

Company Registration No. 00171900 (England and Wales)

Registered Charity No. 309144

LEIGHTON PARK TRUST
(A company limited by guarantee)

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

LEIGHTON PARK TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Registered Company Number

00171900 (England and Wales)

Registered Charity Number

309144 (England and Wales)

Principal Address and Registered Office

Leighton Park School

Shinfield Road

Reading

Berkshire

RG2 7ED

Governors, Charity Trustees and Company Directors

The Leighton Park School Governors are the Charity Trustees and Company Directors of Leighton Park Trust, a company limited by guarantee. They have all served in office throughout the year, except where indicated. Together with past Governors who served in the year, as indicated, they are:

Appointed by Leighton Park School General Meeting

Jan Digby (4) (appointed Chair of Board from 30 October 2020)

Lottie Dodwell (appointed 1 June 2020)

Caroline George (resigned 31 May 2020)

Philip Griffin (1) (3)

David Hickok (1) (2)

Bruce Johnson (4) (6)

Helen Johnson (4) (resigned 11 June 2020)

Martin Lloyd (2)

Andrew Hughes-Nind (appointed 1 June 2020)

Liza Phipps (1) (C4)

Appointed by Governors

Sally Jayne Bonner (2) (5) (resigned 31 May 2020)

Eme Dean-Lewis (2) (C3) (5) (appointed Finance Governor 1 June 2020)

Azka De Sousa (C1) (7) (appointed 7 December 2019)

James Gazet (4) (appointed 1 September 2020)

Simon Hollands (4) (resigned 31 May 2020)

Chris Houston (C2) (3)

David Isherwood (2) (Chair of Board) (resigned 30 October 2020)

Matt Winkless (1) (3)

Nick Wood (2) (3) (appointed 1 April 2020)

- (1) Member of the Pastoral and Safeguarding Committee
- (2) Member of the Business Committee
- (3) Member of the Estates and Facilities Committee
- (4) Member of the Teaching & Learning Committee
- (5) Finance Governor
- (6) Human Resources Governor
- (7) Safeguarding Governor
- (C*) Chair of Committee

LEIGHTON PARK TRUST

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)

Key Management Personnel

Head:	Matthew Judd
Deputy Heads:	Eddie Falshaw Karen Gracie-Langrick (resigned 31 August 2020) Nicky Hardy
Bursar and Clerk to the Board of Governors:	Keith Eldridge
Director of Marketing and Admissions:	John Burnett

Advisers

Bankers:

Barclays Bank PLC
Apex Plaza
Forbury Road
Reading
RG1 1XE

Solicitors:

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Auditor:

RSM UK Audit LLP
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

Investment Advisers:

SG Kleinwort Hambros Bank Limited
5th Floor
8 St James's Square
London
SW1Y 4JU

Insurance Brokers:

Tysers
Suite G16
The Gatehouse
Gatehouse Way
Aylesbury
Buckinghamshire
HP19 8DB

LEIGHTON PARK TRUST

GOVERNORS' AND TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees of Leighton Park Trust, who are also the Company Directors and Governors of the Trust, present their annual report together with the audited accounts for the year ended 31 August 2020 and confirm that they comply with the requirements of the Charities Act 2011, as amended by the Companies Act 2006, the Articles of Association and the Charities Statement of Recommended Practice (SORP) 2015.

BACKGROUND

Leighton Park Trust is registered with the Charity Commission, charity number 309144. It was incorporated in 1920 as a company limited by guarantee and not having any share capital (company number 00171900). Responsibility for the governance of the Trust lies with the Governors. The members of the Board of Governors, Trust's key management personnel and registered address are as listed on pages 1 and 2. Particulars of the Trust's professional advisers are given on page 2.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects are set out in the Articles of Association and include the management of the school known as Leighton Park School at Reading in accordance with the religious principles of the Religious Society of Friends (Quakers), for the education of children of members of the Religious Society of Friends (Quakers) and others. Other broader educational objects and those listing specific authorities related to business activities, e.g. leases, loans, etc. are included.

Objectives for the Year

This year the Trust has been working towards a number of objectives which together build its reputation as a leading school both regionally and more widely, one that is known for its distinctive ethos and for its teaching and learning.

Principal Activities

The Trust principally manages the school known as Leighton Park School in Reading, an independent, co-educational, mixed day and boarding secondary school.

Over the course of the year the number of students was stable with a school roll of 487 at the end of the year. Leighton Park School is a boarding community where, although only about 30% of the school board, the day students are fully integrated into the boarding community. Day students normally share the houses with the boarders and fully join in all activities and are entitled to stay for all meals during the day and evening. Across the school there are approximately 60% boys and 40% girls.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Trust is governed by its Articles of Association dating from 1920 and last amended in 2019.

Governing Body

The number of Governors is laid out in the Articles of Association. Friends are appointed by Leighton Park School General Meeting and other Governors are appointed by the Board of Governors.

LEIGHTON PARK TRUST

GOVERNORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Recruitment and Training of Governors

Each of the Governors shall be appointed on a rotating basis such that approximately one third of their number complete their periods of office in each calendar year. They shall hold office for a period of three years and upon completion of that period shall, if they remain qualified, be eligible for reappointment for a second term of three years. Newly appointed Governors satisfy the Board's requirement with regard to eligibility, personal competence, special skills and local availability.

New Governors are inducted to the workings of the Trust at meetings held with the Chair of Governors, Head and Bursar and are mentored by an experienced, existing Governor. New Governors receive an induction pack that includes various information about the Religious Society of Friends (Quakers), responsibilities of trusteeship and Governorship, and information about the school. The Trust promotes Governor training organised by the Association of Governing Bodies of Independent Schools (AGBIS) and Friends' Schools' Council (FSC), together with other appropriate courses and seminars organised by third parties. In addition, the Governors normally hold an annual 'Away-Day' which usually includes a training session on a current topic.

The Trust has made qualifying third party indemnity provisions for the benefit of its Governors during the year. These provisions remain in force at the reporting date.

Organisational Management

Responsibility for the overall management and control of the school and the governance of the Trust lies with the Board of Governors who meet at least three times a year. The work of implementing most of their policies and decisions is carried out by the Teaching and Learning Committee, Pastoral and Safeguarding Committee, Business Committee and Estates and Facilities Committee. This core structure is supported by other committees and ad-hoc working groups as required. All of these committees meet at least termly.

The day-to-day running of the school is delegated to the senior officers (Head, the Deputy Heads, Bursar and Director of Marketing and Admissions), who attend meetings of the above (except Nominations Committee). This group is considered to be the Trust's key management personnel.

The remuneration of key management personnel is through a combination of base salary and benefits that are set by reference to market norms. It is reviewed periodically by the Business Committee which has access to external advice and benchmarking data.

Group Structure and Relationships

The Trust has a wholly owned subsidiary company, Leighton Park Enterprises Limited, whose complementary fund-raising activities cannot be undertaken within the objects of the charitable company.

The school actively supports the attainment of high standards in the independent schools sector through networking with other schools and participation in the activities of appropriate associations to which the school belongs. The school also cooperates with a number of local schools, charities and other organisations to optimise the use of its facilities. The school enjoys the support of an active parents' association and of the Old Leightonians, whose support is appreciated and acknowledged.

Local Community Links

The school values its connections with the local community and hosts a number of activities ranging from the successful holiday scheme for young children, through to the use of the school swimming pool, artificial pitch, theatre and other buildings by a variety of local groups. Chelsea Football Club Foundation, the University of Reading and Wokingham Cricket Club also used our facilities for academies and teams.

In addition to outreach activities (mentioned in the next section) we continue to develop links with Reading Quaker Meeting and to improve co-operation with the University of Reading which have benefits for both them and us. The school has also developed a connection with the Reading branch of a national charity for children who have suffered severe bullying through raising funds and offering facilities as well as Reading Refugee Support Group which provides advice and support for refugees and asylum seekers. Links have also been established with Ethical Reading which helps local organisations incorporate ethical values into their activities.

