

**CHARITY NUMBER: 309098**  
**COMPANY REGISTRATION NUMBER: 0898539**

**LAMBROOK SCHOOL TRUST LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

**LAMBROOK SCHOOL TRUST LIMITED  
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FOR THE YEAR ENDED 31 JULY 2020**

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# **LAMBROOK SCHOOL TRUST LIMITED**

## **REPORT OF THE GOVERNORS**

### **FOR THE YEAR ENDED 31 JULY 2020**

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#### **Declaration**

The Governors, who are also charity trustees for the purposes of the Charities Act 2011, present their annual report in compliance with both that Act and the Companies Act 2006, together with the financial statements prepared under the latter Act, for the year ending 31 July 2020.

The format and content of the report and financial statements comply with the Companies Act 2006, the Charities Act 2011 and the Statement of Recommended Practice: 'Accounting and Reporting by Charities' SORP (FRS 102).

#### **STRATEGIC REPORT**

##### **Introduction to Lambrook**

Lambrook is a leading independent day and boarding School for boys and girls aged between 3 and 13 years. The School is run as an independent Charitable Trust, administered by a Board of Governors.

The School was founded in 1860 and occupies a 52-acre site close to the towns of Ascot, Bracknell and Windsor. The School merged in 1997 with Haileybury Junior School, Windsor. In 2009 the School formally withdrew from the arrangement with Haileybury, and now stands as an independent Charitable Trust.

The School comprises of two sections: the pre-preparatory School (EYFS and Years 1 to 2) and the preparatory School (for pupils in Years 3 to 8). Boarding accommodation is in Lambrook House for girls and Westfield House for boys; flexible boarding is encouraged.

Lambrook welcomes all families and has pupils from both the local area and the outskirts of London. The majority of pupils do live within a 15 mile radius of the school but provision is made for those travelling from further afield. Nationally standardised test data indicates that the ability of the pupils is above average.

##### **Lambrook's Aims**

Since 1860, Lambrook has been laying the foundations for its pupils' futures. Children have one opportunity for an education which will form the basis of their lives and, at the same time, one childhood; Lambrook aims to keep a happy balance between the two. During their time with us, we give our pupils the 'Feathers to Fly' so that when they leave us, they will spread their wings and take flight, leaving Lambrook as confident, happy, engaging, mature and thoughtful young adults.

- Inspiring pupils from Nursery through to Year 8, ensuring an outstanding level of education from exceptional staff.
- Preparing children for the next stage of their educational journey by giving them the skills for scholarship and Common Entrance entry at leading Senior Schools.
- Providing pupils with an abundance of opportunities to discover, develop and showcase new talents.
- Nurturing all pupils through an outstanding level of pastoral care, enabling them to flourish in a happy environment, in and out of the classroom, and in the boarding environment.
- Equipping children for the ever-increasing challenges of the world in which they live; giving pupils the skills and the confidence to understand technology, the environment and other cultures better, thus enabling them to make a difference in the world, both now and in the future.

The Governors' and the School's main objective is to provide the highest standards of education to all of its pupils.

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**Review of 2020**

Lambrook continues to maintain an excellent academic standard and a high teacher to pupil ratio, tailoring teaching to suit individual pupil needs where appropriate. Pupil numbers currently stand at 562 and the School employs a high calibre of both teaching and support staff.

Throughout its history, the School has experienced a variety of challenges, including its foundation and early beginnings, its survival through two world wars, potential closure due to falling numbers, the subsequent merger with Haileybury, the quick succession of Headmasters owing to illness, the change from all boys to fully co-educational and the move from full boarding to weekly, flexi and day. All of these events have had a significant impact upon the school community, and yet at every stage the School has been fortunate to move onwards and upwards on its 160 year journey. The present pandemic, and its outworking in 2020, will be another such event which will affect Lambrook's present, but also its future.

The COVID-19 pandemic has brought about many challenges, from its outbreak to an enforced school closure and then a brief return to school for all pupils. Throughout the last six months, the safety and wellbeing of the entire Lambrook community has taken greatest precedent. The School's Medical Team has provided excellent care for the School, managing those with COVID-19 symptoms and ensuring excellent hygiene.

Following the Government enforced closure, in the last two weeks of the Lent term and into the Summer term, Lambrook provided a robust and enriching remote learning programme for all of its pupils aged between 3 and 13. Despite the physical distance, Lambrook pupils thrived in this new educational experience; instead of the usual cricket matches, outdoor lessons, residential trips and the greatly anticipated sports day and end of year speech day celebration, we had exciting Zoom lessons, online sports sessions, competitions, family quiz evenings and much more. Our Lambrook community has certainly enjoyed a different way of learning and being connected with one another.

The School's priority throughout this pandemic has been to keep school communication as clear and concise as possible, whilst maintaining the Lambrook tone and warmth. From the initial correspondence in the early Spring, regarding COVID-19 and international travel, through to school closures, re-openings and the 'selling' of our Remote Learning Programme, Lambrook has aimed to get the tricky balance between 'the show must go on' and being extremely mindful of the seriousness of the situation.

The steep learning curve of remote learning for pupils and remote teaching for staff has undoubtedly developed skills in many aspects of technology, as well as encouraging pupils to develop greater independence and resilience as they have had to solve problems and adapt to a new way of learning.

At the beginning of June, the School was delighted to be able to welcome most of our Pre Prep and Year 6 back to school, and then for the final few weeks of term, in line with government guidance, all other year groups. Lambrook is extremely fortunate, with small class sizes, fantastic facilities and extensive grounds, to be able to be able to accommodate all of the children and staff safely. The School is very aware that this has only been possible due to the investment in our facilities over the past few years, and this recent period has further emphasised the importance of investing in the future.

Despite the pandemic, interest in Lambrook has remained extremely positive throughout the year, and the School has continued to have a high number of potential enquiries. On average, the Headmaster meets around 10 prospective families each week through individual appointments. The School held a very successful Open Day in September, and owing to COVID-19 prospective families were instead invited to view an Open Day video in May, and to arrange a personal 'Zoom' meeting with the Headmaster.

Lambrook was again shortlisted for Prep School of the Year by the Times Educational Supplement, and the Headmaster, Jonathan Perry, was awarded Prep School Headmaster of the Year by Tatler in September. Lambrook has also enjoyed many healthy reviews and accolades from publications such as Tatler, Muddy Stiletos and The Good Schools Guide.

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Lambrook offers some of the best facilities in the independent sector at Preparatory level, which include 52 acres of beautiful grounds and sports pitches, a Diamond Jubilee Performing Arts Centre, a 25 metre indoor swimming pool, Chapel, 9 hole golf course, squash court, dance studio, Sports Hall, AstroTurf, Orchard, pond and beehives. 2019 saw the completion of the School's Queen's Building, a £6m new development which offers pupils a remarkable environment for academic learning, Art, Design & Technology and the Performing Arts. It has also allowed the School to enhance its existing facilities with upgrades across many other areas, including classrooms, IT provision and sports amenities. The beginning of the academic year saw an exciting new upgrade to the Lower School, along with new Hard Courts for sport.

The School identifies potential scholars in year 7 and they are taught as a group in year 8. This year, pupils were awarded academic, music and sport scholarships for excellence in these fields. Lambrook's Common Entrance success continued too, with a 100% pass rate and pupils going on to Eton, Wellington, Bradfield, Bryanston, Charterhouse, Cranleigh, Marlborough, Leighton Park, St George's Ascot, St George's Weybridge, Radley, St Edwards Oxford, Prior Park, Heathfield, Shiplake and Tonbridge.

Outside of the classroom, pupils have been given enormous opportunity to develop their talents and thrive in a wide variety of areas. Lambrook continues to excel in its competitive sport, and teams have represented Lambrook at IAPS level in Netball, Hockey, Football, Swimming and Trampolining. It was also a great privilege for the School to host both the IAPS swimming and football competitions at Lambrook. The coaching of sport offered continues to a high quality, and pupils took part in weekly fixtures against other schools in both the Michaelmas and Lent terms.

