-	303	(303)	-	-
- Teachers' pension grant	-	608	(805)	-	(197)
- Others	-	1,184	(1,184)	-	-
Other government grants	1,286	5,722	(6,811)	-	197
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					
Transfer 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 and other sources	7,516	-	(378)	1,357	8,495
	<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 2021

19 Funds (Continued)

Total funds analysis by academy

	2021	2020
	£'000	£'000
Fund balances at 31 August 2021 were allocated as follows:		
MEA Central	683	554
Manchester Enterprise Academy	1,154	1,595
Prospect House Primary Specialist Support School	233	-
Grange School	1,105	773
CHS South	1,366	266
Newall Green High School	(714)	(611)
Chorlton High School	1,642	1,427
Piper Hill High School	728	597
Pioneer House High School	850	696
Central services	201	(104)
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	7,248	5,193
Restricted fixed asset fund	160,508	135,465
Pension reserve	(21,776)	(14,659)
	<hr/>	<hr/>
Total funds	145,980	125,999
	<hr/> <hr/>	<hr/> <hr/>

Newall Green closed on 31st August 2021. The in-year deficit for 20-21 was less than originally anticipated, and the overall deficit reserve balance has now been redistributed between the other schools following the school closure.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds (Continued)

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2021 £'000	Total 2020 £'000
MEA Central	3,756	329	349	871	5,305	1,804
Manchester Enterprise Academy	5,552	533	752	1,606	8,443	3,218
Prospect House Primary Specialist Support School	378	21	22	60	481	-
Grange School	3,401	348	185	441	4,375	4,075
CHS South	2,245	200	306	732	3,483	2,544
Newall Green High School	839	296	191	427	1,753	4,765
Chorlton High School	6,581	1,131	624	1,536	9,872	9,602
Piper Hill High School	3,200	570	115	576	4,461	4,276
Pioneer House High School	1,622	275	80	242	2,219	1,988
Central services	573	773	20	344	1,710	1,362
	<u>28,147</u>	<u>4,476</u>	<u>2,644</u>	<u>6,835</u>	<u>42,102</u>	<u>33,634</u>

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 2021 are represented by:				
Tangible fixed assets	-	-	159,577	159,577
Current assets	1,206	8,142	931	10,279
Creditors falling due within one year	-	(2,100)	-	(2,100)
Defined benefit pension liability	-	(21,776)	-	(21,776)
Total net assets	<u>1,206</u>	<u>(15,734)</u>	<u>160,508</u>	<u>145,980</u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of net assets between funds (Continued)

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'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	1,105	(10,571)	135,465	125,999

21 Capital commitments

	2021 £'000	2020 £'000
Expenditure contracted for but not provided in the financial statements	169	717

The £169k capital commitment in the current year is in respect of the IT contract in relation to Prospect House. In the prior year of the £717k prior year 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.

22 Long-term commitments, including operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £'000	2020 £'000
Amounts due within one year	55	389
Amounts due between one and five years	15	671
	70	1,060

The significant change in the figures from 2020 to 2021 has resulted from the CHS South lease which was included in the 2020 figures but ceased in 2021 when the land and buildings for CHS South were transferred to the Trust from the ESFA.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

	2021 £'000	2020 £'000
Net income for the reporting period (as per the statement of financial activities)	24,463	52,002
Adjusted for:		
Net surplus on conversion to academy	(25,836)	(56,110)
Capital grants from DfE and other capital income	(1,737)	(129)
Interest receivable	(1)	(6)
Pension costs less contributions payable	2,365	1,782
Pension scheme finance costs	270	215
Depreciation of tangible fixed assets	4,498	2,708
Movements in working capital:		
(Increase) in debtors	(746)	(788)
(Decrease)/increase in creditors	(788)	1,448
Stocks, debtors and creditors transferred on conversion	-	2,149
Net cash provided by operating activities	2,488	3,271

24 Analysis of changes in net funds

	1 September 2020 £'000	Cash flows £'000	31 August 2021 £'000
Cash	6,179	1,346	7,525

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.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Pension and similar obligations (Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

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. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out below the information available on the scheme.

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 £3,502,670 (2020: £ 1,745,751).

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

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.

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Pension and similar obligations (Continued)

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.

Total contributions made	2021	2020
	£'000	£'000
Employer's contributions	1,899	1,330
Employees' contributions	554	430
	<u> </u>	<u> </u>
Total contributions	<u>2,453</u>	<u>1,760</u>

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2021 by a qualified independent actuary.