LEIGHTON PARK TRUST

GOVERNORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Volunteers

The Parent and Staff Community (PSC) organised and staffed various school events, including social evenings and information meetings, over the course of the year. The Governors, the Head and senior officers of the school are most grateful for the unstinting support of this valued body.

Access and Bursary Policy

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011, to have due regard to the guidance issued by the Charity Commission on public benefit. Public benefit is also covered on page 4 (Local Community Links) and on page 7 (Outreach).

Leighton Park School welcomes children of all backgrounds from within the United Kingdom and overseas, and criteria for admissions can be accessed at the school website: www.leightonpark.com.

The school ensures that the education that it provides is not restricted to those who can afford the fees.

The Board of Governors view bursary awards as important in helping to ensure that students from families who would otherwise not be able to afford the fees can access the education that the school offers. Bursary awards can be made available to those who meet the general entry requirements and are made after assessing parental means either before a student joins the school or to relieve hardship when an existing student's education would be at risk, for example in the case of parental redundancy. However, Leighton Park School is almost totally reliant on fees and in funding its awards it has to ensure that there is a balance between fee-paying parents, many of whom are making considerable personal sacrifices to fund their child's education, and those benefiting from awards.

This year the value of means tested bursaries totalled £406,108 (2019: £459,642). The school offered assistance to 30 (2019: 29) students of whom 15 (2019: 12) students benefited from bursaries greater than 80%. The reduction this year is the result of summer term 2019 fees being reduced in response to the Covid-19 pandemic which requires the school to move to remote learning for that term.

Other Assistance

The school continues to award academic, art and design, music, drama and sports scholarships. Students may be awarded more than one scholarship but will only receive the financial benefits of one which is a maximum of 25% of the day student fee. This year the value of scholarships was £120,607 (2019: £110,371). The school also offers discounts where parents have two or more children in the school as well as discounts to children of both teaching and support staff.

Total Awards

This year, the value of bursaries, scholarships, discounts, prizes and other awards made to the school's students was £1,015,202 (2019: £982,621).

LEIGHTON PARK TRUST

GOVERNORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT

VISION STATEMENT

Leighton Park is a leading, independent co-educational day and boarding school in Britain. Leighton Park's central purpose is to form young people of real character, independence and confidence, with a determined desire to change the world. This flows from our unique blend of deep Quaker values, the meaningful connections between our students and staff, first-class academic and pastoral support, and our holistic approach to learning. Our inspirational and supportive family-feel environment enables us to deliver consistently an exceptional values-based education which leads to excellent achievement.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The school remains true to the values of the Quakers which are enshrined in its aims and founded upon the Quaker testimonies of Integrity, Equality, Truth, Simplicity, Peace and Sustainability. Collect (assembly) and Meeting for Worship bring the school together at special times for silence but shorter periods of reflective quiet often punctuate the school day. All of this builds a tangible sense of calm and peace that pervades the Park.

The Governors use a range of key performance indicators to monitor the performance of the Trust, which include pupil numbers; staff:pupil ratio; academic achievement; and financial and sustainability measures.

During the first two terms of the year, the school pursued its objectives for the year as planned. However, in March 2020, in the light of the global coronavirus pandemic, it was necessary for the Trust to review how best to achieve its charitable objects. The Governors formed a temporary Response Group with the ability to support the school with agile decision-making appropriate to the crisis including for financial matters.

Academic

Leighton Park's success at Key Stage 5 has been recognised by the government's league tables for Sixth Form academic progress. Latest figures show it to be the top performing school in Berkshire and 27th in England for academic progress. A level results in summer 2020 were excellent. The cohort recorded a 100% pass rate with an impressive 69% A*-B with 17.4% achieving the highest A* grade, against a national average of 8.9%. The school's continued focus on STEAM subjects has been rewarded with strong A*-B performances in Chemistry, Computer Science and Further Maths (all 100%), Design and Technology (83%), Biology (71%) and Physics (80%). All students gained places at either their first or second choice universities.

There was also a strong performance at the International Baccalaureate Diploma Programme where Leighton Park students gained an average of 35 points against a worldwide average of 29.9 points.

The school's GCSE results were the best for 15 years with the 82 student cohort achieving 37% at grades 8-9 equivalent with 19% at grade 9.

There have been many STEAM-related initiatives during the year as the school continues its drive towards official status as a STEAM centre of excellence. This has been recognised in the school winning the award for Excellence in STEAM Education 2020 during the summer.

GCSE and A Level History and Politics students visited Berlin to experience its rich political, historical and artistic heritage. Year 11 Geography students undertook field trips to the River Pang and Reading town centre to investigate river and urban environments. Sixth Form Economics and Business students attended a lecture on ethical enterprise at the University of Reading. GCSE Dance students and others from Years 7, 8 and 9 competed for the first time at the ISA National Dance Competition, achieving second place in both KS3 and KS4 categories. Art students spent a long weekend in Madrid, exploring museums, galleries, murals and dance.

LEIGHTON PARK TRUST

GOVERNORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Academic (continued)

The school was able to leverage investment made over the last five years in IT hardware, software and expertise so Guided Distance Learning was supported for the last week of the Spring Term at a time of great uncertainty for students – in particular those in exam years. This was followed by a comprehensive programme 'LP with You' for the Summer Term which incorporated Guided Distance Learning. Students in years 7-12 followed their normal subject timetable, albeit seeing their teachers remotely. A new university preparation course was developed and delivered to Year 13 students. Parent feedback was collected through surveys and indicated a high level of satisfaction with the programme.

Co-Curricular

Leighton Park is a vibrant community and this is reflected in the multitude of activities undertaken by students, both at home and abroad. Many of the activities, although supported by the teaching staff, are driven and in some cases initiated by the students themselves. It is this level of creativity, initiative and social responsibility, combined with the development of independent learning skills, which makes our students purposeful and ready to play their part in the world.

The school's focus on student wellbeing has continued this year with a number of targeted events. The Princess Diana Trust delivered a day long anti-bullying training session, resulting in twenty trained ambassadors in school able to help with care and welfare of other students. Students in all year groups received age-appropriate presentations on drugs and substance abuse from Drug Education UK.

A student led LGBTQ group is helping spread awareness and offer support and advice. An Amnesty International Group has been established which made a successful trip to the Amnesty International Youth Conference during the year.

There have been a number of initiatives to increase students' awareness of environmental issues and to give them the opportunity to make positive changes to improve sustainability. For example, spring 2020 saw the launch of Park Life, a nature watch initiative. An initial project has been using technology to monitor the progression of the seasons and 3D mapping of the Park.

The 'LP with You' programme for the Summer Term ensured that academic delivery was supplemented by a wide ranging co-curricular programme (LP@Home) covering sport, creative activities and volunteer opportunities. Activities and projects included art, culture, dance, drama, music, cookery and creative writing.

Outreach

As part of our active local Outreach programme we continue to encourage local schools onto the Park to share and take advantage of the resources of the school. Throughout the school all students take part in a "Community, Action, Service" programme, which includes offering help on a regular basis to local primary schools, retirement homes and refuge centres for people and animals. The student good causes committee, "Amicus", continues to raise funds and awareness of local, national and international charities.

During lockdown Leighton Park partnered with state schools such as Foundry College PRU, contributed to food banks locally and donated hygiene products to Launchpad Reading for the homeless. We supported Red Balloon for severely traumatised children, whilst Age UK Reading received care packages for their clients. Donations of books and educational games were made to Assisting Berkshire Children to Read.

A PPE initiative was launched to support NHS frontline staff tackling Covid-19 using the DT department's laser cutter to create faceshields. This became a partnership hub that delivered almost 39,000 faceshields to over 500 organisations including hospitals, hospices, pharmacies, care homes, GP surgeries, schools and councils. The school community also came together to complete a 5k walk or run in support of the national Run for Heroes campaign.