Music and The Performing Arts are as popular as sport, with over 85% of pupils receiving additional music, LAMDA or Royal Academy of Dance lessons, and most of these pupils performing in termly concerts and recitals. In the Michaelmas term, Year 6 performed Alice in Wonderland and Years 5 rehearsed and performed a play in 2 days. Owing to not being in school in the Summer term, Year 8 instead put on a fantastic radio play of 'Around the World in 80 Days.' The Summer term saw a move to Zoom lessons in the Performing Arts, and this by no means held pupils back, as the School saw pupils develop significantly, producing some outstanding remote performances.

Lambrook pupils benefit from an enriching experience through the activities programme on offer. From polo playing to bee keeping, squash to film making, mini MasterChef to judo, there are a variety of options to give pupils the opportunity to try new things, build confidence and resilience, and strengthen relationships with one another. One of the most popular activities this year has been Farming Club, which has included the looking after of pigs and chickens, building of raised vegetable beds, the growing of food and planting tree saplings. Lambrook is keen to promote sustainability and has a dedicated Eco Team run by pupils and staff.

Up until the lockdown restrictions, the School has been able to offer many trips over the past year, and has taken pupils to a variety of destinations, including France, Italy, Iceland, South Africa and the Isle of Wight, alongside many day trips and visits for all of our year groups. Each excursion has equipped pupils with multiple transferable skills, and has provided valuable opportunities to teach pupils about the world in which they live.

Tailored pastoral care, overseen by the School Chaplain and Designated Safeguarding Leads, remains a priority for Lambrook. Training for staff and courses for parents have been offered throughout the year and have proved to be extremely popular, especially those relating to parenting during the pandemic and the use of screens and technology. The School offers both weekly and flexi boarding, which is increasingly used by a large proportion of the Prep School and continues to offer excellent preparation for senior school.

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Prioritising a selfless attitude is vital, and alongside its Christian Foundation, the School aims to give children an understanding of the responsibility to the world around them. This year, Lambrook has raised £6,541 for local charity First Days, over £5,000 for MacMillan, as well as funds for many other charities. During the remote learning programme, pupils fundraised over £1,000 for the NHS using their own initiatives as well as baking for Key Workers, making scrubs and PPE as well as writing to many key workers to thank them for their help.

Lambrook has found it immensely rewarding to partner with both local schools and the local community, sharing resources and expertise, through offering CPD courses for staff from state schools, but especially through the partnership with pupils from local state primary schools. The School has very much enjoyed hosting over 40 state schools for a variety of days for over 200 children, with focuses on maths, STEAM, geography, science and sport. Lambrook is delighted to have also been included in a recent 'The Missing Two Thousand' report, which was launched and edited by Tom Arbuthnott (Deputy Head for Partnerships at Eton College) and Anushka Chakravarty (Assistant Head at the London Academy of Excellence).

Lambrook had high hopes for fundraising in 2020, with it being the 160th Anniversary of the school and the wider launch of The Lambrook Foundation. The School were fortunate to hold an event before lockdown to launch The Foundation to those parents who were interested in supporting it. The event and surrounding communications identified many families and individuals keen to support capital and bursary development at the School. One area that the School was keen to promote was regular giving, which was met with a positive response.

Plans for the re-development of our Dining Room and expansion of our Boarding provision have been temporarily put on hold during the pandemic, but the School plans to resume these as soon as it is able.

The School also hopes to be able to re-instate some of its planned 160th Anniversary and Alumni events as soon as it is able, such as replicating one of the first ever recorded cricket matches which took place in 1888, planting 160 trees, holding an Art, Design and Technology Exhibition, writing and performing a newly composed school song, hosting a Lambrook Festival and staging 160 themed charity fundraising events and a Victorian Christmas at the end of the year. In the meantime, there are plans to do some of these virtually.

### **Charitable Objects**

The charitable objective of the School is the provision of education for children. The Governors, who are also Trustees, regularly monitor the School's performance and consider if it meets its objectives.

The Governors' role is voluntary, and no Governor receives any remuneration. The annual surplus is not distributable and is reinvested in the infrastructure of the School.

### **Fundraising**

Lambrook's Fundraising Policy requires the highest standards of fundraising and follows the Institute of Fund Raising's Code of Practice, driven by the principles of Fairness, Inclusiveness and Accountability, and complies with the Charities Act 2011, the Data Protection Act 1998 and the General Data Protection Regulations 2018. During the last academic year, there have been no complaints about the School's fundraising activities and the School does not make persistent approaches to potential donors.

The School has an on-going funding appeal to enable the continued development of the School's facilities for the benefit of current and future pupils. The School does not use the services of professional fundraisers, using its own internal resources to raise awareness of the School's development projects. The School recently launched 'The Lambrook Foundation', which formalises giving to Lambrook, capturing both capital development and bursary provision.

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**Public Benefit**

- The School provides a number of bursaries which are awarded to children who would not otherwise be able to access the School but truly benefit from all that Lambrook has to offer. The value of the bursaries offered in 2020 was £505,551, with 5% of pupils benefiting from a bursary.
- This academic year, Lambrook has developed its social impact by delivering Partnership Days in many subject areas; working with a significant number of state schools involving over 200 children.
- Lambrook also offer local state schools the opportunity to participate in competitive fixtures and tournaments at the School, as well as providing coaching sessions, delivered by Lambrook staff.
- An academic partnership exists with a local Free School for children suffering from autism where one of our teachers provides end of term additional support to this school.
- The ongoing drama partnership with one local state school assists in the provision of technical equipment for its productions, and several local schools have benefited from Lambrook's donation of computers, a projector, and interactive whiteboard equipment.
- In parallel with its educational partnerships, the School provides public benefit in the community through many activities, making its facilities available to local associations such as the East Berkshire Downs Syndrome Group, who meet on a weekly basis and hold an annual speech camp on the Lambrook School site.
- Lambrook regularly invites local state schools to join in with teacher training events. One of Lambrook's staff members is mental health first aid trained and we have been able to offer regular training courses to local education providers, which have proven to be extremely popular.
- Lambrook continues to be a designated refuge for a neighbouring state school, with the Sports Hall being made available as its evacuation venue for disaster recovery practices.
- Two members of staff at Lambrook currently serve as Governors for local state schools, holding responsibility in specific roles and providing additional academic expertise to their Governing Bodies. Lambrook has also agreed to include state school pupils in its external examination schedules.
- The School take part in an Exchange Programme with the Clifton School in South Africa and annually host boys of a prep school age.
- Over the past year, Lambrook's Performing Arts Centre auditorium has been used by several groups and organisations, including a community choir, a choral society and a ballet school for separate charity events.
- The Sports Hall is used on a regular basis by two visually impaired cricket sides, the playing fields are used by Berkshire County Cricket, the Golf Course hosts the Berkshire Girls' Beginners, and two local netball clubs hold matches on the Astroturf – a member of staff also offering her services as a coach. Sports sessions are opened up to the wider Lambrook Community of all ages, including informal basketball training for adults and the Swim School for children. In addition, a minibus was provided, free of charge, to transport a girls' rugby team from Alton RFC to an away fixture. The Swimming Pool is also used by Bracknell Swimming Club.
- Sports sessions are also available to local residents of all ages: including informal basketball training for adults and swimming lessons for children.

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**Public Benefit**

- Local residents and groups are regularly invited to the School for various occasions including drinks receptions, art exhibitions and music concerts.
- Lambrook pupils are regular visitors to a local care home and pupils have formed some special friendships with the local residents there. The Lambrook Chapel Choir use their talents for the benefit of others as they sing at local care homes and have also performed at an International Nurses' Day service.
- A member of Lambrook staff has deputised for the Vicar and the Lay Minister of the Benefice at Harvest, Remembrance, Christmas and Passiontide services in the local Parish Church.
- During the lockdown period, Lambrook pupils fundraised over £1,000 for the NHS using their own initiatives as well as baking for Key Workers, making scrubs and PPE as well as writing to many key workers to thank them for their help.

