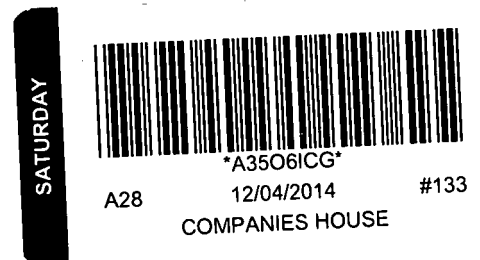


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THE PRIOR'S FIELD SCHOOL TRUST LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

Registered Charity No: 667700

haysmacintyre
Chartered Accountants
Registered Auditors



THE PRIOR'S FIELD SCHOOL TRUST LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2013

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THE PRIOR'S FIELD SCHOOL TRUST LIMITED

TRUSTEES AND ADVISERS

FOR THE YEAR ENDED 31 JULY 2013

GOVERNORS AND CHARITY TRUSTEES

The Governors are the charity trustees of The Prior's Field School Trust Charity ("the Charity"). They have all served in office throughout the year except where indicated.

Governors

Mr R P Green FCA (Chairman) (1,2,3,4)
Mr N A Andrews LLB (1,4)
Mr B G Burton-Brown MBA, BSc (Hons) (1)
Mr A K B Cater MA, CDipAF, CertPFS (1)
Mrs D C C Colvin OBE (2)
Mr I N H Davis BA, BArch, RIBA (3)
Mr P Dunscombe BSc (2)
Mrs C W J Formstone HDCR (Retired March 2013)
Mr G J Haig OBE (1,4)
Dr I Hamerton BSc(Hons), PhD, CChem, FRSC (2)
Mr I M Hinckley MBA, ACA, CTA (1)
Mr R W J Long FRICS (3,4)
Mr J R Macleod (3)
Ms A R Morris BSc (Hons), PGCE (2)
Mrs E A S Prescott-Decie MA (2) (Retired March 2013)

(1) Members of the Finance Committee
(2) Members of the Education & Welfare Committee
(3) Members of the Estates Committee
(4) Members of the Governance Committee

Headmistress

Mrs J Roseblade MA, FCMI

Bursar, Clerk to the Governors and Company Secretary

Mrs L Ranson BA Dip Eur HUM, CMgr, FCMI, MBIFM

Company number

667700

Registered charity number

312038

Registered Office

Prior's Field School
Priorsfield Road
Godalming
Surrey
GU7 2RH

Email address

bursar@priorsfieldschool.com

Website

www.priorsfieldschool.com

THE PRIOR'S FIELD SCHOOL TRUST LIMITED

TRUSTEES AND ADVISERS (continued)

FOR THE YEAR ENDED 31 JULY 2013

Bankers

NatWest Bank
Guildford Commercial Office
PO Box 1, 2nd Floor G3
2 Cathedral Hill
Guildford
Surrey
GU1 3ZR

Solicitors

Barlow Robbins LLP
The Oriel
Sydenham Road
Guildford
Surrey
GU1 3SR

Auditors

haysmacintyre
26 Red Lion Square
London
WC1R 4AG

Insurance Brokers

Marsh Brokers Limited
Schools Division
Rockwood House
9 – 17 Perrymount Road
Haywards Heath
West Sussex
RH16 3DU

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2013

The Governors present their report for the year ended 31 July 2013 together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Charities Act 2011, the Companies Act 2006 and the Charities SORP 2005.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity is registered with the Charity Commission under charity number 312038. The Governors, officers and address of the charity are as listed on page 1. Particulars of professional advisers are given on page 2.

STRUCTURE, MANAGEMENT AND GOVERNANCE

Governing Document

The charity is an incorporated body, The Prior's Field School Trust Ltd., constituted as a company limited by guarantee. Its governing document is the Articles of Association as adopted by special resolution on 22 March 2012.

Governing Body

The Board is a self-appointing body; its members are Governors of the school and Trustees of the charity. Governors are appointed for an initial period not exceeding three years. They are eligible for re-election every three years thereafter up to a maximum period of twelve years. A Governor having attained the age of 70 is subject to annual re-election until such time as he reaches the age of 75. A Chairman who has reached the age of 70 or has completed 12 years' service on the Board at the time of an Annual General Meeting will be subject to annual reappointment provided that if he has not ceased to be Chairman on reaching the age of 75 he shall then cease to be Chairman and a Governor at the close of the next Annual General Meeting.

Recruitment and Training of Governors

Nominations for new Governors are sought through introductions from existing Governors, the Head or the Bursar. Particular regard is given to the need to maintain a range of skills within the Governing Body, including finance, education, pastoral and property expertise. Prospective Governors are invited to discuss their skills and experience with the Chairman, the Head, and the Bursar, and are given information about the school and the role and responsibilities of a Governor. The Head and the Bursar provide additional induction support, including a tour of the school and discussion of key aspects of school business and developments. Training is normally provided through workshop sessions at Board meetings. Governors are encouraged to attend external conferences and training events, and have attended training seminars organised by the Association of Governing Bodies of Independent Schools (AGBIS) and other providers.