LEIGHTON PARK TRUST

GOVERNORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Music, Drama and Sport

There have been many opportunities for students to demonstrate their musical skills across the year. The Ensembles Concert in October 2019 featured LP Winds, Fryer Voices and The Six Bandits among a range of memorable performances. This was followed up with the Soloists' Concert, a Jazz Infusions Concert and a Foyer Jazz Club that launched in the Spring Term. An innovative Silent Concert took place with the audience choosing between simultaneous silent piano and silent strings offerings accessed through headphones. The traditional Christmas Concert took place in the last week of Autumn Term and students and staff performed for patients, visitors and staff of the Royal Berkshire Hospital. A virtual Music for a Summer's Evening took the form of a unique audio journey with the audience choosing between soloists, ensembles, original compositions and Yamaha Live Lounge recordings.

Our performance departments have been very active during the year despite some of the restrictions of remote learning in the summer term. Our major whole school production was an ambitious performance of Chicago. The commitment of the cast and crew was rewarded with a series of memorable performances. GCSE and A Level drama students visited the Oxford Playhouse for the opening night of Wise Children's 'Malory Towers' and Year 8 saw their Summer Big Read Book, 'Maggot Moon', come to life on the stage at the Unicorn Theatre in London. GCSE dancers visited the opening night of 'Evolution' at the Mayflower Theatre, Southampton. Students from Years 7 to 10 were able to work with the James Cousins Dance Company which gave insights into the choreographic approaches used on the piece 'Within Her Eyes'.

Although our usual summer term programme of PE, games and fixtures was restricted by remote learning, there have still been plenty of opportunities for students to participate in a wide range of sports across the year. In November the U14 boys' and girls' hockey teams took part in the Independent Schools Association hockey tournament. The boys finished unbeaten at the top of their ladder and were the cup winners.

The newly formed Climbing Team took part in the ISA Climbing Competition in Worcester, with one of the team being awarded second place out of 150 climbers.

Our swimmers had success at the ISA Swimming Regional Finals where the Junior and Senior Boys' Freestyle Teams achieved Gold and Bronze medals respectively. Our new girls football teams have shown great development in progressing from friendlies to league matches. Both U12s and U13s have performed well in their leagues and were runners up in the ISA competition in November.

In October our football and hockey tour took place in Arnhem, Holland with a weekend of fixtures and coaching for boys and girls. Highlights were fixtures against Upward HC, Vitesse Arnhem, Renswoude and Sint-Oedenrode culminating with a tour of GelreDome Stadium, home of Vitesse Arnhem.

The fourth LPGirlsCan Week took place in June, offering an online activity for every student. This gives girls the opportunity to try different sports which they may wish to continue later, increases female participation and supports students' mental wellbeing.

Students who achieve a representative level of sport are offered individual coaching and additional sporting opportunities via our Advanced Performer Programme (APP) which supports their training outside school. The APP group enjoyed a trip to St George's Park, Derby to take part in an intense training programme with demanding fitness tests and physical performance profiling. This provided students with an invaluable insight into the demands of professional sport.

Facilities

The school continues to invest in its buildings and facilities to ensure that its students have the best environment in which to learn. The roll-out of state-of-the-art large format interactive touchscreens has now been completed. During the year we commenced the refurbishment of our junior boarding facilities in Fryer House and plan to open this to students in Spring Term 2021. To make the site more sustainable we have replaced more lighting across the site with LED to be more energy efficient.

LEIGHTON PARK TRUST

GOVERNORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Pastoral

Pastoral matters continue to be at the heart of the school. The school has a well-deserved reputation for excellence in its pastoral care, from safeguarding and its standards in boarding and the Health Centre to the way that students feel about Leighton Park. The enrichment aspect of life at the school goes from strength to strength for all students but particularly for boarders where this has been further enhanced by extending the range of activities on Saturdays and Sundays to reinforce the students' weekend experience in our lively and vibrant boarding community.

The 'LP with You' programme for the Summer Term ensured that academic delivery was supplemented by a Pastoral Promise which ensured the excellent pastoral care that is the hallmark of Leighton Park School continued remotely.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

For the year ended 31 August 2020, the deficit for the Trust and its trading subsidiary company was £726,647 (2019: deficit of £314,150). The results for this year include net losses on investments of £289,810 (2019: net gains of £159,578). The result for the year was impacted by the school delivering its educational offering throughout the summer term on a remote basis with no boarding taking place. As a result the school charged reduced day fees to all students which reduced fees receivable by £1.2m. The impact of this was partly offset by reduced catering costs and income from the Coronavirus Job Retention Scheme.

The losses on market value changes on our investments were £55,131 (2019: gains of £189,432) and our investment portfolio decreased to £3,365,982 (2019: decreased to £4,675,028). At the year end cash on deposits with a maturity of less than three months were £151,734 (2019: £150,688) and are included in short term investments.

In response to the coronavirus pandemic, as part of the Response Group structure, a Covid-19 Finance Group was formed. This Finance Group reviewed a wide range of scenarios for short term liquidity and long-term stability. Precautionary actions were taken through adjustments to the risk profile of the investment portfolio and successful application for a Coronavirus Business Interruption Loan for £2.25m which may be drawn down by December 2020.

Reserves Policy

Total funds held by the Trust and its trading subsidiary company at the year end are £15,513,806 (2019: £16,240,453). Of the total funds £963,150 (2019: £947,333) are restricted funds which are explained in more detail in note 20 to the financial statements but are not available for the general purposes of the charity. £299,930 (2019: £299,469) of total funds are endowed funds and are designated for scholarships and prizes. £16,504,003 (2019: £16,196,211) of total funds relate to functional fixed assets for the Trust's own use.

Free reserves are calculated as total funds reduced by endowed funds, restricted funds, designated funds and functional fixed assets for the Trust's own use. Free reserves for the group at the year-end were negative £2,253,277 (2019: negative £1,202,560).

The Trustees' aim is to hold funds which are sufficient but not excessive in order to fund operational requirements and future development. The Trustees' policy is to hold free reserves equivalent to three months' annual expenditure. Budget annual expenditure for 2020/21 is £12.7m and hence the policy would require free reserves of £3.2m.

A decision was taken to fund without the use of external borrowings, at a cost of about £4m, the building of the MMC which was completed during 2018/19. This resulted in a significant reduction in the level of free reserves as at the year end.

The aim is to build up the free reserves 'buffer' to the target level from annual net surpluses, subject to any decision taken to use free reserves in the financing of major capital projects to improve the school's facilities.

LEIGHTON PARK TRUST

GOVERNORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Reserves policy (continued)

The Trustees monitor working capital to ensure the school's financial obligations can be met. Working capital needs are met by school fees received and, if necessary, the agreed bank overdraft facility. The aim is to budget sufficient working capital without the need to make disposals from our realisable fixed asset investments of £3.4m (2019: £4.7m) which support the unrestricted funds.

Investment Policy and Objectives

The principal activity of Leighton Park Trust is the operation of Leighton Park School. It is the intention of the Trustees that all the normal expenses of running the school, including the cost of scholarships and bursaries granted, should be met from the fees paid in respect of students attending the school and from other income generated from use of the school premises.

Consequently the funds available for investment are intended to be available to support the long-term future of the school and its development. They are not intended to subsidise operational costs, for which any short-term deficiencies are met through overdraft facilities. As such it is desirable that the funds grow over time at a rate in excess of the inflation rate of those expenses related to the running of a school.

The Trustees expect the investment manager to take account of social, environmental and ethical issues of concern to Quakers, which may have an impact on the financial performance of the school's assets.