	2021	2020
	%	%
Rate of increase in salaries	3.7	3.0
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.7	1.7
	<u> </u>	<u> </u>

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

	2021	2020
	Years	Years
Retiring today		
- Males	20.5	20.5
- Females	23.3	23.1
Retiring in 20 years		
- Males	21.9	22.0
- Females	25.3	25.0
	<u> </u>	<u> </u>

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

	2021	2020
	Fair value	Fair value
	£'000	£'000
Equities	23,002	17,032
Bonds	4,859	4,008
Cash	2,268	2,254
Property	2,268	1,753
	<u> </u>	<u> </u>
Total fair value of assets	<u>32,397</u>	<u>25,047</u>

The actual return on scheme assets was £5,173,000 (2020: £206,000).

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

26 Pension and similar obligations (Continued)

Amount recognised in the statement of financial activities	2021	2020
	£'000	£'000
Current service cost	4,236	3,091
Net interest cost	270	215
Plan introductions, changes, gain/(loss) on curtailment and gain/(loss) on settlement	28	21
	<u>4,534</u>	<u>3,327</u>
Changes in the present value of defined benefit obligations		2021
		£'000
At 1 September 2020		39,706
Current service cost		4,236
Interest cost		713
Employee contributions		554
Actuarial loss		9,212
Benefits paid		(276)
Past service cost		28
		<u>54,173</u>
At 31 August 2021		<u>54,173</u>
Changes in the fair value of the Academy Trust's share of scheme assets		2021
		£'000
At 1 September 2020		25,047
Interest income		443
Return on plan assets (excluding net interest on the net defined pension liability)		4,730
Employer contributions		1,899
Employee contributions		554
Benefits paid		(276)
		<u>32,397</u>
At 31 August 2021		<u>32,397</u>

PROSPERE LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 related parties or connected parties are conducted at arm's length and in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, the Trust's financial regulations and normal procurement procedures, unless otherwise stated.

The Trust is carrying forward a balance in deferred income of £50k on a grant received from the Timpson Trust in the prior year owing to Covid restrictions limiting the range of activities that could take place. The Timpson Trust is a related party of the Trust as Helen Oakley is a member of the Newall Green Standards Improvement Board and is also a Trustee of the Timpson Trust. No income was received in-year (2020: £50k).

The Trust is accruing a £40k (2020: £31k) grant from Wythenshawe Community Housing Group in the financial year. Wythenshawe Community Housing Group is a related party of the Trust as Nick Home is the Chief Executive of Wythenshawe Community Housing Group and also sits on the Manchester Enterprise Academy Governing Board. An accrual balance of £33k is being carried forward into the next financial year (2020: £Nil owing to Covid restrictions limiting the range of activities that could take place).

The Academy Trust works closely with, and has ongoing transactions with the local Council. 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 2020.

28 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2021 the trust received £19,528 (2020: £12,397), disbursed £7,185 (2020: £790) and repaid £Nil (2020: £30,778) from the fund. An amount of £40,744 (2020: £28,402) 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 2021

29 Teaching school trading account

	2021		2020	
	£'000	£'000	£'000	£'000
Direct income				
Government grants		40		40
Other external funding		37		43
Other income		-		7
		<u> </u>		<u> </u>
Total income		77		90
Direct costs				
Direct staff costs	27		33	
Educational consultancy	12		5	
	<u> </u>		<u> </u>	
	39		38	
Other costs				
Support staff costs	51		48	
Technology costs	-		1	
	<u> </u>		<u> </u>	
	51		49	
	<u> </u>		<u> </u>	
Total operating costs		(90)		(87)
		<u> </u>		<u> </u>
(Deficit)/surplus from teaching school		(13)		3
Teaching school balances at 1 September 2020		58		55
		<u> </u>		<u> </u>
Teaching school balances at 31 August 2021		45		58
		<u> </u>		<u> </u>

Included within Teaching School brought forward balance is a £3k (2020: £3k) balance relating to income transferred into the Academy Trust on conversion.

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 December 2021 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by Prospere Learning Trust during the period 1 September 2020 to 31 August 2021 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 2020 to 31 August 2021 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 2020 to 2021 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 2020, 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 2020 to 2021.

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 2020 to 31 August 2021 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 2020 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 the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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 December 2021. 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

RSM UK Audit LLP

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Dated: 17/12/21