Organisational Management

The Board of Governors meets at least three times each year. Much of its work is undertaken by committees, each of which normally meets at least once a term. The Finance Committee approves budgets, monitors spending and reviews management accounts. The Education and Welfare Committee monitors and evaluates the school's educational programmes and welfare policies and procedures. The Estates Committee monitors and evaluates the upkeep and further development of the school buildings and grounds. The Governance Committee reviews all matters relating to the governance of the school including the functioning of the Board and its committees and the appointment and induction of new governors. Membership of the committees is shown on page 1.

Chairmen of Committees:

Finance	Mr B Burton-Brown
Education and Welfare	Ms A R Morris
Estates	Mr R W J Long
Governance	Mr N A Andrews

The day to day management of the school is delegated to the Head and the Bursar. The Head and the Bursar attend Board and most committee meetings.

Group Structure and Relationships

The Trust has a wholly-owned non-charitable subsidiary, Prior's Field Enterprises Ltd, which provides sports and leisure facilities, transport services and project management services to the school.

The Trust registered a charitable subsidiary, The Prior's Field School Foundation, under a unifying order with the Charities Commission number 312038-1 in December 2012. The purpose of the Foundation is to raise funds to provide for bursaries and to develop the school's educational facilities.

The Huxley Club is an umbrella organisation set up to co-ordinate the activities of various Prior's Field support groups. The Old Girls Association enables former pupils to retain a close relationship with the school, the PSA provides links for parents and staff through the organisation of various social and fundraising events and Prior's Field Friends provides regular opportunities for members of the wider school community to interact with the school through a series of cultural events.

The Head is a member of the Girls' Schools Association and the school is an accredited member of the Independent Schools Council. Cluster group meetings are arranged at all levels providing many opportunities for staff development.

A partnership has been developed with a local state secondary, Fulbrook School, to share and develop best practice.

Risk Management

The Board of Governors is responsible for the identification and management of the risks faced by the school. A formal review of risk management is undertaken by the Governors each year, while specific risks are assessed and controlled on a day to day basis by members of the senior leadership team. The Governors are satisfied that the major risks have been considered and mitigated as far as is practicable through the following procedures and controls:

- o formal terms of reference, agendas and minutes for all Committee and Board meetings;
- o established organisational structure and lines of reporting;
- o formal written policies;
- o prescribed recruitment and vetting procedures for staff;
- o comprehensive budgeting processes, monitoring of management accounts and strategic planning.
- o financial regulations setting out delegations and limitations of financial authority, together with operational practices and procedures
- o the Head and the Bursar provide regular detailed reports to the Board

AIMS, OBJECTIVES AND ACTIVITIES

Aims and intended impact

The aim of the school is to provide an excellent all round secondary education that brings out the best in each girl according to her abilities, talents and interests so that girls:

- o are inspired with an ambitious and tailored, all-round education which encourages them to think for themselves and realise their potential
- o are encouraged to celebrate their individuality
- o develop into well-balanced, enterprising young women of integrity who leave school prepared for the next stage in life and ready to make their mark on the world
- o are able to access a wide range of opportunities to discover and develop new interests, passions and talents
- o benefit from a culture of praise and encouragement where they feel at home and confident enough to know and be themselves.

The school recognises the need to respond to the challenge of change by giving all members of its community the opportunity to develop, by continual improvement of its facilities and by fostering links with the wider community.

The school endeavours to optimise its resources and recognises its responsibilities for administering its charitable funds efficiently and for the benefit of the school and the wider community. The school also places high importance on offering means-tested bursaries to enable pupils from a range of backgrounds to access the educational opportunities offered, and scholarships which support pupils with special skills and potential.

Objectives for the year 2012/13

The key objectives for the year were to:

- o Develop the school's facilities to provide new accommodation for Maths, MFL and Creative Arts
- o Provide improved laboratory space for A level science courses to enhance the teaching and learning experience
- o Increase numbers in the junior boarding house
- o Develop the use of personal mobile technology for teaching and learning
- o Extend the provision for bursaries through the development of a charitable foundation to focus fundraising activities

Strategies to achieve the year's objectives

- o A new classroom block has been constructed to accommodate the Maths, MFL, and Creative Arts, departments and improve physical access to the school.
- o A new laboratory was created which increased the science facilities and improved A level students' access to individual practical experimentation
- o A boarding marketing campaign was launched which resulted in an increase in enquiries for boarding. Flexi-boarding options were promoted and there has been an overall increase in boarding numbers.
- o Wireless access was widened to cover all school buildings; this permitted the launch of a successful pilot scheme on the use of mobile technology in the classroom
- o A subsidiary charity the Prior's Field School Foundation was successfully launched and several fundraising activities have taken place; the first Foundation grant was awarded for 2013/14

Principal activities of the year

The principal activity of the school has been to provide education and boarding care to 430 pupils (2012: 410) of whom 104 (2012: 100) were boarders.

Grant-making policy

The school awards bursaries and scholarships in accordance with an established policy and advertises their availability through the website, local press and to the Headteachers of primary schools in the area. During the year total fee discounts amounted to £600,412 (2012 – £648,179) of which £260,688 (2012 – £274,913) was awarded as means-tested bursaries to twenty-nine beneficiaries. Nineteen students were granted bursaries in excess of 50% and, of these, two students received additional grants from other educational trusts which resulted in full remission of their tuition fees. Scholarship awards totalled £226,746, (2012 – £251,486).