This year the School, together with an incredible contribution from the Lambrook Parent Teacher Committee, has raised in excess of £22,000 to support the following charities:

- First Days
- Hope Valley School (South Africa)
- Macmillan Cancer Support
- Jeans for FOP
- Children in Need
- The NHS
- Bracknell Foodbank
- NSPCC
- Royal British Legion Poppy Appeal
- Astbury Manor Care Home
- The Teenage Wilderness Trust
- Place2Be
- The Children's Society
- Elisabeth's Foundation
- Connect Sports
- Thames Hospice
- I Can and I Am

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**Future Plans**

Providing the highest standard of education for pupils remains the primary focus for Lambrook. In order to remain one of the leading Prep Schools in the country, it is essential that Lambrook continues to invest in its pupils, staff and resources.

Under the new 'Lambrook Foundation', the School plans to continue with small-scale capital development plans, including extending the existing dining room, improving boarding provision and offering an increased number of bursaries to those pupils who would truly benefit.

Following the success of the remote learning programme, Lambrook is keen to build on this and to further develop IT provision for both staff and pupils. The School has an exciting programme through which pupils from Years 5-8 will all have personal devices for lessons.

Lambrook is keen to remain outward-looking in its approach, through bursary provision and the sharing of facilities which the School has to offer with other schools and groups under the formal umbrella of the Lambrook Partnership. The School will also continue to fundraise for both local and national charities, whilst teaching pupils to be outward-looking and kind towards all they encounter.

The School will continue its focus on sustainability, teaching its pupils to be mindful of their environment and how they can have a positive impact on it. Through eco and farming schemes, pupils at the School consider their impact on a local and global scale.

The Senior Leadership Team and the Governors are confident that, following this unprecedented period, Lambrook will end up being a more dynamic, more efficient, more exciting, more cohesive and stronger school in the future.

**Financial Review**

The operating surplus for the year before depreciation and donations to the Lambrook Development fund was £1,271,269 a decrease of £441,359 over the previous year.

Donations received during the year excluding the Coronavirus Job Retention Scheme grant to 31 July 2020 amounted to £281,107 (2019: £325,407) resulting in a net surplus after depreciation for the year of £915,485 (2019: £1,501,860).

The operational efficiency of the School is regularly monitored throughout the year by the Finance and General Purposes Committee to ensure that maximum resources are allocated to the education of the children.

The School achieves its liquidity objectives by the careful management of working capital and regular forecasting of short and long-term cash requirements.

The School's cost base predominantly comprises staff costs, although there is exposure to increases in utility and related building operational costs.

The School's exposure to credit risk is mitigated by fees being due at the beginning of each term.

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**Reserves Policy**

On 31 July 2020 the School's unrestricted funds were £15,174,600 (2019 £14,265,615). After deducting the carrying value of tangible fixed assets held for the School's own use and adjusted for borrowing there were reserves as defined by the Charity Commission of £454,283 (2019: *negative* £132,156).

The School's reserves policy is to maintain its unrestricted reserves at a level that will allow the School sufficient liquidity for normal operations. The policy is to build up free reserves through annual surpluses over the next two years in order to fund the continued investment in Lambrook's infrastructure.

At 31 July 2020, taking account of future cash flows, the Governors consider that reserves are sufficient. The School continues to generate further funds for improvements to the fabric of the buildings and funds are reviewed on a regular basis. Having assessed the School's financial position, its plans for the foreseeable future, the risks to which it is exposed and the detailed cash projections, the Governors are satisfied that the School is financially robust.

**Reference and Administrative Information**

Lambrook School Trust Limited is a company limited by guarantee without a share capital, having two members, each of whom guarantees to pay £1 in the event of the company's liquidation. The company number is 898539 and the charity number is 309098.

On the 31 July 2009 Lambrook Haileybury School Trust Limited and the Imperial Service Endowment terminated their 1997 amalgamation agreement by mutual consent. Following the separation from the Imperial Service Endowment, Lambrook Haileybury School Trust Limited changed its name to Lambrook School Trust Limited.

To reflect the significant investment in the School made by the Imperial Service Endowment during the period of the amalgamation, the Separation Agreement dated 31 July 2009 provided for the amendment of clause 7 of the Memorandum of Association of Lambrook to read as follows:

If upon the winding-up or dissolution of Lambrook there remains, after the satisfaction of all debts and liabilities, any property whatsoever, the same shall not be paid or distributed among the members of Lambrook, but shall be given or transferred to the Imperial Service Endowment (Charity No. 310013-23) ("ISE") provided that, at the date of such winding-up or dissolution ISE is a charity with educational objects and, if and so far as effect cannot be given to such provision, then to some other charitable object.

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**Governors – Structure, Governors and Management**

The Governors who served during the year ended 31 July 2020 were as follows:-

Mr P Burrowes (Chairman)  
Mr C J B Bromfield  
Mr B Chukwuemeka  
Miss A Dobson  
Mrs R Goss-Custard  
Mrs C Hetherington (resigned 17 March 2020)  
Mr A Honnor  
Mrs H Lyman  
Mr D F Macleod  
Mr P McKee (appointed September 2019)  
Mr A Neil  
Mrs A Nicoll  
Mr A Peterken

**Board Sub-Committees**

**Finance and General Purposes Committee**

Mr P Burrowes  
Mr C J B Bromfield  
Mr B Chukwuemeka (Chairman)  
Mrs R Goss-Custard  
Mrs C Hetherington (resigned 17 March 2020)  
Mr D F Macleod  
Mr A Neil

**Education Committee**

Mrs A Nicoll (Chairman)  
Miss A Dobson  
Mr P McKee  
Mr A Peterken

**Health and Safety Committee**

Mrs H Lyman (Chairman)  
Mr A Honnor  
Mr A Neil

**Governance and Nominations Committee**

Mr P Burrowes (Chairman)  
Mr C J B Bromfield  
Mrs C Hetherington (previous Chairman - resigned 17 March 2020)  
Mrs A Nicoll  
Mrs H Lyman

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**Key Management Personnel**

Headmaster	Mr J Perry
Deputy Headmaster	Mr D Cox
Director of Finance	Mrs C Hetherington (from 27 March 2020) Mr G Jones (retired 23 March 2020)
Bursar	Mr N Moulton (appointed 18 May 2020)

Secretary	Mr C J B Bromfield
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**Registered Office**

Winkfield Row  
Bracknell  
Berkshire  
RG42 6LU

**Auditors**

Crowe U.K. LLP  
Aquis House  
49-51 Blagrove Street  
Reading  
RG1 1PL

**Bankers**

Barclays Bank PLC  
4<sup>th</sup> Floor Apex Plaza  
Forbury Road  
Reading  
RG1 1AX

# **LAMBROOK SCHOOL TRUST LIMITED**

## **REPORT OF THE GOVERNORS**

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#### **Governor Responsibilities**

The Governors who are also directors of Lambrook School Trust Limited (for the purposes of company law) are responsible for preparing the Governors' Annual Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Governors to prepare financial statements for each financial year. 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable 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 judgments and 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 Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Governing Document**

The company is governed by its Memorandum and Articles of Association.

#### **Governing Body**

The Governors are all Directors of Lambrook School Trust Limited. Those who held office during the year are listed on page 12. Governors are appointed by the Board either to fill a casual vacancy or to provide additional expertise. Each Governor is elected for three years and retiring Governors are able to stand for re-election at the Annual General Meeting. Governors will not remain in position for more than three terms other than in exceptional circumstances.

#### **Governance**

Lambrook the Charity Commission's Code of Governance, utilising the Code's guidelines and principles to ensure the highest standards of Governance are maintained.

The effectiveness of the School's Governance is monitored by the Governance and Nominations Committee which meets once per term.

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**Recruitment and Training of Governors**

Potential Governors are identified by members of the Governing Body to bring a breadth of skills to the Board. Once elected they receive an induction day at the School led by the Chairman and Headmaster with talks given by all the members of the School's Senior Leadership Team (SLT) to provide an insight to the running of the School. Training courses are regularly offered to the Governors, particularly where a Governor has been selected to address a particular area, e.g. child protection issues.

