



Perrott Hill

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Perrott Hill and Stirling Education Meetings / September 2020

The Panel

Timothy Fisher, CEO of Stirling Education

Alex McCullough, Headmaster, Perrott Hill

Paul Brewster, Governor, Perrott Hill

Neil Mapletoft, Bursar, Perrott Hill

Marcus Longbottom, Governor, Perrott Hill (Pre-Prep session)

How has Perrott Hill found itself in this position, when you have fees coming in and are an academically and pastorally successful school?

Answered by Paul Brewster, Governor: "Those of you who were at the school four or five years ago will know that there was a very real period of instability in 2016/17 followed by an interregnum year without a Head. Pupil numbers dipped at this point, as did enquiries, and as a result the school has been operating at a loss for the past three financial years. The school as it stands now is extremely successful, but the financial hangover from that period remains. We all know the value and importance of small country prep schools – that's why you have all chosen Perrott Hill – but the downside of being small is that, when you hit a bump in the road as schools inevitably do from time to time, you don't have any back up. The governors have been looking for a solution to this problem for the past two years and have explored many options."

What other options did the school look at?

Answered by Paul Brewster, Governor: "At one point we had around 13 options on the table and these ranged from mergers with senior schools and joining established groups to private investment. The truth is that smaller prep schools – and by that I mean prep schools with under 400 pupils – are deemed to be high risk in the current climate. We feel very fortunate that Stirling have provided the financial backing for the school to continue for future generations."

Can you assure us that the values and ethos of the school, as a small and family-oriented country prep school, will not change?

Answered by Tim Fisher, CEO of Stirling Education: "Yes, I can. The school is already at the top of its game in terms of academic and pastoral standards and we are not looking to change this at all. The leadership will stay the same, as will the governing body. We have invested in Perrott Hill as our 'flagship' school in the UK, so believe me when I say that it's in all of our interests that everyone is happy and that what I am saying now is what actually happens. There are lots of prep and senior schools in the UK which are currently struggling

financially and I have looked at many of them. We've invested in Perrott Hill because we can see what a truly incredible school it is and we will do everything to retain its unique ethos and environment."

Answered by Paul Brewster, Governor: "I would like to add that the governing body were unanimous in the decision to go down this particular route, because none of the other options we looked at afforded the same degree of consistency or reassurance that the values of the school would remain the same. The breadth of experience on the governing body is quite remarkable and includes current and former Heads of the most respected senior schools in the country. We all share the belief that Perrott Hill is a very special and unique prep school – the way a prep school should be – and we are all committed to retaining its charm."

Who are the Stirling investors and how will they benefit from this transfer of ownership?

Answered by Tim Fisher, CEO of Stirling Education: "We have a small group of wealthy individual investors who have consistently received a return from investing in healthcare and education. Subsequently they have reinvested a significant amount of those returns into many philanthropic projects. The fund we have set up is designed to provide a steady return over time. The investors are not in this for the short term and are not looking for a quick return on their investment. The return on an investment like this in the UK is usually around 5%. Our strategy was to invest in education in emerging markets to start with, such as the Middle East, as there is high risk but also high return. We have been very successful in this area and would now like to expand into developed markets.

"The investors do not hold a short-term view. They recognise that Perrott Hill's success is built on academic excellence, the performance of the pupils, the facilities and environment and the family atmosphere that the school has to offer. It's important to realise we are not here to change Perrott Hill. The school is in great hands and is on an upward curve in relation to numbers. The current pandemic, along with a period of instability three or four years ago, has blown the school off track and we are here to provide the finance to help the school to survive the present and develop future growth. Plus, we will gain in other areas from investing in a school like Perrott Hill, as it raises the profile of the Stirling brand in the UK and allows us to attract the right schools – something we are very excited about."

Will all of the profit go into your pockets or will it be reinvested?

Answered by Tim Fisher, CEO of Stirling Education: "The long-term return we are looking at is around 5% but the point I cannot stress enough is that investing now and in the future will allow Perrott to become a sustainable, self-supporting and self-developing entity. Over the past few years, Perrott Hill has been underutilised and not able to focus on growth areas, such as the 19-week period that the school is currently closed during the holidays. Activities could include things like summer camps and language schools for international pupils. You don't have to look far afield to see examples of extremely successful prep and senior schools already doing this, but Perrott Hill's financial situation up until now has not allowed for this investment. This alone, if run successfully, would provide a healthy level of reinvestment to the school.

"The investors are in this for the long term. They will not be taking any money out of the school until it has already had a period of investment and reinvestment. There's a real chance that, due to the current pandemic, utilising the school outside of term will not be possible for a year or two and that's fine. It's also important to state that there are shareholder agreements in place to protect these investments."

Are you going to flood the school with international pupils?

Answered by Alex McCullough, Headmaster: "No, but we do want to have a more measured and targeted approach to recruiting international pupils, in line with the sector and our competitors, and this is not something we have had the resources to do up until now. In reality, this means looking at having a consistent number of international pupils in Years 5 to 8 – roughly four per year group – and our target countries are France, Spain, Hong Kong, China and Japan. Having worked in both larger and smaller prep schools, I strongly believe that having international pupils at the school is of huge benefit to the school community and there are often lifelong friendships formed between the pupils. Our boarding provision is already excellent and we have the space to accommodate more boarders so I am confident this is something we can manage effectively."

Fees are frozen for this year, but should we expect them to rise dramatically after that now that it's a privately owned company?

Answered by Neil Mapletoft, Bursar: "No. Fee levels are set by the sector, not the school, and we would not rise above that."

Answered by Paul Brewster, Governor: "On the contrary, it is important to recognise that affordability is going to be a key factor for parents over the coming years. Provision of education and affordability go hand in hand and, if anything, being in a strong financial position gives the school more room to be competitive."

What is your five-year plan for the school?

Answered by Alex McCullough, Headmaster: "There are three strands to our plan. Firstly, we will continue the upward trend in admissions to increase the pupil roll (our aim is to reach 200 pupils in two years and 240 pupils in five years). Based on the current level of enquiries, this is entirely doable. Secondly, we will work on increasing the number of international boarders to a steady and manageable number from carefully selected countries, with the aim of having four international pupils in each group from Years 5 to 8. Thirdly, we will look to build on the non-educational side of the business; to develop how we use the estate during the 19 weeks when the school is not in session. We will shortly be advertising for a new member of the team to help us facilitate this."

How do you see Stirling developing its portfolio over the next ten years?

Answered by Tim Fisher, CEO of Stirling Education: "We are looking to invest in more schools in the UK and Europe, so the aim is for Perrott Hill to become part of a larger group of UK prep schools, each retaining its own individuality and character. This is not a new concept – the Cothill Trust and Wishford Group are two such examples of prep school groups in the UK. I would like for the leadership team at Perrott Hill to be involved in the building of this group, so that we can be sure we are growing the brand in the right way and in line with the academic successes and pastoral ethos of Perrott Hill. In addition, we would like to have a school in most of the major cities across Europe. We were delighted to announce our first European school - the Endaze British International School in Madrid – last month."

Answered by Alex McCullough, Headmaster: "We see this as a hugely exciting and positive move for Perrott Hill. Essentially, the school gets to build upon its excellent track record of academic success, while at the same time retaining its small and welcoming family feel - but with the knowledge and security that it's still going to be here for future generations, no matter what challenges the future holds for the sector at large."