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the school

2012-13 was another exciting year and the school is proud of the girls' many successes. A Level pupils celebrated excellent results with well over half of students achieving A*-B grades; all the girls will now take up places to study at their first choice university. 82% of GCSE pupils were awarded A*/C grades and over half of these were A*/A.

The girls' academic studies were inspired by a busy programme of cultural and adventurous experiences. Theatre visits to The Globe, Yvonne Arnaud, and Apollo Theatres, a national Poetry Day writing competition and World Book Week's writing workshops at the Watts Gallery were enjoyed. Trips were many and varied including Colchester Zoo, Tate Modern, Hever Castle, The Science Museum, Juniper Hall Field Centre and the Chinthurst Buddhist Monastery.

Girls had opportunities to experience over 40 extra curricular activities including climbing, public speaking, photography, glassmaking, magic, riding, yoga and meditation, as well as take part in the Duke of Edinburgh Award at all levels.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

A variety of residential trips challenged the girls to enhance their knowledge and included a Gothic Literary Weekend, a languages trip to Barcelona, a sixth form visit to Auschwitz Birkenau, and art department visits to Paris and Rome. The 2013 World Challenge Expedition took place in Malaysia.

House activities involved the whole school in various competitions: riding, hockey, netball, newsboard, cross country, gymnastics, staff benchball, football, table tennis, badminton, quizzes, problem solving, swimming, art, music, Shakespeare, spelling bees, Masterchef, dance and, Sports Day.

A series of lectures stimulated debate and provoked thought with highlights provided by: James Grime from Cambridge University, who demonstrated an original Enigma machine, and Matthew Syed and Dr Nina Ramirez who were keynote speakers at The Big Think. The annual Huxley Lecture was delivered by Professor Susan Greenfield who took as her subject "The Brave New World of IT". Mandy Hickson, a former RAF fighter pilot, Richard Hayles on "working in the private sector, a Middle Eastern education trust on the Arab/Israeli conflict", Susan Pollock, a Holocaust survivor and Siana Bangura, one of the stars of Channel 4's Living with the Amish programme, encouraged the 6th form to widen their horizons during the lecture programme.

Music and drama joined forces to entertain with many concerts and performances and there were a number of significant individual successes in exams and competitions. Sport continues to go from strength to strength with 35 teams in each term, across all sports, and with 45% girls representing their school and many impressive individual achievements both locally and nationally.

PUBLIC BENEFIT AND THE WIDER COMMUNITY

The Governors have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The school is committed to ensuring that it is meeting its main aim and its charitable objective.

The school actively supports the local community and local charities and associations by making its facilities available at less than cost price or free to a variety of different clubs and organisations. This year Prior's Field School has been host to: Godalming Lions, Net-It Netball Camp, Southbourne School of English, Youth Music Theatre, ballet company rehearsals, Surrey Fitness Group, The Man in the Moon drama workshops, and the Guildford School of Acting, for their charity concert. In addition, girls have taken part in the local Rotary Junior Chef competition, made harvest donations to the Cellar Café in Godalming, and were involved in a Lions Club Leadership initiative. Pastoral evenings are open to the local community and have covered eating disorders, self harm and e-safety and we continue to provide quiet neutral interview spaces for grief counselling services.

The partnership with Fulbrook School continues to develop and Prior's Field School also sponsors various specialist workshops for local schools including music, technology, cartography and art. Training placements for student teachers, GAP students and language assistants are also provided.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The group's net income for the year was £561,239 (2012: £440,815).

The principal source of income is from tuition and boarding fees. This is supplemented by income from letting out the facilities to third parties. In pursuing its business the charity takes account of its responsibility to maintain the Grade 2 listed buildings and site which are its principal tangible asset. The group's total reserves amount to £7,318,839, of which £84,817 is restricted, £301,150 has been designated for development activity and a further £5,687,989 is designated, representing as far as possible, the investment the school has made in the fabric of the buildings and is not therefore available in the general course of business. The group's remaining operating reserves are therefore £1,244,883. The Governors closely monitor the reserve and are satisfied that the resources available to the Trust, including a continuing loan facility from its bankers, are sufficient to sustain its operations for the foreseeable future.

FUTURE PLANS

The key objectives for the coming year are to:

- Continue raising the profile of Prior's Field School and develop external links
- Develop further marketing strategies to increase junior & senior boarding numbers, improve international communications and increase diversity of overseas boarders
- Further develop strategies for encouraging independent learning in all areas of school life and research and evaluate the use of cloud technology as appropriate to Prior's Field School
- Ensure Prior's Field School sixth form provision meets the challenges of post 16 academic changes
- Promote the Prior's Field Foundation

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. The Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Governors is aware at the time the report is approved:

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

Approved by the Board of Governors on 28 November 2013

And signed below on its behalf by



Mrs L K Ranson
Company Secretary

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF

THE PRIOR'S FIELD SCHOOL TRUST LIMITED

We have audited the financial statements of Priors Field School Trust Limited for the year ended 31 July 2013 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of trustees and auditor

As explained more fully in the Governors' Responsibilities Statement set out on page 7, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- o give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 July 2013 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- o have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- o have been prepared in accordance with the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- o the parent charitable company has not kept proper and adequate accounting records or returns adequate for our audit have not been received from branches not visited by us; or
- o the parent charitable company's financial statements are not in agreement with the accounting records or returns; or
- o certain disclosures of Governors' remuneration specified by law are not made; or
- o we have not received all the information and explanations we require for our audit.