It is the Trustees' wish to exclude from the investment portfolio(s) the following:

- investments in companies primarily engaged in the sale or manufacture of weapons, that is, products sold for military use that are designed to kill, maim or destroy. This can include ships, tanks, armoured vehicles, aircraft, guns, grenades, bombs, mines, munitions and ammunition. For the avoidance of doubt, companies that supply standard components, commodities or services are not excluded under this clause, unless it is clear that such components, commodities or services are designed solely for military use.
- investments in companies primarily engaged in the sale or manufacture of alcohol or tobacco.
- investments in companies primarily engaged in the promotion of gambling.
- investments in companies that are believed to cause damage to the environment. This particularly refers to companies engaged in mining, the extraction of minerals, oil extraction, oil refining of a non-environmentally friendly nature, and where concerns exist as to the companies' regard to the indigenous population.
- investments in companies that exploit cheap labour, or who operate in countries where there are on-going violations of human rights.

The Trustees monitor the performance of the investment managers against a benchmark agreed with the investment managers from time to time. The Trustees retain the right to amend the benchmarks as appropriate after taking advice.

The investment policy and objectives are reviewed regularly as part of the process of reviewing the Trust's investment strategy or more frequently if there is a significant change in the Trust's circumstances.

Investment Performance against Objectives

The investment performance is measured regularly against the indices compiled by Asset Risk Consultants (ARC).

In this particular year the investment returns were above the ARC Balanced Private Client Indices PCI and over the longer term have outperformed this benchmark.

LEIGHTON PARK TRUST

GOVERNORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Principal Risks and Uncertainties

The key current risks relate to the uncertainties arising from the coronavirus pandemic. The school re-opened for the new academic year following study of government guidance, detailed risk assessments and adjustments to make the site Covid-secure. Governors and the Senior Leadership Team (SLT) recognise and have planned for the agility needed to ensure delivery of the academic, pastoral and co-curricular programme both on-site and remotely - as well as being able to switch between these states. Disruption from the coronavirus pandemic may continue throughout the 2020-2021 academic year. Governors and the SLT are mindful of the impact of uncertainty and change on wellbeing of students and staff and continue to monitor this carefully.

The Trustees of Leighton Park Trust are confident that all major risks are being mitigated. The principal uncertainty identified by the Board is affordability of the fees for parents and the subsequent risk of the school not being able to attract sufficient students to make the school viable. The Board is, however, satisfied that the Head and the Bursar are committed to containing costs within their control and marketing the benefits of education at the school to new potential students so that the level of fee increases can be kept to the minimum sustainable level.

A further uncertainty identified by the Board is the ability of the school to recruit and retain suitably qualified teaching and support staff. The Board manages this risk by offering pay and conditions in line with market norms together with a positive working environment.

Risk Management

The major risks to which the Trust and its trading subsidiary company are exposed are reviewed regularly by the Trustees and the school's senior officers. Risks are identified, assessed and appropriate controls established.

The key controls used by the Trustees are:

- Formal agendas for all Board and Committee meetings;
- Detailed terms of reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels; and
- Appropriate recruitment and vetting procedures as required by law for the protection of children.

Through this risk management process the Trustees are satisfied that the major risks identified have been mitigated where necessary and insured where appropriate. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks are being adequately managed.

Disabled Persons

Leighton Park Trust is an Equal Opportunities employer. It is the Trust and its trading subsidiary company's policy to treat all employees and job applicants fairly and equally regardless of their disability, sex, race, sexual orientation, marital status, colour, nationality, ethnic or national origin. Furthermore the Trust and its trading subsidiary company ensures that no requirements or conditions are imposed without justification that could disadvantage individuals solely on any of the above grounds. The policy applies to all aspects of recruitment, selection, terms and conditions of employment including pay, promotion, training and transfer.

Employee Information

Leighton Park Trust has continued to invest in people at all levels in the organisation, as we see this as a key factor in maintaining and improving performance in all aspects of the business. The Trust and its trading subsidiary company attaches importance to good communications and relations with employees. Meetings are held to fulfil this objective when appropriate.

LEIGHTON PARK TRUST

GOVERNORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Fundraising

The school undertakes fundraising exercises from time to time using mail, telephone and electronic approaches. The fundraising is with former students and their parents (the Old Leightonian community). Any specific telephone or electronic fundraising is only directed at those members of the Old Leightonian community who have agreed to be contacted in this way through specific opt-in consent under GDPR. The school does not use professional fund-raisers or commercial participators to carry out these activities. The school is registered with the Fund Raising Regulator. There have been no failures in complying with the regulator's requirements.

FUTURE PLANS

The overall financial position is robust and the Head and Board of Trustees are both confident about, and ambitious for, the future of Leighton Park. The Trust will continue to invest in education, facilities and infrastructure. With regard to the coronavirus pandemic, additional modelling, scenario planning and precautionary actions support this firm financial position.

Plans for the coming year, include:

- Invest in IT to provide the platform to facilitate innovations in teaching and learning;
- Continue to develop our new management information system (iSAMS) and parent portal (My School Portal);
- Complete the refurbishment of our boarding provision for Year 7 and 8 students in Fryer House and begin to roll out bedroom improvements in Reckitt House;
- Complete the programme of repairs to the school swimming pool;
- Continue to be a leading school and one known for its distinctive ethos;
- Continue to extend the range of activities on offer beyond the classroom for both boarders and day boarders; and
- Continue to minimise disruption from the coronavirus pandemic on the school's students and staff.

LEIGHTON PARK TRUST

GOVERNORS' AND TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The Trustees (who are also the directors of Leighton Park Trust for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

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

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements 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 Trustees are responsible for keeping proper accounting records that 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 Charities Act 2011 and the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

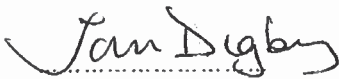
AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the reappointment of RSM UK Audit LLP as auditor to the charitable company will be put to the Annual General Meeting.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

So far as the Trustees are aware, there is no relevant information of which the charitable company's auditor is unaware. Additionally, the Trustees have taken all the steps that they ought to have taken as Trustees in order to make them aware of any audit information and to establish that the charitable company's auditor is aware of that information.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Trustees of Leighton Park Trust on ~~31 December~~ 2020, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Jan Digby
Chair of Board of Governors
Date: 5/12/2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEIGHTON PARK TRUST

Opinion

We have audited the financial statements of Leighton Park Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Company Balance Sheets, the Consolidated Statement of Cash Flows 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 FRS 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 group's and the parent charitable company's affairs as at 31 August 2020 and of the group's incoming resources and expenditure of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

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 group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEIGHTON PARK TRUST (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 13, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent 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 provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent 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 parent 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 parent charitable company and the parent charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

KEVIN BARWICK (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TY

Date: 16 December 2020

LEIGHTON PARK TRUST
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING
INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM:						
Charitable activities:						
School fees receivable	2a	10,681,759	-	-	10,681,759	10,742,229
Ancillary trading income	2b	152,299	-	-	152,299	391,720
Other educational charitable activities	2c	48,304	-	-	48,304	54,349
Other trading activities:						
Commercial trading operations		118,432	-	-	118,432	365,640
Other income		9,617	-	-	9,617	10,829
Government grants	3	353,950	-	-	353,950	-
Donations and legacies		13,535	75,306	-	88,841	90,292
Investments	4	94,595	4,028	-	98,623	126,020
Total income		<u>11,472,491</u>	<u>79,334</u>	<u>-</u>	<u>11,551,825</u>	<u>11,781,079</u>
EXPENDITURE ON:						
Raising funds:						
Commercial trading operations	5	122,805	-	-	122,805	235,656
School financing costs	7	54,704	-	-	54,704	44,584
Charitable activities:						
School operating costs		11,747,636	63,517	-	11,811,153	11,974,567
Total expenditure	5	<u>11,925,145</u>	<u>63,517</u>	<u>-</u>	<u>11,988,662</u>	<u>12,254,807</u>
NET (EXPENDITURE)/INCOME BEFORE (LOSSES)/GAINS		(452,654)	15,817	-	(436,837)	(473,728)
TRANSFERS		(498)	-	498	-	-
Net (losses)/gains on investments		(289,773)	-	(37)	(289,810)	159,578
NET (EXPENDITURE)/INCOME/NET MOVEMENT IN FUNDS	8	<u>(742,925)</u>	<u>15,817</u>	<u>461</u>	<u>(726,647)</u>	<u>(314,150)</u>
RECONCILIATION OF FUNDS						
Funds brought forward	23	<u>14,993,651</u>	<u>947,333</u>	<u>299,469</u>	<u>16,240,453</u>	<u>16,554,603</u>
Funds carried forward	23	<u><u>14,250,726</u></u>	<u><u>963,150</u></u>	<u><u>299,930</u></u>	<u><u>15,513,806</u></u>	<u><u>16,240,453</u></u>

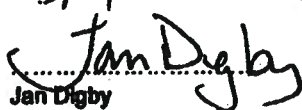
The statement of financial activities contains all recognised gains and losses in the year and the results reported relate to continuing operations.