**Organisational Management**

The members of the Governing Body are legally responsible for the overall management and control of the School and meet once a term.

To assist in the performance of their role the Board delegates some of its workload to the Committees detailed on page 12. All of the Committees meet once per term.

The day to day running of the School is delegated to the Headmaster who is assisted by the SLT. The Headmaster, Director of Finance and members of the SLT attend meetings of the Governing Body and its Committees.

The remuneration of key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

**Group Structure and relationships**

The Company has a wholly owned subsidiary, Lambrook Sports and Leisure Club Limited (LSLCL).

The School is a member of the following organisations:

- The Incorporated Association of Preparatory Schools
- The Association of Governing Bodies of Independent Schools
- The Boarding Schools' Association
- The Independent Schools' Bursars Association

The School aims to achieve the highest standards in the Independent Education sector by establishing links with other Schools, a rigorous appraisal system and the encouragement of good practice.

The School supports many local and national charities which assists in developing pupils' awareness of their wider social responsibilities.

**Principal Activity**

The principal activity of the School is the provision of education for boarding and day pupils, boys and girls between the ages of 3 and 13. The School educated 562 pupils during the academic year (565 in 2019).

**Risk Management**

The Board is responsible for ensuring that there is a proper system in place to identify significant risks faced by the School and that these risks are being appropriately mitigated. This responsibility is part of the terms of reference of the Finance and General Purposes Committee. Management of risk is delegated to the SLT within this framework.

Risks are analysed under the four headings of Strategic, Operational, Financial and Compliance and through established systems of internal controls risks are managed to minimise the potential impact on the School.

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**Risk Management (continued)**

The Risk Register is kept under constant review, updated by the SLT and monitored annually by the Finance and General Purposes Committee as a standing item at the Summer term meeting.

Risks identified by the sub-committees of the Board during the course of the year are added to the Register as they arise and appropriate safeguards introduced to minimise the likelihood of occurrence.

**Principal Risks and Uncertainties**

The principal risks identified include the following:

- Reputation
- Management Succession
- Health and Safety
- Financial Control
- Data Protection

In addition, from 20 March 2020, the School was physically closed with immediate effect as part of the national response to the COVID-19 coronavirus pandemic. Despite the physical closure of the School, the School has been able to serve its pupils effectively throughout the period by offering a full and comprehensive distance learning programme. As a result, Governors decided to offer a reduction of 20% to the Summer Term 2020 school fees. In order to preserve the School's strong financial position, operating expenses were reduced by furloughing 49 staff members (as part of the Government's Coronavirus Job Retention Scheme) and catering activities ceased. All but necessary capital expenditure was put on hold.

The School continues to follow measures which mitigate the risk of a Covid 19 outbreak. It follows all Government and Department for Education guidance. Children continue to learn, eat and play in year group bubbles and contact between year groups is kept to an absolute minimum. The School has implemented strict hygiene measures and all visitors to the School including parents are restricted. Covid 19 has impacted some of our parents but the School remains full and has a wait list for places in 2021/22.

Because of the action taken, the Governors consider it appropriate for the going concern basis to be adopted for these accounts.

A detailed review of all identified risks has been performed and the required actions to mitigate these risks have been implemented.

In the opinion of the Governors, the School has established systems of internal controls and other safeguards, including insurance, which under normal circumstances allow risks to be managed at an acceptable level.

**Provision of Information to Auditors**

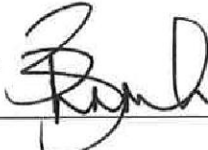
Each of the persons who are Governors acting at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the company's auditors are unaware,
- and that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the School's auditors in connection with preparing their report and to establish that the School's auditors are aware of that information.

**Auditors**

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of Crowe U.K. LLP as auditors to the company will be put to the Annual General Meeting.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of Lambrook School Trust Limited on including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:

**Mr Paddy Burrowes**  
Chairman 



Crowe U.K. LLP  
Chartered Accountants  
Member of Crowe Global  
Aquis House  
49-51 Blagrove Street  
Reading  
Berkshire RG1 1PL, UK  
Tel +44 (0)118 959 7222  
Fax +44 (0)118 958 4640  
www.crowe.co.uk

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAMBROOK SCHOOL TRUST LIMITED**

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### **Opinion**

We have audited the financial statements of Lambrook School Trust Limited for the year ended 31 July 2020 which comprise Statement of Financial Activities, Balance Sheet, Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 July 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charitable Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- The Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- The Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **AUDITORS' REPORT TO THE MEMBERS OF LAMBROOK SCHOOL TRUST LIMITED (CONTINUED)**

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### **Other information**

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

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

We have nothing to report in this regard.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Governors' Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Annual Report and Strategic Report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Governors' Annual Report.

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## AUDITORS' REPORT TO THE MEMBERS OF LAMBROOK SCHOOL TRUST LIMITED (CONTINUED)

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### Responsibilities of the Governors

As explained more fully in the Governors' Responsibilities Statement set out on page 11, the Governors 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 Governors 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 Governors 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 Governors either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's 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 Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Janette Joyce**  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor

Aquis House  
49-51 Blagrove Street  
Reading  
RG1 1PL

Date:

**LAMBROOK SCHOOL TRUST LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 JULY 2020**

	Notes	Unrestricted Funds £	Restricted Funds £	2020 Total £	2019 Total £
<b>INCOME FROM:</b>					
<b>Charitable activities:</b>					
School fees receivable	4(a)	8,728,845	-	8,728,845	8,831,140
Other income	4(b)	1,063,369	-	1,063,369	1,455,068
<b>Other trading income:</b>					
Rent and other income	4(c)	77,539	-	77,539	43,344
Income from trading subsidiary		55,809	-	55,809	19,138
<b>Investments</b>					
Bank interest		12,411	-	12,411	11,698
<b>Voluntary sources</b>					
Donations and grants	4(d)	<u>166,014</u>	<u>281,107</u>	<u>447,121</u>	<u>325,407</u>
<b>Total income</b>		<u>10,103,987</u>	<u>281,107</u>	<u>10,385,094</u>	<u>10,685,795</u>
<b>EXPENDITURE ON:</b>					
<b>Charitable activities:</b>					
School operating costs	5	9,368,092	3,500	9,371,592	9,086,280
<b>Raising funds:</b>					
Financing costs	7	<u>98,017</u>	<u>-</u>	<u>98,017</u>	<u>97,655</u>
<b>Total expenditure</b>	5	<u>9,466,109</u>	<u>3,500</u>	<u>9,469,069</u>	<u>9,183,935</u>
<b>Net income before transfers</b>	6	637,878	277,607	915,485	1,501,860
Transfers between funds	18	<u>271,107</u>	<u>(271,107)</u>	<u>-</u>	<u>-</u>
<b>NET MOVEMENT IN FUNDS</b>		908,985	6,500	915,485	1,501,860
<b>FUNDS BROUGHT FORWARD AT 1 AUGUST 2019</b>					
		<u>14,265,615</u>	<u>3,500</u>	<u>14,269,115</u>	<u>12,767,255</u>
<b>FUNDS CARRIED FORWARD AT 31 JULY 2020</b>					
	21	<u>15,174,600</u>	<u>10,000</u>	<u>15,184,600</u>	<u>14,269,115</u>

All operations are continuing.

There are no recognised gains or losses in the current or preceding period other than those included in the Statement of Financial Activities.