Richard Weaver (Senior statutory auditor)
for and on behalf of haysmacintyre, Statutory Auditor

Date: 27 March 2014

**26 Red Lion Square
London WC1R 4AG**

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2013

		Unrestricted Funds £	Restricted Funds £	Total funds 2013 £	Restated 2012 £
INCOMING RESOURCES	Note				
Incoming resources from charitable activities:					
Fees	3	6,933,823	-	6,933,823	6,415,597
Other academic income		702,917	-	702,917	703,774
Other incoming resources		11,450	68,362	79,812	23,818
Incoming Resources from generated funds:					
Voluntary income		80	25,092	25,172	2,889
Activities for generating funds					
Letting income		67,139	-	67,139	56,140
Hire of sports and transport facilities		4,997	-	4,997	10,274
Other interest		19,364	-	19,364	11,823
Total Incoming Resources		7,739,770	93,454	7,833,224	7,224,315
RESOURCES EXPENDED	7				
Costs of Generating Funds:					
Trading expenditure		67,094	-	67,094	61,392
Charitable activities:					
Educational expenditure		6,560,257	-	6,560,257	6,043,062
Other academic costs		569,122	-	569,122	606,400
Other resources expended		14,428	46,843	61,271	59,306
Governance costs	6	14,241	-	14,241	13,340
Total Resources Expended		7,225,142	46,843	7,271,985	6,783,500
Net incoming resources before other recognised gains and losses/net movement in fund	4	514,628	46,611	561,239	440,815
Gains on revaluation of fixed assets		-	-	-	135,544
Total surplus for the year		514,628	46,611	561,239	576,359
Reconciliation of funds					
Total funds at 1 August 2012		6,719,394	38,206	6,757,600	6,181,241
Total funds at 31 July 2013		£7,234,022	£84,817	£7,318,839	£6,757,600

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current or previous periods.

TOTAL RECOGNISED GAINS AND LOSSES

The group had a gain on revaluation in addition to the surplus for previous period.

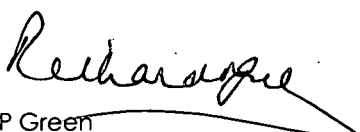
As permitted by paragraph 397 of the Charities SORP (2005), the Statement of Financial Activities of the parent undertaking is not presented as part of these financial statements. The parent undertaking's total resources for the year were £7,721,831 (2012: £7,130,658) and its surplus of income over expenditure for the year amounted to £574,216 (2012: £425,653).

CONSOLIDATED BALANCE SHEET

AS AT 31 JULY 2013

	Notes	2013 £	2012 £
FIXED ASSETS			
Tangible fixed assets	11	9,392,703	7,814,274
CURRENT ASSETS			
Stock	12	23,690	7,924
Debtors	13	273,133	200,039
Cash at bank and in hand		1,115,398	947,959
		<u>1,412,221</u>	<u>1,155,922</u>
CREDITORS: amounts falling due within one year	14	<u>(1,548,294)</u>	<u>(1,387,729)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(136,073)</u>	<u>(231,807)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,256,630</u>	<u>7,582,467</u>
CREDITORS: amounts falling due after more than one year	15	<u>(1,937,791)</u>	<u>(824,867)</u>
NET ASSETS		<u><u>£7,318,839</u></u>	<u><u>£6,757,600</u></u>
FUNDS			
Unrestricted funds	16a		
General		-	191,291
Non-charitable funds		1,244,883	(11,113)
Property fund (including revaluation reserve)		5,687,989	6,302,516
Development fund		301,150	236,700
		<u>7,234,022</u>	<u>6,719,394</u>
Restricted funds	16b	<u>84,817</u>	<u>38,206</u>
TOTAL FUNDS	17	<u><u>£7,318,839</u></u>	<u><u>£6,757,600</u></u>

The financial statements were approved and authorised for issue by the Governors on 28/11/13 and were signed below on its behalf by:


R P Green
Chairman/Director

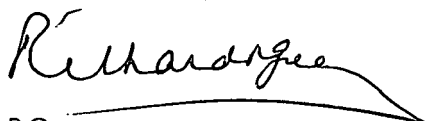
THE PRIOR'S FIELD SCHOOL TRUST LIMITED

CHARITY BALANCE SHEET

AS AT 31 JULY 2013

	Notes	£	2013	£	£	2012	£
FIXED ASSETS							
Tangible fixed assets	11			8,303,291			6,678,698
Investments	10			12,820			1,281,792
CURRENT ASSETS							
Stock	12	23,690			7,924		
Debtors	13	264,377			190,396		
Cash at bank and in hand		1,110,029			946,723		
			1,398,096			1,145,043	
CREDITORS: amounts falling due within one year	14	(1,800,460)			(1,623,953)		
NET CURRENT (LIABILITIES)/ASSETS				(402,364)			(478,910)
TOTAL ASSETS LESS CURRENT LIABILITIES				7,913,747			7,481,580
CREDITORS: amounts falling due after more than one year	15			(1,839,791)			(712,867)
NET ASSETS				<u>£6,073,956</u>			<u>£6,768,713</u>
FUNDS							
Unrestricted funds	16a						
General				-			191,291
Property fund (including revaluation reserve)				5,687,989			6,302,516
Development funds				301,150			236,700
				<u>5,989,139</u>			<u>6,730,507</u>
Restricted funds	16b			84,817			38,206
TOTAL FUNDS	17			<u>£6,073,956</u>			<u>£6,768,713</u>