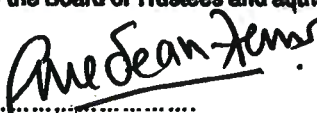
**LEIGHTON PARK TRUST
BALANCE SHEETS
AS AT 31 AUGUST 2020**

		Group		Trust	
	Notes	2020 £	2019 £	2020 £	2019 £
FIXED ASSETS					
Tangible assets	10	16,504,003	16,196,211	16,502,303	16,193,911
Investment assets	11	3,365,982	4,675,028	3,375,982	4,685,028
		<u>19,869,985</u>	<u>20,871,239</u>	<u>19,878,285</u>	<u>20,878,939</u>
CURRENT ASSETS					
Debtors	13	314,273	518,775	372,478	695,793
Short term investments	14	151,734	150,888	151,734	150,688
Cash at bank and in hand		1,184,008	1,283,823	1,111,779	1,061,309
		<u>1,650,015</u>	<u>1,953,286</u>	<u>1,635,991</u>	<u>1,907,790</u>
CREDITORS: Amounts falling due within one year	15	<u>(4,754,379)</u>	<u>(5,086,138)</u>	<u>(4,749,691)</u>	<u>(5,049,378)</u>
NET CURRENT LIABILITIES		<u>(3,104,364)</u>	<u>(3,132,852)</u>	<u>(3,113,700)</u>	<u>(3,141,588)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>16,765,621</u>	<u>17,738,387</u>	<u>16,764,585</u>	<u>17,737,351</u>
CREDITORS: Amounts falling due after one year	16	<u>(1,115,486)</u>	<u>(1,335,934)</u>	<u>(1,115,486)</u>	<u>(1,335,934)</u>
NET ASSETS EXCLUDING PENSION LIABILITY		<u>15,650,135</u>	<u>16,402,453</u>	<u>15,649,099</u>	<u>16,401,417</u>
Pension scheme liability	18	(136,329)	(162,000)	(136,329)	(162,000)
TOTAL NET ASSETS		<u>15,513,806</u>	<u>16,240,453</u>	<u>15,512,770</u>	<u>16,239,417</u>
THE FUNDS OF THE CHARITY:					
Unrestricted funds	19	14,250,726	14,993,651	14,249,690	14,992,615
Endowed funds	20	299,930	299,469	299,930	299,469
Restricted funds	21	963,150	947,333	963,150	947,333
TOTAL FUNDS		<u>15,513,806</u>	<u>16,240,453</u>	<u>15,512,770</u>	<u>16,239,417</u>

As permitted by s408 Companies Act 2006 the parent company has not presented its income and expenditure account and related notes as it prepares group accounts. The net expenditure of the Trust for the year (excluding the subsidiary) was £726,647 (2019: net expenditure of £314,150).

The financial statements on pages 16 to 39 were approved by the Board of Trustees and authorised for issue on 5/12/2020 and are signed on their behalf by:


Jan Digby
Governor


Erne Dean Lewis
Governor

LEIGHTON PARK TRUST
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	2019 £
CASH FLOWS FROM OPERATING ACTIVITIES:			
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	24	244,231	(352,672)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of tangible fixed assets		(1,207,749)	(1,529,223)
Purchase of investments		(519,542)	(801,212)
Receipts from sale of investments		1,538,141	1,010,500
Interest received		2,300	3,900
Investment income		96,323	122,120
NET CASH USED IN INVESTING ACTIVITIES		(90,527)	(1,193,915)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Interest paid		(17,777)	(17,217)
Advanced fee scheme			
- Receipts from new contracts		2,174,314	2,409,647
- Amounts utilised and repaid		(2,409,647)	(1,672,602)
NET CASH (USED IN)/ GENERATED FROM FINANCING ACTIVITIES		(253,110)	719,828
DECREASE IN CASH IN THE YEAR		(99,406)	(826,759)
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER		1,589,272	2,416,031
CASH AND CASH EQUIVALENTS AT 31 AUGUST		1,489,866	1,589,272

LEIGHTON PARK TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES

General information

The Trust principally manages the school known as Leighton Park School in Reading, an independent, co-educational, day and boarding secondary school. The incorporated charity (registered number 00171900 and charity number 309144) is a private company limited by guarantee and incorporated and domiciled in England and Wales. The address of the charitable company's registered office and principal place of business is Leighton Park School, Shinfield Road, Reading, Berkshire, RG2 7ED.

The group consists of Leighton Park Trust and Leighton Park Enterprises Limited.

The Trust and its subsidiary trading company's principal activities and the nature of the Trust and its subsidiary trading company's operations are disclosed in the Governors' and Trustees' Report.

Basis of accounting

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

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

In accordance with FRS 102, the Trust has taken advantage of the exemptions from the disclosure requirements of Section 7 'Statement of Cash Flows' from the presentation of an individual Statement of Cash Flows and related notes and disclosures.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Group financial statements

The financial statements consolidate the results of the Trust and its wholly owned subsidiary Leighton Park Enterprises Limited. A separate Statement of Financial Activities and Income and Expenditure Account is not presented for the Trust itself in accordance with the exemptions afforded by section 408 of the Companies Act 2006.

Going concern

The Trust made a deficit for the year of £726,647 (2019: deficit of £314,150) and has net assets at the year end of £15,513,806 (2019: £16,240,453).

The Trustees have reviewed forecasts that have been adjusted to reflect plausible downside scenarios as a result of the ongoing Covid-19 pandemic. In July 2020 the School entered into a facility agreement for a CBILS term loan of £2.25m with Barclays Bank PLC that remains undrawn. The forecasts demonstrate that the Trust is expected to generate a surplus and cash in the year ending 31 August 2021 and that the Trust has sufficient cash reserves and loan facilities to meet its obligations as they fall due for a period of at least 12 months from the date of signing these financial statements. As such, the Trustees have a reasonable expectation that the Trust has adequate resources to continue to operate for the foreseeable future. Accordingly they continue to adopt the going concern basis for preparing these financial statements.

LEIGHTON PARK TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES (continued)

Basis of consolidation

The consolidated financial statements incorporate those of Leighton Park Trust and its wholly owned subsidiary (i.e. an entity that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 August 2020. Where necessary, adjustments are made to the financial statements of the subsidiary to bring the accounting policies used into line with those used by the Trust.

All intra-group transactions, balances and unrealised gains on transactions between the Trust and its subsidiary are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Income

School fees receivable and ancillary trading income are accounted for in the period in which the service is provided. Gross fees receivable are stated before deducting bursaries, scholarships, discounts, prizes and other awards allowed by the Trust.

Other educational charitable activities includes registration fees and staff rental income.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Legacy income includes residuary legacies notified prior to the balance sheet date and received before the accounts have been authorised for issue.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the bank. Dividends are recognised once the dividend has been declared and notification has been received of the dividend due. This is normally upon notification by our investment adviser of the dividend yield of the investment portfolio.