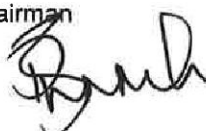
The notes on pages 20 to 34 form part of these financial statements

**LAMBROOK SCHOOL TRUST LIMITED**  
**BALANCE SHEET**  
**31 JULY 2020**  
**COMPANY NUMBER 0898539**

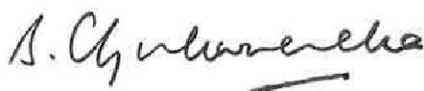
	Notes	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	10	16,253,245	16,128,388
Investments	11	<u>1</u>	<u>-</u>
		<b>16,253,246</b>	<b>16,128,388</b>
<b>CURRENT ASSETS</b>			
Stocks	12	4,602	8,926
Debtors	13	424,537	657,560
Cash at bank and in hand		<u>2,839,338</u>	<u>2,343,549</u>
		<b>3,268,477</b>	<b>3,010,035</b>
<b>CREDITORS: Amounts falling due within one year</b>	14	<u>(2,190,311)</u>	<u>(2,292,614)</u>
<b>NET CURRENT ASSETS</b>		<u>1,078,166</u>	<u>717,421</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>17,331,412</b>	<b>16,845,809</b>
<b>CREDITORS: Amounts falling due after more than one year</b>	15	<u>(2,146,812)</u>	<u>(2,576,694)</u>
<b>NET ASSETS</b>	21	<u>£ 15,184,600</u>	<u>£ 14,269,115</u>
<b>FUNDS:</b>			
<b>Unrestricted funds (including a revaluation reserve of £950,374)</b>	22	<b>15,174,600</b>	14,265,615
<b>Restricted funds</b>	23	<u>10,000</u>	<u>3,500</u>
<b>TOTAL FUNDS</b>		<u>£ 15,184,600</u>	<u>£ 14,269,115</u>

Approved and authorised for issue by the Board of Governors on and signed on its behalf by

Mr P Burrowes  
Chairman



Mr B Chukwuemeka  
Chairman of the Finance and General Purposes Committee



The notes on pages 20 to 34 form part of these financial statements

**LAMBROOK SCHOOL TRUST LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 JULY 2020**

	2020		2019
	£	£	£
<b>CASH FLOW STATEMENT</b>			
<b>Net movement in funds</b>	<b>915,485</b>		<b>1,501,860</b>
Loan interest paid	55,649		54,029
Interest Income	(12,411)		(11,698)
Depreciation	636,891		539,675
Loss on disposal of fixed assets	-		6,568
Impairment of fixed assets	32,462		-
Change in stock	4,324		(1,998)
Change in debtors	233,023		(97,988)
Change in creditors	<u>(39,471)</u>		<u>(640,121)</u>
<b>Net cash generated from operating activities</b>		<b><u>1,825,952</u></b>	<b><u>1,350,327</u></b>
<b>Cash flows from investing activities</b>			
Payments to acquire tangible fixed assets	(794,210)		(1,918,968)
Receipts from sale of tangible fixed assets	-		2,000
Loan interest paid	(55,649)		(54,029)
Interest Income	<u>12,411</u>		<u>11,698</u>
<b>Net cash used in investing activities</b>		<b><u>(837,448)</u></b>	<b><u>(1,959,299)</u></b>
<b>Cash flows from financing activities</b>			
Repayments of ISE loan finance	(24,500)		(24,500)
Repayments of bank loan finance	(197,689)		(180,005)
Draw down of bank loan	<u>-</u>		<u>1,000,000</u>
<b>Net cash (used in)/provided by financing activities</b>		<b><u>(222,189)</u></b>	<b><u>795,495</u></b>
<b>Payment on account scheme</b>			
Payments on account utilised	(715,321)		(561,032)
Receipts from payments on account	<u>444,795</u>		<u>639,723</u>
<b>Net cash (used in)/ provided by payment on account scheme</b>		<b><u>(270,526)</u></b>	<b><u>78,691</u></b>
<b>CHANGE IN CASH IN THE YEAR</b>		<b>495,789</b>	<b>265,214</b>
<b>CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE REPORTING PERIOD</b>		<b><u>2,343,549</u></b>	<b><u>2,078,335</u></b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE REPORTING PERIOD</b>		<b><u>£ 2,839,338</u></b>	<b><u>£ 2,343,549</u></b>

The notes on pages 20 to 34 form part of these financial statements

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2020**

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**1. COMPANY INFORMATION**

The principal activity of the School is the provision of education for boarding and day boys and girls, between the ages of 3 and 13. The Charity (registered number 0898539 and charity number 309098), is incorporated and domiciled in the UK. The address of the registered office is Winkfield Row, Bracknell Berkshire, RG42 6LU.

**2. ACCOUNTING POLICIES**

**a) Accounting Convention**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Lambrook School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

**Going Concern**

From 20 March 2020, the School was physically closed with immediate effect as part of the national response to the COVID-19 coronavirus pandemic. Despite the physical closure of the School, the School has been able to serve its pupils effectively throughout the period by offering a full and comprehensive distance learning programme. As a result, Governors decided to offer a reduction of 20% to the Summer Term 2020 school fees. In order to preserve the School's strong financial position, operating expenses were reduced by furloughing 49 staff members (as part of the Government's Coronavirus Job Retention Scheme) and catering activities ceased. All but necessary capital expenditure was put on hold. The School continues to follow measures which mitigate the risk of a Covid 19 outbreak. It follows all Government and Department for Education guidance. Children continue to learn, eat and play in year group bubbles and contact between year groups is kept to an absolute minimum. The School has implemented strict hygiene measures and all visitors to the School including parents are restricted. Covid 19 has impacted some of our parents but the School remains full and has a wait list for places in 2021/22.

In addition to the above, having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis.

The financial statements are prepared under the historical cost convention. They include the results of the School's operations as described in the report of the Governors.

**b) Group Accounts**

The accounts of Lambrook Sports and Leisure Club Limited and Lambrook School (International) Limited have not been consolidated with those of the School as the Governors consider that the amounts involved are not material.

**c) Funds**

Unrestricted funds are available for spending within the objects of the Company.

Restricted funds are to be used for specified purposes laid down by the donor. Expenditure for those purposes is charged to the fund. When buildings are completed funds are transferred from Restricted to Unrestricted as the restriction on the donation has been fulfilled.

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**2. ACCOUNTING POLICIES (Continued)**

**d) Incoming Resources**

School fees represent amounts receivable for educational services provided, including extras. Other income includes chargeable extras, school trips, registration fees, school transport, temporary boarding fees and similar income.

Amounts received under the School's Payment on Account Scheme contracts, for education not yet utilised to settle school fees, are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

**e) Resources Expended**

Expenditure is accounted for on an accruals basis. Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Expenditure in respect of the Governance of the charity includes Governors' expenses, audit and certain legal costs.

**f) Donations and grants**

Income from donations is recorded when the funds are received. The Coronavirus Job Retention Scheme grant is recognised on a straight line basis over the furlough period for each relevant employee under the performance model as permitted by the Charity SORP.

**g) Tangible fixed assets**

The School has applied the 'deemed cost' provisions of FRS102 in that valuations of previously revalued land and buildings will not be further revalued.

Assets purchased for less than £3,000 are written off to the Statement of Financial Activities on acquisition.

**h) Depreciation**

Depreciation is calculated to write down the cost of all tangible fixed assets, except freehold land, by equal annual instalments over their expected useful lives. The rates applicable are:-

Freehold buildings	2% per annum
Roadway	5% per annum
Freehold improvements	10% per annum
Temporary classroom	34% per annum
Plant and equipment	10% - 25% per annum
Motor vehicles	25% per annum

**i) Stocks**

Stocks are stated at the lower of cost and net realisable value. Stock is measured using the FIFO (first in first out) method.

**j) Pensions**

The School operates a contributory superannuation scheme under the Teachers' Superannuation Regulations 1976 (amended). The pension costs charged in the year for the Teachers' Pension Scheme are based on the contributions made to the centralised government pension scheme run by the Department of Education as stated in note 24.

The charity contributes to the Pensions Trust Growth Plan for certain of its employees. This is in most respects a money purchase arrangement, but does include certain guaranteed benefit elements. The Plan is a multi-employer scheme. It is not possible in the normal course of events to identify the share of the underlying assets belonging to the individual participating employers, and in accordance with FRS102, is accounted for as a defined contribution scheme with contributions being recorded as they become payable. However the School also makes deficit contribution payments to the Scheme and, in accordance with FRS 102 these payments have been measured at fair value and included as a liability on the balance sheet, as per notes 14 and 15.