The financial statements were approved and authorised for issue by the Governors on 28/11/13 and were signed below on its behalf by:



R P Green
Chairman

THE PRIOR'S FIELD SCHOOL TRUST LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2013

	Notes	2013 £	2012 £
Net cash inflow from operating activities	1	867,247	994,751
Returns on investments and servicing of Finance			
Interest received		19,364	11,823
Bank charges and interest		(61,775)	(54,942)
		(42,411)	(43,119)
Capital expenditure			
Purchase of tangible fixed assets		(1,899,789)	(796,953)
		(1,899,789)	(796,953)
Financing			
Repayments of capital on loans		(93,321)	(149,570)
Repayments of capital on hire purchase		-	(409)
New loan capital		1,230,000	-
		1,136,679	(149,979)
Increase in cash		<u>£61,726</u>	<u>£4,700</u>
Reconciliation of net cash flow movement to movement in net debt	2		
Increase in cash in the year		61,726	4,700
Cash (inflow)/outflow from movement in debt financing		(1,136,679)	149,979
Change in net debt resulting from cash flow		(1,074,953)	154,679
Movement in net debt in the year		(1,074,953)	154,679
Net cash at 1 August 2012		272,843	118,164
Net cash at 31 July 2013		<u>£802,110</u>	<u>£272,843</u>

1. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2013 £	2012 £
Net incoming resources before transfers	561,239	440,815
Depreciation	320,196	283,443
(Increase)/decrease in stock	(15,766)	1,134
(Increase)/decrease in debtors	(73,094)	15,997
Increase in creditors	31,097	209,594
Interest received	(19,364)	(11,823)
Bank charges and interest paid	61,775	54,942
Loss on disposal	1,164	649
Net cash inflow from operating activities	£867,247	£994,751

2. ANALYSIS OF CHANGES IN NET DEBT

	At 1 August 2012 £	Cash flow £	At 31 July 2013 £
Net Cash			
Cash in hand and at bank	947,959	167,439	1,115,398
Overdraft	-	(105,713)	(105,713)
	947,959	61,726	1,009,685
Debt			
Debt falling due within one year	(93,321)	18,750	(74,571)
Debt falling due after one year	(581,795)	(1,155,429)	(1,737,224)
	(675,116)	(1,136,679)	(1,811,795)
Total	£272,843	£(1,074,953)	£(802,110)

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention, subject to the revaluation of certain fixed assets. They comply with the Companies Act 2006 and in all material aspects with the Statement of Recommended Practice (Accounting and Reporting by Charities) issued in April 2005 and any amendments to it and applicable accounting standards.

Basis of consolidation

These financial statements consolidate the results of the Trust and its wholly owned trading subsidiary Priors Field Enterprises Limited, on a line by line basis.

Incoming resources

Incoming resources are accounted for in the period in which they are receivable. Fees are shown net of bursaries, scholarships and other awards (note 3). Staff discounts are treated as an expenditure item.

Resources expended

Resources expended are all accounted for on an accruals basis and are recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been attributed to the functional categories of resources expended in the Statement of Financial Activities. The Trust is not registered for VAT and accordingly expenditure attributable to the Trust is included gross of irrecoverable VAT. The subsidiary is registered for VAT and expenditure attributable to that company is included net of VAT.

Tangible fixed assets

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost less the estimated residual value of each asset over its expected useful life, as follows:

Leasehold buildings	- 2% on cost
Freehold buildings	- 2% on valuation less residual value
Motor vehicles	- 25% on a reducing balance basis
Furniture, fittings and equipment	- 10% on a straight line basis
Computer equipment	- 25% on a straight line basis
	(included in the total for furniture, fittings and equipment)
Plant and machinery	- 25% on a straight line basis

Freehold land and buildings are stated at valuation. Valuations are carried out periodically by external valuers on the basis of open market value as required by FRS 15, Tangible Fixed Assets.

Stock

Stock is stated at the lower of cost and net realisable value. Stock reflects books and stationery, art and photography supplies and other items.

Pensions

The school participates in a multi employer scheme, the Government's Teachers' Pensions Defined Benefit Scheme, for its teaching staff. The pension liability is the responsibility of the Teachers Pension Scheme. As a result it is not possible to identify the assets and liabilities of the scheme that are attributable to the school. Accordingly under FRS 17, the scheme is accounted for as if it were a defined contribution scheme.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2013

1. ACCOUNTING POLICIES (continued)

Hire purchasing and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to income and expenditure over the relevant period.

The capital element of future payments is treated as a liability.

Rentals paid under operating leases are charged to income and expenditure as incurred.

Investments

Fixed asset investments are included in the balance sheet at historic cost. The gains, losses and income of the investments are shown as movements on the relevant fund on the Statement of Financial Activities.