Expenditure

All expenditure is directly accounted for on an accruals basis and has been classified under headings that aggregate all costs relating to the category.

Irrecoverable VAT

VAT on revenue expenditure which cannot be recovered is included with the item of expenditure to which it relates. VAT on capital expenditure which cannot be recovered is capitalised as part of the cost of acquiring the relevant asset.

Grants and donations

Grants and donations are credited to the Statement of Financial Activities once there is adequate certainty of receipt and entitlement and allocated to the appropriate fund.

Fund accounting

The Trust contains the following funds: -

- a) General Funds arise out of operating retained surpluses and are to be used to fund capital expenditure and provide working capital.
- b) Endowment Funds are capital funds held to generate income which should be used to provide scholarships and bursaries.
- c) Restricted Funds are to be used in accordance with the restriction placed by the external provider of the income.

LEIGHTON PARK TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES (continued)

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. The acquisition of items with a value exceeding £10,000 are capitalised and added to the tangible assets.

Depreciation is provided on fixed assets to write off the difference between their cost and residual value over their estimated useful economic life on a straight line basis as follows:

Freehold buildings	50 years
Fixtures and fittings	5 – 10 years
Plant and equipment	5 – 10 years
Motor vehicles	3 years
Computers and office equipment	3 years

Depreciation is not provided on freehold land.

Assets under construction

Assets in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the assets are ready for their intended use.

Fixed asset investments

Investments are stated at market value. Realised and unrealised gains and losses on investments are credited or debited to the fund to which the related investment has been allocated.

In the separate accounts of the Trust, the interest in subsidiary is measured at cost less any accumulated impairment losses.

Interest in subsidiary is assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in the Statement of Financial Activities.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

Acceptance deposits

Acceptance deposits are paid to the school to secure a place for the child at the school. Deposits held form part of the general funds of the school until the child leaves the school at which point they are credited without interest to the final payment of the fees or other sums due to the school. Deposits are held as creditors on the balance sheet and are classified as owing within one year and over one year based on when they are expected to be credited against income.

Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities, including trade and other creditors and the advanced fee scheme are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

LEIGHTON PARK TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

1 ACCOUNTING POLICIES (continued)

Provisions

A provision is recognised in the Balance Sheet when the Trust and its trading subsidiary company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefit will be required to settle the obligation. Provisions, when created, are based on the best information available to the Board at that point of time.

Lease commitments

Rentals payable under operating leases are charged as an expense on a straight line basis over the period of the lease.

Pension funds

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education.

Costs include normal and supplementary contributions. The regular cost is the normal contribution, expressed as a percentage of salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Variations from the regular pension cost are met by a supplementary contribution. This occurs if, as a result of the actuarial investigation, it is found that the accumulated liabilities for benefits to past and present teachers are not fully covered by normal contributions to be paid in future and by the fund built up from past contributions. The normal and supplementary contributions are charged to the Statement of Financial Activities.

The Trust contributes to The Pensions Trust Growth Plan for support staff. Prior to 2014, this was in most respects a defined contribution arrangement with an element of guaranteed benefit. Since October 2013, it has been a solely defined contribution scheme. The Plan is a multi-employer scheme and 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 accordingly, in accordance with FRS 102, is accounted for as a defined contribution scheme with contributions being recorded as they become payable. However, the Trust also makes deficit contribution payments to the scheme and, in accordance with FRS 102, these payments have been measured at fair value and included in the balance sheet as a liability.

Pension costs charged in the Statement of Financial Activities represent contributions payable by the Trust in the year. Interest and revaluations within the movement in the fair value of the Pension Scheme Liability are included in finance costs.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

2 CHARITABLE ACTIVITIES

a) School fees receivable

	2020	2019
	£	£
Gross fees	11,696,961	11,724,850
Less: Bursaries, scholarships and other discounts	(1,015,202)	(982,621)
	<u>10,681,759</u>	<u>10,742,229</u>

Income from school fees receivable was £10,681,759 (2019: £10,742,229) of which £10,681,759 was unrestricted (2019: £10,742,229).

b) Ancillary trading income

	2020	2019
	£	£
Activity holiday scheme	20,127	114,183
School transport	131,449	171,825
School trip income	723	105,332
Other	-	380
	<u>152,299</u>	<u>391,720</u>

Income from ancillary trading was £152,299 (2019: £391,720) of which £152,299 was unrestricted (2019: £391,720).

c) Other educational charitable activities

	2020	2019
	£	£
Registration fees	47,425	53,470
Staff rental income	879	879
	<u>48,304</u>	<u>54,349</u>

Income from other educational charitable activities was £48,304 (2019: £54,349) of which £48,304 was unrestricted (2019: £54,349).

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

3 GOVERNMENT GRANTS

	2020 £	2019 £
Coronavirus Job Retention Scheme grant	353,950	-
	<u>353,950</u>	<u>-</u>

Income from government grants was £353,950 (2019: £nil) of which £353,950 was unrestricted (2019: £nil).

The Trust furloughed some of its support, welfare and ancillary trading staff under the government's Coronavirus Job Retention Scheme. The funding received of £353,950 relates to staff costs in respect of 81 staff which are included within note 6.

4 INVESTMENT INCOME

	2020 £	2019 £
Interest and investment income	98,623	126,020
	<u>98,623</u>	<u>126,020</u>

Income from investments was £98,623 (2019: £126,020) of which £4,028 was restricted (2019: £6,802) and £94,595 was unrestricted (2019: £119,218).

5 EXPENDITURE

2020	Staff Costs £	Depreciation £	Other £	Total £
Raising funds				
Commercial trading operations:				
Leighton Park Enterprises	57,756	600	64,449	122,805
School financing costs:				
Financing costs	-	-	38,560	38,560
Investment management fees	-	-	16,144	16,144
	<u>57,756</u>	<u>600</u>	<u>119,153</u>	<u>177,509</u>
Charitable activities				
School operating costs:				
Teaching costs	4,813,353	211,038	359,739	5,384,130
Welfare costs	185,264	102,337	720,093	1,007,694
Ancillary trading costs	-	-	17,464	17,464
Premises costs	906,310	365,713	1,633,269	2,905,292
Support costs	898,992	220,269	1,377,312	2,496,573
	<u>6,803,919</u>	<u>899,357</u>	<u>4,107,877</u>	<u>11,811,153</u>
Total expenditure	<u>6,861,675</u>	<u>899,957</u>	<u>4,227,030</u>	<u>11,988,662</u>

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

5 EXPENDITURE (continued)

2019	Staff Costs £	Depreciation £	Other £	Total £
Raising funds				
Commercial trading operations:				
Leighton Park Enterprises	64,730	600	170,326	235,656
School financing costs:				
Financing costs	-	-	24,347	24,347
Investment management fees	-	-	20,237	20,237
	64,730	600	214,910	280,240
Charitable activities				
School operating costs:				
Teaching costs	4,603,898	255,221	363,606	5,222,725
Welfare costs	194,764	88,003	949,777	1,232,544
Ancillary trading costs	-	-	73,069	73,069
Premises costs	869,250	335,468	1,522,143	2,726,861
Support costs	852,945	207,093	1,659,330	2,719,368
	6,520,857	885,785	4,567,925	11,974,567
Total expenditure	6,585,587	886,385	4,782,835	12,254,807

Expenditure on raising funds was £177,509 (2019: £280,240) of which £177,509 was unrestricted (2019: £280,240).

Expenditure on charitable activities was £11,811,153 (2019: £11,974,567) of which £63,517 was restricted (2019: £68,053) and £11,747,636 was unrestricted (2019: £11,906,514).