The contributions for both Schemes are charged in the Statement of Financial Activities in the year in which they are payable.

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**2. ACCOUNTING POLICIES (Continued)**

**k) Financial instruments**

Basic financial instruments include debtors and creditors. Debtors and creditors are initially recognised at transaction value and subsequently measured at amortised cost. Note 25 provides more information on financial instruments where future cash flows are anticipated, with financial assets referring to trade debtors, amount owed by group undertakings, other debtors and cash equivalents, and financial liabilities referring to all creditor balances excluding deferred income and payments on account.

**l) Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**m) Parents' deposits**

The Governors have reviewed the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at the year end have been included within current liabilities.

**3 JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Charity's accounting policies, which are described in note 2, Governors are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects the current and future periods.

The Governors consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

**4. INCOMING RESOURCES**

**a) SCHOOL FEES**

The School's fee income comprised:	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Gross fees	<b>9,246,611</b>	<b>9,451,201</b>
Less: bursaries and allowances	<b>(517,766)</b>	<b>(620,061)</b>
	<b><u>£ 8,728,845</u></b>	<b><u>£ 8,831,140</u></b>

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**4. INCOMING RESOURCES (Continued)**

**b) CHARITABLE ACTIVITIES**

Other income:	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Chargeable extras – income	<b>921,325</b>	1,292,732
Registration fees	<b>21,795</b>	23,000
Flexible boarding fees	<b>120,249</b>	139,336
	<b><u>£ 1,063,369</u></b>	<b><u>£ 1,455,068</u></b>

**c) GENERATED FUNDS**

Rent and other income:	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Rent receivable	<b>27,126</b>	20,277
Other miscellaneous	<b>50,413</b>	19,567
	<b><u>£ 77,539</u></b>	<b><u>£ 43,344</u></b>

**d) DONATIONS AND GRANTS**

The unrestricted figure of £166,014 relates to the Coronavirus Job Retention Scheme grant received from the UK Government. See Note 23 for restricted donations analysis.

**5. TOTAL RESOURCES EXPENDED**

**2020**

	Staff costs £	Depreciation £	Other £	Total 2020 £
<b>Charitable activities</b>				
School operating costs:				
Teaching costs	4,956,374	188,830	507,251	<b>5,652,455</b>
Welfare costs	295,070	-	278,476	<b>573,546</b>
Premises costs	407,579	448,061	769,886	<b>1,625,526</b>
Support costs	<u>1,184,385</u>	<u>-</u>	<u>335,680</u>	<b><u>1,520,065</u></b>
	<u>6,843,408</u>	<u>636,891</u>	<u>1,891,293</u>	<b><u>9,371,592</u></b>
<b>Raising funds</b>				
Financing costs	<u>-</u>	<u>-</u>	<u>98,017</u>	<b><u>98,017</u></b>
<b>TOTAL</b>	<b><u>6,843,408</u></b>	<b><u>636,891</u></b>	<b><u>1,989,310</u></b>	<b><u>9,469,069</u></b>

**2019**

	Staff costs £	Depreciation £	Other £	Total 2019 £
<b>Charitable activities</b>				
School operating costs:				
Teaching costs	4,551,803	145,554	884,575	5,581,932
Welfare costs	369,590	-	367,089	736,679
Premises costs	398,371	394,121	656,660	1,449,152
Support costs	<u>951,529</u>	<u>-</u>	<u>366,988</u>	<b><u>1,318,517</u></b>
	<u>6,271,293</u>	<u>539,675</u>	<u>2,275,312</u>	<b><u>9,086,280</u></b>
<b>Raising funds</b>				
Financing costs	<u>-</u>	<u>-</u>	<u>97,655</u>	<b><u>97,655</u></b>
<b>TOTAL</b>	<b><u>6,271,293</u></b>	<b><u>539,675</u></b>	<b><u>2,372,967</u></b>	<b><u>9,183,935</u></b>

Included in support costs are governance costs of £50,914 (2019: £54,400).

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**6. NET INCOME**

	2020 £	2019 £
Net incoming resources are stated after charging:		
Depreciation of tangible fixed assets	636,891	539,675
Auditors' remuneration – audit and accounts preparation fees	<u>16,650</u>	<u>16,165</u>

**7. FINANCE COSTS**

Bank charges	6,299	14,991
Loan interest	55,649	54,029
Bad debt provision	36,069	22,067
Disposal of fixed assets	-	6,568
	<u>£ 98,017</u>	<u>£ 97,655</u>

**8. STAFF COSTS**

Wages and salaries	5,434,776	5,139,776
Social security costs	506,194	478,829
Other pension costs (see note 24)	894,389	625,993
Other staff costs	<u>8,049</u>	<u>26,695</u>
	<u>£ 6,843,408</u>	<u>£ 6,271,293</u>

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

	2020 No.	2019 No.
Teaching	115	115
Welfare	4	4
Support	15	15
Premises	<u>16</u>	<u>16</u>
	<u>150</u>	<u>150</u>

The number of employees whose emoluments exceeded £60,000 were:

£60,001 - £70,000	4	-
£70,001 - £80,000	1	2
£150,001 - £160,000	1	-
£180,001 – £190,000	<u>-</u>	<u>1</u>

Four of these employees (2019: two) accrued retirement benefits under the Teachers' Pension Scheme and two employees were members of the Pensions Trust Growth Plan (2019: one). Their contributions this year totalled £90,480 (2019: £31,658).

£Nil remuneration (2019: £Nil) was paid to members of the Board of Governors and expenses of £1,421 (2019: £2,765) were reimbursed to 2 (2019: 3) Governors for travel and seminars.

Key management personnel as listed on page 10 received aggregate remuneration (including employers NI and employers pension contributions) of £421,988 (2019: £319,510).

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**8. STAFF COSTS (Continued)**

Mrs J Perry, the Headmaster's wife is employed at the School under a standard contract of employment and under the appointment of the Governors.

In the prior year, Ms Perry, daughter of the Headmaster, was employed as a gap year assistant during the year. She was interviewed and appointed by the School's management and paid the same as all other gap year students.

**9. TAXATION**

Lambrook School Trust Limited is a charity and is entitled for the current year to the exemptions provided by Section 505 Income and Corporation Taxes Act 1988.

**10. TANGIBLE FIXED ASSETS**

	<b>Freehold land and buildings £</b>	<b>Plant and equipment £</b>	<b>Motor vehicles £</b>	<b>Assets under the course of construction £</b>	<b>Total £</b>
<b>DEEMED COST</b>					
At 1 August 2019	18,491,726	1,450,783	287,122	592,366	20,821,997
Additions	24,498	26,930	64,667	678,115	794,210
Impairment	(32,462)	-	-	-	(32,462)
Disposals	-	(78,225)	(23,794)	-	(102,018)
Transfers	<u>1,205,451</u>	<u>-</u>	<u>-</u>	<u>(1,205,451)</u>	<u>-</u>
At 31 July 2020	<u>19,689,193</u>	<u>1,399,488</u>	<u>327,995</u>	<u>65,030</u>	<u>21,481,727</u>
<b>DEPRECIATION</b>					
At 1 August 2019	3,230,264	1,229,090	234,255	-	4,693,609
Charge for the year	507,817	91,995	37,079	-	636,891
Disposals	<u>-</u>	<u>(78,225)</u>	<u>(23,794)</u>	<u>-</u>	<u>(102,018)</u>
At 31 July 2020	<u>3,738,081</u>	<u>1,242,860</u>	<u>247,540</u>	<u>-</u>	<u>5,228,482</u>
<b>NET BOOK VALUES</b>					
<b>31 July 2020</b>	<b><u>15,951,132</u></b>	<b><u>156,628</u></b>	<b><u>80,455</u></b>	<b><u>65,030</u></b>	<b><u>16,253,245</u></b>
<i>31 July 2019</i>	<i><u>15,261,462</u></i>	<i><u>221,693</u></i>	<i><u>52,867</u></i>	<i><u>592,366</u></i>	<i><u>16,128,388</u></i>

If freehold land and buildings had not been revalued in the past, they would have been included at the following amounts:

	<b>2020 £</b>
Cost	16,868,400
Additions	1,197,487
Disposals	-
Aggregate depreciation	<u>(3,065,129)</u>
Net book value	<u>£15,000,758</u>

All assets are used for direct charitable purposes.