Fund accounting

Funds held by the Trust are:

Unrestricted funds – these are funds which can be used in accordance with the charitable objects at the discretion of the Governors

Restricted funds – these are funds that can only be used for particular restricted purposes within the objects of the Trust. Further explanation of the nature and purpose of the restricted funds is included in note 16b to the accounts

Non charitable funds – these are funds which are used by the trading subsidiary

Designated funds – these are unrestricted funds earmarked by the Board of Governors for particular purposes.

2. TURNOVER

The turnover of the Trust is wholly attributable to the principal activity of being an independent boarding and day school. The turnover of the trading subsidiary is wholly attributable to the principal activity of the management of sports, leisure facilities and transport.

3. FEES RECEIVABLE

	2013 £	2012 £
Fees receivable consist of:		
Gross fees	7,534,235	7,063,776
Less: Bursaries, scholarships and other awards	(600,412)	(648,179)
	<u>£6,933,823</u>	<u>£6,415,597</u>

4. NET INCOMING RESOURCES

	2013 £	2012 £
Net incoming resources are stated after charging		
Depreciation of tangible fixed assets		
Owned	280,560	243,809
Leased	39,635	39,634
Auditors' remuneration – audit services	13,541	12,640
Auditors' remuneration – non audit services	700	700
Operating leases	68,767	67,670
and after crediting		
Other interest	19,364	11,823

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2013

5. PARTICULARS OF EMPLOYEES

	2013 No.	2012 No.
The average number of full time equivalent persons employed by the trust during the year was:		
Education	59	58
Administration and domestic	35	33
	<u>94</u>	<u>91</u>
	£	£
Their total remuneration was:		
Wages and salaries	3,540,640	3,328,564
Social security costs	302,547	290,672
Other pension costs	424,713	386,621
Other staff costs	125,972	67,733
	<u>£4,393,872</u>	<u>£4,073,590</u>
The number of staff with emoluments within the following ranges were:	No.	No.
£60,000 - £69,999	1	2
£70,000 - £79,999	1	1
£100,000 - £109,999	1	-
	<u>1</u>	<u>3</u>

GOVERNORS' REMUNERATION AND REIMBURSED EXPENSES

None of the Governors received any form of remuneration. Travel and motor expenses reimbursed to Governors amounted to £155 (2012: £583).

6. GOVERNANCE COSTS

	2013 £	2012 £
Auditors' remuneration	<u>£14,241</u>	<u>£13,340</u>

7. RESOURCES EXPENDED

	Staff costs £	Depreciation £	Other costs £	2013 £	2012 £
Costs of Generating Funds:					
Trading expenditure	-	32,163	34,931	67,094	61,392
Charitable Activities:					
Teaching	3,218,725	-	230,647	3,449,372	3,134,619
Establishment	168,732	138,290	454,511	761,533	669,984
Welfare and catering	338,991	-	615,563	954,554	893,816
Administration	667,424	135,743	591,631	1,394,798	1,344,643
	<u>4,393,872</u>	<u>274,033</u>	<u>1,892,352</u>	<u>6,560,257</u>	<u>6,043,062</u>
Other academic costs	-	-	569,122	569,122	606,400
Other resources expended	-	-	61,271	61,271	59,306
Governance costs	-	-	14,241	14,241	13,340
	<u>£4,393,872</u>	<u>£306,196</u>	<u>£2,571,917</u>	<u>£7,271,985</u>	<u>£6,783,500</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2013

8. INTEREST PAYABLE AND SIMILAR CHARGES**2013**
£**2012**
£

Bank interest

£61,775£54,942**9. TAXATION**

Tax is provided for in relation to trading activity where necessary.

10. INVESTMENT IN SUBSIDIARY UNDERTAKING**2013**
£**2012**
£

Priors Field Enterprises Limited

£12,820£1,281,792

Incorporated in England and Wales

Activity: Provision of Sport and Leisure facilities, transport service and project management 100% owned

Trading activities

The Trust owns the whole of the share capital, consisting of 2 ordinary £1 shares and 1,281,790 £0.01p preference shares (2012: 1,281,790 preference shares at £1), of Priors Field Enterprises Limited. Services supplied to the Trust amounted to £84,563 (2012: £82,054). Costs recharged by the Trust to Priors Field Enterprises Limited amounted to £26,312 (2012: £25,644). At the year end £279,920 was due to the subsidiary (2012: £260,075).

During the year the subsidiary had turnover amounting to £89,560 (2012: £92,328) and expenditure totalling £93,408 (2012: £77,166). The subsidiary realised £1,268,972 of its share capital in the year by reducing its share capital from £1,281,792 divided into 2 Ordinary shares of £1.00 and 1,281,790 Redeemable Preference shares of £1.00 each to £12,819.90 divided into 2 Ordinary shares of £1.00 each and 1,281,790 Redeemable Preference shares of 1 penny each. £9,128 of this gain has been gifted to the school leaving the subsidiary with £1,244,883 profit and loss account reserves at the year end (2012: retained losses of £11,113).