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

6 STAFF COSTS

	2020	2019
	£	£
Wages and salaries	5,453,647	5,426,993
Social security costs	515,600	508,021
Other pension costs	880,165	638,142
Apprenticeship levy	12,263	12,431
	<u>6,861,675</u>	<u>6,585,587</u>

The average monthly number of persons employed by the Group and by the Trust during the year was:

	Group		Trust	
	2020	2019	2020	2019
	No	No	No	No
Teaching	106	111	106	111
Support	43	48	43	48
Premises and welfare	54	53	54	53
Ancillary trading	10	18	6	11
	<u>213</u>	<u>230</u>	<u>209</u>	<u>223</u>

The number of employees whose emoluments as defined for taxation purposes amounted to over £60,000 in the year was as follows:

	2020	2019
	No	No
£60,001 - £70,000	4	2
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
£140,001 - £150,000	1	1
	<u>1</u>	<u>1</u>

Retirement benefits of £101,620 (2019: £58,693) are accruing to 5 (2019: 4) of these members of staff under the defined benefit Teachers' Pension Scheme and of £11,267 (2019: £15,327) to 1 (2019: 2) under The Pensions Trust.

No Trustees, nor persons connected with them received any remuneration or other benefits from the Trust or any connected organisation.

11 Trustees (2019: 9) were paid expenses for travel and training. Travel expenses totalled £1,559 (2019: £2,608) and expenses reimbursed for Trustees training totalled £853 (2019: £796). In addition, a cost of £489 (2019: £nil) were incurred in respect of an event marking the retirement of 1 Trustee. At 31 August 2020 £nil was owed to Trustees in respect of expenses (2019: £477).

Key management personnel as detailed in the Reference and Administration Details on page 2 received aggregate remuneration including employer pension contributions of £672,867 (2019: £555,990).

During the year Leighton Park Trust made redundancy payments totalling £14,571 (2019: £10,600).

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

7 SCHOOL FINANCING COSTS

	2020	2019
	£	£
Bank charges and interest	17,777	17,217
Pensions interest cost	2,672	(16,000)
Bad debt provision	18,111	23,130
Investment management fees	16,144	20,237
	<hr/>	<hr/>
	54,704	44,584
	<hr/>	<hr/>

The expenditure on finance costs was £54,704 (2019: £44,548) of which £54,704 was unrestricted (2019: £44,584).

8 NET (EXPENDITURE)/INCOME

Net (expenditure)/income is stated after charging:

	2020	2019
	£	£
Auditor's remuneration		
- Statutory audit of the financial statements	17,570	16,100
- Other non-audit services	5,154	3,700
- Taxation compliance services	680	850
Depreciation	899,957	886,385
Operating lease rentals	258,679	199,753
	<hr/>	<hr/>

9 TAXATION

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

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

10 TANGIBLE FIXED ASSETS

GROUP

	Assets under the course of construction £	Freehold land £	Freehold buildings £	Furniture and fittings £	Computers and office equipment £	Motor vehicles £	Plant and equipment £	Total £
Cost								
At 1 September 2019	165,471	1,000,000	18,222,873	1,758,809	1,351,039	19,189	2,868,192	25,385,573
Additions	951,028	-	16,486	129,618	100,945	-	9,672	1,207,749
At 31 August 2020	1,116,499	1,000,000	18,239,359	1,888,427	1,451,984	19,189	2,877,864	26,593,322
Depreciation								
At 1 September 2019	-	-	4,573,569	1,396,232	1,090,624	17,737	2,111,200	9,189,362
Charged in the year	-	-	364,373	110,206	173,214	1,340	250,824	899,957
At 31 August 2020	-	-	4,937,942	1,506,438	1,263,838	19,077	2,362,024	10,089,319
Net book value								
At 31 August 2020	1,116,499	1,000,000	13,301,417	381,989	188,146	112	515,840	16,504,003
Net book value								
At 31 August 2019	165,471	1,000,000	13,649,304	362,577	260,415	1,452	756,992	16,196,211

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

10 TANGIBLE FIXED ASSETS (continued)

TRUST

	Assets under the course of construction £	Freehold land £	Freehold buildings £	Furniture and fittings £	Computers and office equipment £	Motor vehicles £	Plant and equipment £	Total £
Cost								
At 1 September 2019	165,471	1,000,000	18,222,873	1,736,808	1,348,790	19,189	2,868,192	25,361,323
Additions	951,028	-	16,486	129,618	100,945	-	9,672	1,207,749
At 31 August 2020	1,116,499	1,000,000	18,239,359	1,866,426	1,449,735	19,189	2,877,864	26,569,072
Depreciation								
At 1 September 2019	-	-	4,573,569	1,376,531	1,088,375	17,737	2,111,200	9,167,412
Charged in the year	-	-	364,373	109,606	173,214	1,340	250,824	899,357
At 31 August 2020	-	-	4,937,942	1,486,137	1,261,589	19,077	2,362,024	10,066,769
Net book value								
At 31 August 2020	1,116,499	1,000,000	13,301,417	380,289	188,146	112	515,840	16,502,303
Net book value								
At 31 August 2019	165,471	1,000,000	13,649,304	360,277	260,415	1,452	756,992	16,193,911

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

11 INVESTMENTS
Group

	Endowment Fund £	General Fund £	Total £
At 1 September 2019 including cash	148,781	4,526,247	4,675,028
Less opening cash	(1,446)	(153,315)	(154,761)
At 1 September 2019 less cash	147,335	4,372,932	4,520,267
Additions	-	519,542	519,542
Disposals	(12,732)	(1,760,088)	(1,772,820)
Revaluations	196	(55,327)	(55,131)
Listed on UK Stock Exchange or in Open Ended Funds	134,799	3,077,059	3,211,858
Cash	13,397	140,727	154,124
At 31 August 2020	148,196	3,217,786	3,365,982
Historical cost (listed investments only)	128,632	2,796,124	2,924,756

INVESTMENTS
Trust

	Endowment Fund £	General Fund £	Total £
At 1 September 2019 including cash	148,781	4,526,247	4,675,028
Less opening cash	(1,446)	(153,315)	(154,761)
At 1 September 2019 less cash	147,335	4,372,932	4,520,267
Additions	-	519,542	519,542
Disposals	(12,732)	(1,760,088)	(1,772,820)
Revaluations	196	(55,327)	(55,131)
Listed on UK Stock Exchange or in Open Ended Funds	134,799	3,077,059	3,211,858
Investment in subsidiary	-	10,000	10,000
Cash	13,397	140,727	154,124
At 31 August 2020	148,196	3,227,786	3,375,982
Historical cost (listed investments only)	128,632	2,796,124	2,924,756

The investments are either listed on the UK Stock Exchange or in Open Ended Funds except for a £10,000 (2019: £10,000) investment in the trading subsidiary, Leighton Park Enterprises Limited; this represents 100% of its issued share capital.

Cash equivalents on deposit with a maturity of less than three months at the year end were £151,734 (2019: £150,688) and are included in short term investments (see note 14). There were no cash deposits with a maturity of more than three months, at year end, in either the current or comparative year.

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

11 INVESTMENTS (continued)

The subsidiary provides leisure and recreational services mainly to young people and donates its annual taxable profits to the Trust under Gift Aid. The Gift Aid donation for the year ended 31 August 2020 was £7,651 (2019: £130,033). Its results for the year were: turnover £118,432 (2019: £365,640), cost of sales £5,040 (2019: £150,344), operating expenses £117,765 (2019: £85,312), other operating income £11,985 (2019: £nil), interest receivable £39 (2019: £49) and net assets £11,036 (2019: £11,036).