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**11. FIXED ASSET INVESTMENT**

	2020 £	2019 £
<b>Group undertaking</b>		
Two Ordinary shares of £1 in Lambrook Sports and Leisure Club which were gifted to the Company	-	-
One Ordinary share of £1 in Lambrook School (International) Limited	<u>1</u>	<u>-</u>
	<u>£ 1</u>	<u>£ -</u>

The Company's investment in Lambrook Sports and Leisure Club Limited (LSLC) represents the cost of acquisition of the whole of the ordinary share capital and voting rights of it, (company number: 02900023 and its registered office is Winkfield Row, Bracknell, Berkshire. RG42 6LU). It is a company whose principal activity is the hire of the School's general and sporting facilities. The aggregate of the subsidiary's share capital and reserves was net liabilities of £10,897 (2019: *net assets of £33,561*) at 31 July 2020 and its results for the year ended on that date are summarised below.

There were no transactions between LSLC and the Charity in the year other than the management charges of £50,276 (2019: £5,441 ) in relation to staff salaries and the use of the swimming pool by Lambrook Sports and Leisure Club Limited. In the year ended 31 July 2020 total gift aid payments of £11,100 (2019: £19,138) were made from Lambrook Sports and Leisure Club Limited to Lambrook School Trust Limited. At the year end the Subsidiary owed £44,709 (2019: £1,518) to Lambrook School Trust Limited.

The Statement of Income And Retained Earnings for LSLC for the year ended 31 July 2020 and 31 July 2019 was as follows:

	2020 £	2019 £
<b>TURNOVER</b>	<b>17,995</b>	<b>36,964</b>
Cost of sales	<u>-</u>	<u>-</u>
<b>GROSS PROFIT</b>	<b>17,995</b>	<b>36,964</b>
Administration expenses	<u>(51,353)</u>	<u>(6,727)</u>
(Loss)/profit before tax	<b>(33,358)</b>	<b>30,237</b>
Tax	-	-
(Loss)/profit after tax	<u><b>(33,358)</b></u>	<u><b>30,237</b></u>
Retained earnings at the beginning of the year	<u><b>33,559</b></u>	<u><b>22,460</b></u>
(Loss)/profit for the year	<u><b>(33,358)</b></u>	<u><b>30,237</b></u>
Gift aid donation	<u><b>(11,100)</b></u>	<u><b>(19,138)</b></u>
Retained earnings at the end of the year	<u><b>£ (10,899)</b></u>	<u><b>£ 33,559</b></u>

The School is guaranteeing support to the trading subsidiary for the foreseeable future.

On the 17 May 2019 Lambrook School (International) Limited was incorporated. It's registered office is as per Lambrook Sports and Leisure Club Limited noted above. The company was dormant during the year.

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

<b>12. STOCKS</b>	<b>2020</b>	<b>2019</b>
	£	£
Consumables	<u>£ 4,602</u>	<u>£ 8,926</u>
<b>13. DEBTORS: Amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	£	£
Trade debtors – fees and extras receivable	229,213	502,760
Amount owed by subsidiary undertaking	44,709	1,518
Prepayments and other debtors	<u>150,615</u>	<u>153,282</u>
	<u>£ 424,537</u>	<u>£ 657,560</u>
<b>14. CREDITORS: Amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	£	£
Bank loan (see Note 16)	313,808	197,688
Amount due to ISE (see Note 16)	24,500	24,500
Trade creditors	95,938	105,586
Other taxes and social security	122,311	115,648
Other creditors	237,627	234,590
Fees received in advance	454,973	231,267
Parents' deposits	524,502	491,201
Pension scheme funding deficit	6,018	6,018
Accruals	<u>157,014</u>	<u>448,431</u>
	1,936,691	1,854,929
Deferred income- Payments on Account Scheme (Note 17)	<u>253,620</u>	<u>437,685</u>
	<u>£ 2,190,311</u>	<u>£ 2,292,614</u>
<b>15. CREDITORS: Amounts falling due after more than one year</b>	<b>2020</b>	<b>2019</b>
	£	£
Bank loan (see Note 16)	1,219,120	1,532,929
Amounts due to ISE (see Note 16)	731,500	756,000
Pension scheme funding deficit	21,183	26,295
Deferred income-Payments on Account Scheme (Note 17)	<u>175,009</u>	<u>261,470</u>
	<u>£ 2,146,812</u>	<u>£ 2,576,694</u>

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**16. LOANS AND OTHER BORROWINGS**

	2020 £	2019 £
Bank loan	1,532,928	1,730,617
Amounts due to ISE	<u>756,000</u>	<u>780,500</u>
	<b><u>£ 2,288,928</u></b>	<b><u>£ 2,511,117</u></b>
<b>Maturity of debt</b>		
Within one year or on demand	338,308	222,188
Between one and two years	347,106	543,268
Between two and five years	970,014	1,087,661
Over five years (see below)	<u>633,500</u>	<u>658,000</u>
	<b><u>£ 2,288,928</u></b>	<b><u>£ 2,511,117</u></b>

The School has two loans with the Imperial Service Endowment (ISE), an educational charity, as detailed below.

An amount of £420,000 (2019: £434,000) due to the ISE represents advances made to the School for the purpose of constructing and/or refurbishing buildings and carrying out other improvements at Lambrook School, as sanctioned by an order by the Charity Commission dated 8 October 1998. Under the terms of this order, no interest is payable and the advances are repayable in equal annual instalments of £14,000 per annum over 50 years.

A further amount of £336,000 (2019: £346,500) is due to the ISE. In accordance with a Charity Commission Order dated 2 April 2003, no interest is payable, and the amount will be repayable in equal annual instalments of £10,500 per annum over 50 years.

The above ISE loans, totalling £756,000 are secured against certain School freehold land and property.

The School has two bank loans totalling £1,532,928 both secured against certain School freehold land and property.

The loan facility was agreed in the year ended 31 July 2012, and the School drew down the maximum amount available to them of £2m in the year ended 31 July 2013. The remainder of the loan has a fixed interest rate of 4.35%. The loan is for a 10-year term with the last payment due to be made January 2023.

A new loan facility was agreed in the year ended 31 July 2019, and the School has drawn half of the maximum amount available to them of £1m in the year ended 31 July 2019. The other £1m is no longer available for drawdown. The loan has a floating interest rate which will never be less than the margin of 2.25%. The loan is for a 5-year term with the last payment due to be made December 2023.

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**17. PAYMENT ON ACCOUNT SCHEME**

Amounts may be paid on account to the School to be applied towards the cost of future tuition fees. The money may be returned subject to the specific conditions stated within the Scheme literature. Assuming pupils will remain at the School fees on account will be applied as follows:-

	2020 £	2019 £
Within 1 year	253,620	437,685
Within 1 to 2 years	91,829	160,588
Within 2 to 5 years	<u>83,180</u>	<u>100,882</u>
	<u>428,629</u>	<u>699,155</u>

The balance represents the accrued liability under the contracts. The movements during the year are detailed as follows:-

	2020 £	2019 £
At 1 August 2019	699,155	620,464
Fees received on account	444,795	639,723
Utilised	<u>(715,321)</u>	<u>(561,032)</u>
At 31 July 2020	<u>£ 428,629</u>	<u>£ 699,155</u>

**18. FUNDS**

Restricted fund amounts of £271,107 related to the Lambrook Development Fund. These funds have had their restriction fulfilled during the year and hence have been transferred to the unrestricted fund. This transfer is made in accordance with the Schools normal accounting policy.

**19. CAPITAL COMMITMENTS**

At 31 July 2020, the School had capital commitments amounting to £12,700 (2019: £701,461) in connection with the expansion and redevelopment of classrooms, sports and performing arts facilities.