11. TANGIBLE FIXED ASSETS -GROUP

	Freehold land and buildings £	Leasehold property £	Furniture fittings and equipment £	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation						
At 1 August 2012	6,855,151	1,435,735	1,733,527	24,233	63,091	10,111,737
Additions at cost	1,809,288	-	90,501	-	-	1,899,789
Disposals	-	-	(26,546)	-	-	(26,546)
At 31 July 2013	<u>8,664,439</u>	<u>1,435,735</u>	<u>1,797,482</u>	<u>24,233</u>	<u>63,091</u>	<u>11,984,980</u>
Depreciation						
At 1 August 2012	552,635	321,176	1,350,866	17,775	55,011	2,297,463
Charge for the year	138,290	39,634	138,099	2,153	2,020	320,196
Disposals	-	-	(25,382)	-	-	(25,382)
At 31 July 2013	<u>690,925</u>	<u>360,810</u>	<u>1,463,583</u>	<u>19,928</u>	<u>57,031</u>	<u>2,592,277</u>
Net Book Value						
At 31 July 2013	<u>£7,973,514</u>	<u>£1,074,925</u>	<u>£333,899</u>	<u>£4,305</u>	<u>£6,060</u>	<u>£9,392,703</u>
At 31 July 2012	<u>£6,302,516</u>	<u>£1,114,559</u>	<u>£382,661</u>	<u>£6,458</u>	<u>£8,080</u>	<u>£7,814,274</u>

The leasehold property included within the group relates to a lease between the School and its subsidiary company. All assets are owned by the Trust.

11. TANGIBLE FIXED ASSETS – GROUP (continued)

Group cost or valuation at 31 July 2013 is represented by:

	Freehold land and Buildings £	Leasehold Property £	Furniture fittings and Equipment £	Plant and Machinery £	Motor Vehicles £	Total £
Revaluation surplus in 2005 brought forward	1,297,961	-	-	-	-	1,297,961
Revaluation surplus in 2012 brought forward	135,544	-	-	-	-	135,544
Cost	7,230,934	1,393,734	1,797,482	24,233	63,091	10,509,474
At 31 July 2013	<u>£8,664,439</u>	<u>£1,393,734</u>	<u>£1,797,482</u>	<u>£24,233</u>	<u>£63,091</u>	<u>£11,942,979</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost.

	2013 £	2012 £
Cost	<u>£7,230,934</u>	<u>£5,421,646</u>

The freehold land and buildings were valued on an open market basis by Stiles Harold Williams Consultant Surveyors & Valuers on 24 May 2012; land, which is not depreciated, was valued at £1,750,000, buildings (which are depreciated at 2% pa) were valued at £4,750,000 giving a total valuation of £6,600,000.

TRUST	Freehold land and buildings £	Furniture fittings and equipment £	Motor Vehicles £	Total £
Cost or valuation				
At 1 August 2012	6,855,151	1,705,551	27,246	8,587,948
Additions	1,809,288	90,501	-	1,899,789
Disposals	-	(26,546)	-	(26,546)
At 31 July 2013	<u>8,664,439</u>	<u>1,769,506</u>	<u>27,246</u>	<u>10,461,191</u>
Depreciation				
At 1 August 2012	552,635	1,331,137	25,478	1,909,250
Charge for the year	138,290	135,300	442	274,032
Disposals	-	(25,382)	-	(25,382)
At 31 July 2013	<u>690,925</u>	<u>1,441,055</u>	<u>25,920</u>	<u>2,157,900</u>
Net Book Value				
At 31 July 2013	<u>£7,973,514</u>	<u>£328,451</u>	<u>£1,326</u>	<u>£8,303,291</u>
At 31 July 2012	<u>£6,302,516</u>	<u>£374,414</u>	<u>£1,768</u>	<u>£6,678,698</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2013

12. STOCK: GROUP AND TRUST		2013 £		2012 £	
Stationery			8,570		4,080
Other			15,120		3,844
At 31 July 2013			<u>£23,690</u>		<u>£7,924</u>
13. DEBTORS		Group		Trust	
		2013 £	2012 £	2013 £	2012 £
Unpaid fees and miscellaneous debtors		143,227	95,386	142,419	93,296
Prepayments and accrued income		115,355	94,544	107,407	86,991
Other debtors		14,551	10,109	14,551	10,109
		<u>£273,133</u>	<u>£200,039</u>	<u>£264,377</u>	<u>£190,396</u>
14. CREDITORS: amounts falling due within 1 year		Group		Trust	
		2013 £	2012 £	2013 £	2012 £
Bank loans and overdrafts		180,284	93,321	180,284	93,321
Trade creditors		259,018	204,708	253,334	204,096
Fees received in advance and deposits held		706,271	609,739	706,271	609,739
Taxation and social security		105,886	107,108	88,784	86,095
Other creditors		236,230	304,896	236,230	304,896
Accruals		60,605	67,957	55,637	65,732
Amounts due to subsidiary		-	-	279,920	260,074
		<u>£1,548,294</u>	<u>£1,387,729</u>	<u>£1,800,460</u>	<u>£1,623,953</u>
The bank loan and overdraft are secured as noted in note 15.					
15. CREDITORS: amounts falling due after more than one year		Group		Trust	
		2013 £	2012 £	2013 £	2012 £
Due within 1 - 2 years					
Bank loans		199,194	74,571	199,194	74,571
Fees in advance		54,210	80,971	54,210	80,971
Deferred VAT payable		14,000	14,000	-	-
Due within 2 - 5 years					
Bank loans		631,569	223,714	631,569	223,714
Fees in advance		48,357	50,101	48,357	50,101
Deferred VAT payable		42,000	42,000	-	-
Due after 5 years (payable by instalments)					
Bank loans		906,461	283,510	906,461	283,510
Deferred VAT payable		42,000	56,000	-	-
		<u>£1,937,791</u>	<u>£824,867</u>	<u>£1,839,791</u>	<u>£712,867</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2013

15. CREDITORS: amounts falling due after more than one year (continued)

The school has two bank loans and an overdraft at the year end; the loan balance brought forward from 2012 is payable by monthly instalments and due to be completed by 2021. Interest is payable at a rate equivalent to 1.25% per annum above base rate subject to a minimum of 4% and maximum of 6%.

The new loan, which has a year end balance of £1.23m, is not fully drawn down at the year end. Monthly capital repayments will commence in September 2014 once the full loan balance is known and interest will be payable at a rate equivalent to 2.75% per annum above base rate from this date.

The loans and overdraft are all held with the same bank which holds first legal charge over the school and its associated assets, unlimited guarantee by the Enterprise Company and a debenture by both the School and the Enterprise Company.

16a. UNRESTRICTED FUNDS

	Brought forward at 1 August 2012 £	Incoming Resources £	Outgoing Resources £	Transfers £	Carried forward at 31 July 2013 £
General funds	191,291	7,728,657	(7,225,142)	(694,806)	-
Non-charitable funds	(11,113)	11,113	-	1,244,883	1,244,883
	<u>180,178</u>	<u>7,739,770</u>	<u>(7,225,142)</u>	<u>550,077</u>	<u>1,244,883</u>
<i>Designated funds</i>					
Development fund	236,700	-	-	64,450	301,150
Property fund	6,302,516	-	-	(614,527)	5,687,989
	<u>6,539,216</u>	<u>-</u>	<u>-</u>	<u>(550,077)</u>	<u>5,989,139</u>
	<u>£6,719,394</u>	<u>£7,739,770</u>	<u>£(7,225,142)</u>	<u>£-</u>	<u>£7,234,022</u>

The Development fund is used to finance development projects of the school.

The Property fund balance represents, as far as possible, the net book value of the property held in the school at the year end.

16b. RESTRICTED FUNDS

	Brought forward at 1 August 2012 £	Incoming Resources £	Outgoing Resources £	Transfers £	Carried forward at 31 July 2013 £
Blake award	15,457	-	(1,900)	-	13,557
Music/Drama depart.	2,205	92	-	-	2,297
Pavilion	19,943	25,000	(44,943)	-	-
Academic support funds	101	-	-	-	101
6 th Form Boarding House	500	-	-	-	500
Foundation	-	68,362	-	-	68,362
	<u>£38,206</u>	<u>£93,454</u>	<u>£(46,843)</u>	<u>-</u>	<u>£84,817</u>

The Blake award is used to support the History of Art department of the school.

The Music/Drama department, Academic support and 6th Form Boarding House funds will be used to support the departments as required.

The Pavilion fund has been specifically used to finance the building of a new sports pavilion.

The Foundation will be used to provide for bursaries and to develop the school's educational facilities.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2013

17. ANALYSIS OF TRUST NET ASSETS BETWEEN FUNDS

GROUP		Tangible Fixed assets £	Other assets/ (liabilities) £	Total £
Restricted funds		-	84,817	84,817
Unrestricted funds				
General funds		3,704,714	(2,459,831)	1,244,883
Designated funds		5,687,989	301,150	5,989,139
		<u>£9,392,703</u>	<u>£(2,073,864)</u>	<u>£7,318,839</u>

TRUST	Investments £	Tangible Fixed assets £	Other assets/ (liabilities) £	Total £
Restricted funds	-	-	84,817	84,817
Unrestricted funds				
General funds	12,820	2,615,302	(2,628,122)	-
Designated funds	-	5,687,989	301,150	5,989,139
	<u>£12,820</u>	<u>£8,303,291</u>	<u>£(2,242,155)</u>	<u>£6,073,956</u>

18. PENSION COSTS

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

On 31 January 2013, the Department for Education published the outcome of the consultation on further contributions increases that will apply to members of the TPS in financial year 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements. A revised eight tier salary and employee contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2%. Employer contributions will continue for this period at the current rate 14.1%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions.

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.

The pension charge for the year includes contributions payable to the TPS of £315,996 (2012: £293,120).

The School also runs schemes for its non-teaching staff, which are defined contribution schemes. The cost for the year of the school's contributions was £95,414 (2012: £84,188). The School has also contributed £9,871 (2012: £9,313) to personal stakeholder schemes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 JULY 2013

19. FINANCIAL COMMITMENTS

At 31 July 2013, the Governors had approved and committed further capital expenditure of £260,000 (2012: £2,499,574).

20. OPERATING LEASE COMMITMENTS	2013	2012
Operating leases not related to land and buildings	£	£
Within one year	88,463	62,118
Within 1 - 2 years	60,321	55,537
Within 2 - 5 years	96,161	46,989
	<u>£244,945</u>	<u>£164,644</u>

21. SHARE CAPITAL AND CONTROLLING PARTY

The Trust is limited by guarantee and therefore has no share capital. The liability of the members in the event of a winding up is £1 each. No one member has overall control of the Trust.