**20. OPERATING LEASE COMMITMENTS**

At 31 July 2020 the School had no operating leases.

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**21. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds £	Restricted funds £	Total funds £
Fixed assets	16,253,246	-	16,253,246
Net current assets	1,068,166	10,000	1,078,166
Long term Liabilities	<u>(2,146,812)</u>	<u>-</u>	<u>(2,146,812)</u>
<b>Charity funds at 31 July 2020</b>	<b><u>£15,174,600</u></b>	<b><u>£ 10,000</u></b>	<b><u>£15,184,600</u></b>

*ANALYSIS OF NET ASSETS BETWEEN FUNDS - 2019*

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total funds £</i>
<i>Tangible fixed assets</i>	16,128,388	-	16,128,388
<i>Net current liabilities</i>	713,921	3,500	717,421
<i>Long term Liabilities</i>	<u>(2,576,694)</u>	<u>-</u>	<u>(2,576,694)</u>
<i>Charity funds at 31 July 2019</i>	<i><u>£14,265,615</u></i>	<i><u>£ 3,500</u></i>	<i><u>£14,269,115</u></i>

**22. UNRESTRICTED FUNDS**

	<i>As at 1 August 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>As at 31 July 2020 £</i>
General Fund	13,282,774	10,103,987	(9,433,642)	271,107	14,224,226
Revaluation Reserve	<u>982,841</u>	<u>-</u>	<u>(32,467)</u>	<u>-</u>	<u>950,374</u>
	<u>14,265,615</u>	<u>10,103,987</u>	<u>(9,466,109)</u>	<u>271,107</u>	<u>15,174,600</u>

*UNRESTRICTED FUNDS- 2019*

	<i>As at 1 August 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Transfers £</i>	<i>As at 31 July 2019 £</i>
<i>General Fund</i>	11,751,948	10,356,888	(9,183,935)	357,873	13,282,775
<i>Revaluation Reserve</i>	<u>1,015,307</u>	<u>-</u>	<u>-</u>	<u>(32,466)</u>	<u>982,841</u>
	<u>12,767,255</u>	<u>10,356,888</u>	<u>(9,183,935)</u>	<u>325,407</u>	<u>14,265,615</u>

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**23. RESTRICTED FUNDS**

	<i>As at 1 August 2019</i>	<b>Income</b>	<b>Expenditure</b>	<b>Transfers</b>	<b>As at 31 July 2020</b>
	£	£	£	£	£
Lambrook Development Fund	-	271,107	-	(271,107)	-
Piano Fund	-	10,000	-	-	10,000
The Foundation Fund	<u>3,500</u>	<u>-</u>	<u>(3,500)</u>	<u>-</u>	<u>-</u>
	<u>3,500</u>	<u>281,107</u>	<u>(3,500)</u>	<u>(271,107)</u>	<u>10,000</u>

**Lambrook Development Fund**

This fund relates to various capital project builds for the School's future vision.

**The Foundation Fund**

This fund is to provide bursaries for pupils in the future and to fund small-scale capital development plans.

**The Piano Fund**

This fund is to be used to purchase a grand piano.

*RESTRICTED FUNDS- 2019*

	<i>As at 1 August 2019</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers</i>	<i>As at 31 July 2020</i>
	£	£	£	£	£
<i>Lambrook Development Fund</i>	-	321,907	-	(321,907)	-
<i>The Foundation Fund</i>	<u>-</u>	<u>3,500</u>	<u>-</u>	<u>-</u>	<u>3,500</u>
	<u>-</u>	<u>325,407</u>	<u>-</u>	<u>(271,107)</u>	<u>3,500</u>

**24. PENSION SCHEME**

**a) Teachers Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £794,405 (2019: £548,634) and at the year-end £88,547 (2019: £67,149) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

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The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the Government on 16 July 2020, and closes to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the Government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

**b) Non-Teaching Pension Scheme**

The School's non-teaching staff are entitled to membership of the Pension Trust Growth Plan ("the Plan"). This is a multi-employer pension plan which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**24. PENSION SCHEME(continued)**

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme.

The Company paid contributions totalling £99,984 (2019: £77,359) during the year (including the movement on the deficit contribution liability) and at the year end £19,038 (2019: £21,954) was accrued in respect of contributions to this scheme.

**25. FINANCIAL INSTRUMENTS**

	2020 £	2019 £
Financial assets measured at amortised cost	3,113,259	2,853,434
Financial liabilities measured at amortised cost	(3,195,162)	(3,701,048)
Financial liabilities measured at fair value	<u>(27,201)</u>	<u>(32,313)</u>

The Charitable Company's income, expense, gains and losses in respect of financial instruments are summarised below

	2020 £	2019 £
<b>Interest income and expense:</b>		
Interest income	(12,411)	(11,698)
Interest expense	55,649	54,029
Bad debts	<u>60,888</u>	<u>22,067</u>

Financial assets measured at amortised cost comprise trade debtors, amount owed by group undertakings, other debtors and cash equivalents.

Financial liabilities measured at amortised cost comprise bank loans and overdraft, trade creditors, other creditors, parents' deposits and accruals excluding deferred income and other taxes and social security.

Financial liabilities measured at fair value comprise the pension deficit contribution liability.

**26. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT**

	2020 £	2019 £
Increase in cash in the year	495,789	265,214
Payment on account scheme	270,526	(78,691)
Loan repayments	<u>222,189</u>	<u>204,505</u>
Change in net debt	988,504	391,028
Net debt at 1 August	<u>(866,723)</u>	<u>(1,257,751)</u>
<b>NET FUNDS/(DEBT) AT 31 JULY</b>	<u>£ 121,781</u>	<u>£ (866,723)</u>

**LAMBROOK SCHOOL TRUST LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2020**

**27. ANALYSIS OF CHANGE IN NET DEBT**

	<i>Net debt as at 1 August 2019</i>	<b>Cash Change</b>	<b>Net funds as at 31 July 2020</b>
	£	£	£
Cash at bank and in hand	2,343,549	495,789	2,839,338
Payments on account scheme	(699,155)	270,526	(428,629)
Loans	<u>(2,511,117)</u>	<u>222,189</u>	<u>(2,288,928)</u>
	<u>£ (866,723)</u>	<u>£ 988,504</u>	<u>£ 121,781</u>

**28. COMPARISON STATEMENT OF FINANCIAL ACTIVITIES- 2019**

	<i>Unrestricted Funds</i>	<i>Restricted Funds</i>	<i>Total</i>
	£	£	£
<b>INCOME FROM:</b>			
<i>Charitable activities:</i>			
School fees receivable	8,831,140	-	8,831,140
Other income	1,455,068	-	1,455,068
<i>Other trading income:</i>			
Rent and other income	43,344	-	43,344
Gift Aid from subsidiary	19,138	-	19,138
Investments			
Bank interest	11,698	-	11,698
Voluntary sources			
Donations	<u>-</u>	<u>325,407</u>	<u>325,407</u>
<b>Total income</b>	<u>10,360,388</u>	<u>325,407</u>	<u>10,685,795</u>
<b>EXPENDITURE ON:</b>			
<i>Charitable activities:</i>			
School operating costs	9,086,280	-	9,086,280
<i>Raising funds:</i>			
Financing costs	<u>97,655</u>	<u>-</u>	<u>97,655</u>
<b>Total expenditure</b>	<u>9,183,935</u>	<u>-</u>	<u>9,183,935</u>
<b>Net income before transfers</b>	1,176,453	325,407	1,501,860
<b>Transfers between funds</b>	<u>321,907</u>	<u>(321,907)</u>	<u>-</u>
<b>NET MOVEMENT IN FUNDS</b>	1,498,360	3,500	1,501,860
<b>FUNDS BROUGHT FORWARD AT 1 AUGUST 2018</b>	<u>12,767,255</u>	<u>-</u>	<u>12,767,255</u>
<b>FUNDS CARRIED FORWARD AT 31 JULY 2019</b>	<u>14,265,615</u>	<u>3,500</u>	<u>14,269,115</u>