12 SUBSIDIARY

Holdings of more than 20%

The Trust holds more than 20% of the share capital in the following company:

Company	Registered office	Class	Shares held	
			Direct	Indirect
Leighton Park Enterprises Limited	Leighton Park School, Shinfield Road, Reading, Berkshire, RG2 7ED	Ordinary	100	-
Company No: 03156213				

The principal activity of this undertaking for the last relevant financial year is as follows:

Company	Principal activity
Leighton Park Enterprises Limited	Provision of leisure and recreational services mainly to young people

13 DEBTORS

	Group		Trust	
	2020 £	2019 £	2020 £	2019 £
Fees receivable	50,393	251,690	48,353	65,416
Amounts owed by group undertakings	-	-	60,245	363,292
Other debtors	50,471	34,978	50,471	34,978
Prepayments and accrued income	213,409	232,107	213,409	232,107
	<u>314,273</u>	<u>518,775</u>	<u>372,478</u>	<u>695,793</u>

14 CURRENT ASSET INVESTMENTS

	Group		Trust	
	2020 £	2019 £	2020 £	2019 £
Cash equivalents on deposit	151,734	150,688	151,734	150,688
	<u>151,734</u>	<u>150,688</u>	<u>151,734</u>	<u>150,688</u>

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

15 CREDITORS: Amounts fallings due within one year

	Group		Trust	
	2020 £	2019 £	2020 £	2019 £
Trade creditors	231,614	230,737	231,614	230,737
Taxation and social security	125,302	129,582	124,794	125,343
Fees in advance	1,217,645	1,718,789	1,217,645	1,718,789
Other creditors	141,633	111,003	141,633	111,003
Accruals	337,420	124,806	333,240	107,935
Deferred income	4,240	62,971	4,240	47,321
Deposits repayable	522,211	298,603	522,211	298,603
Advanced fee scheme	2,174,314	2,409,647	2,174,314	2,409,647
	<u>4,754,379</u>	<u>5,086,138</u>	<u>4,749,691</u>	<u>5,049,378</u>

The advanced fee scheme represents amounts paid by parents to cover the fees for the whole of the next academic year.

16 CREDITORS: Amounts falling due after more than one year

	Group		Trust	
	2020 £	2019 £	2020 £	2019 £
Deposits repayable	1,115,486	1,335,934	1,115,486	1,335,934
	<u>1,115,486</u>	<u>1,335,934</u>	<u>1,115,486</u>	<u>1,335,934</u>

17 DEFERRED INCOME (INCLUDING FEES IN ADVANCE)

	Group		Trust	
	2020 £	2019 £	2020 £	2019 £
At 1 September 2019	1,781,760	1,632,570	1,766,110	1,632,570
Released from previous years	(1,781,760)	(1,632,570)	(1,766,110)	(1,632,570)
Amounts deferred in the year	1,221,885	1,781,760	1,221,885	1,766,110
At 31 August 2020	<u>1,221,885</u>	<u>1,781,760</u>	<u>1,221,885</u>	<u>1,766,110</u>

Deferred income is made up of funds received in advance for Autumn term fees in the 2020/21 school year, income collected for trips and other school activities taking place in 2020/21.

LEIGHTON PARK TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 PENSIONS

There are two pension schemes available to certain employees of the Trust, the Teachers' Pension Scheme, and a group occupational pension scheme.

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 £734,839 (2019: £517,228) and at the year-end £83,998 (2019: £67,978) 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.

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 closed 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.

LEIGHTON PARK TRUST

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

18 PENSIONS (continued)

Pension Trust Growth Plan

All support staff are entitled to membership of the Pension Trust Growth Plan ("the Plan"). This is a multi-employer pension plan, which in most respects is a money purchase arrangement, although it does include certain guarantee elements as described below.

Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement dates. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Plan or by the purchase of an annuity.

The Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. Asset values are calculated by reference to market levels. Accrued past service liabilities are valued by discounting expected future benefits payments using a discount rate calculated by reference to the expected future investment returns.

The rules of the Plan give the Trustee the power to require employers to pay additional contributions in order to ensure that the statutory funding objective under the Pensions Act 2004 is met. The statutory funding objective is that a pension scheme should have sufficient assets to meet its past service liabilities, known as Technical Provisions.

As the last actuarial valuation revealed a deficit, the Trustee agreed a recovery plan to eliminate the deficit over a specified period of time by way of additional contributions from employers.

A full actuarial valuation of the scheme was carried out at 30 September 2017. The market value of the Plan's assets at the valuation date was £794.9 million and the Plan's Technical Provisions (i.e. past service liabilities) were £926.4 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £131.5 million, equivalent to a funding level of 86%.

Leighton Park Trust paid contributions at the rate of 7% totalling £138,830 (2019: £121,831 (7% or 3%)) during the accounting period. Contributions totalling £20,270 (2019: £19,805) were unpaid at the year end and are included within creditors. Members contributions were paid at the rate of 5 during the accounting period. Leighton Park Trust has also paid deficit contributions of £28,831 (2019: £28,015) during the period under review, as required by the Trustees of the Scheme and it is expected that these will continue for the foreseeable future. As at the balance sheet date there were 91 (2019: 82) active members of the Plan employed by Leighton Park Trust. Leighton Park Trust continues to offer membership of the Plan to its employees.

The net present value of the deficit contributions that will be made by Leighton Park School have been accrued and at the year end the liability was £136,329 (2019: £162,000).

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

19 MOVEMENT IN UNRESTRICTED FUNDS

Group	At 1 September 2019 £	Income £	Expenditure £	Transfers and other losses £	At 31 August 2020 £
General fund	14,993,651	11,472,491	(11,925,145)	(290,271)	14,250,726

Trust	At 1 September 2019 £	Income £	Expenditure £	Transfers and other losses £	At 31 August 2020 £
General fund	14,992,615	11,349,686	(11,802,340)	(290,271)	14,249,690

The General Fund represents the retained surpluses that have accumulated over the years that the Trust has been operating. The General Fund is used to fund capital expenditure and provide working capital.

Unrestricted funds prior year

Group	At 1 September 2018 £	Income £	Expenditure £	Transfers and other gains £	At 31 August 2019 £
General fund	15,324,494	11,700,585	(12,186,754)	155,326	14,993,651

Trust	At 1 September 2018 £	Income £	Expenditure £	Transfers and other gains £	At 31 August 2019 £
General fund	15,323,458	11,464,929	(11,951,098)	155,326	14,992,615

20 MOVEMENT ON ENDOWMENT FUNDS

Group and Trust	At 1 September 2019 £	Income £	Expenditure £	Transfers and other gains £	At 31 August 2020 £
Scholarship and Prize fund	299,469	-	-	461	299,930

The Scholarship and Prize fund is a permanent endowment which, by permission of the Charity Commission, amalgamates a number of smaller Trust funds. The agreed capital value of the fund at 31 August 2003 was £250,000.

The income from this fund of £4,028 (2019: £6,802) is allocated to restricted funds to provide scholarships and bursaries.

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

20 MOVEMENT ON ENDOWMENT FUNDS (continued)

Endowment funds prior year Group and Trust	At 1 September 2018 £	Income £	Expenditure £	Transfers and other gains £	At 31 August 2019 £
Scholarship and Prize fund	295,217	-	-	4,252	299,469

21 MOVEMENT IN RESTRICTED FUNDS

Group and Trust	At 1 September 2019 £	Income £	Expenditure £	Transfers and other gains £	At 31 August 2020 £
From Endowment Fund – Scholarship and Prize fund	-	4,028	(4,028)	-	-
Drugs awareness fund	5,150	-	-	-	5,150
Bursary fund	881,075	71,828	(51,316)	-	901,587
Pavilion	1,000	-	-	-	1,000
School House donation	2,338	-	-	-	2,338
Musical instrument fund	1,826	-	-	-	1,826
Head's discretionary fund	14,800	200	(4,698)	-	10,302
Academic departments	31,096	3,278	(3,475)	-	30,899
Other funds	10,048	-	-	-	10,048
	947,333	79,334	(63,517)	-	963,150

The other funds relate to a variety of restricted donations received by the Trust.

Restricted funds prior year Group and Trust	At 1 September 2018 £	Income £	Expenditure £	Transfers and other gains £	At 31 August 2019 £
From Endowment Fund – Scholarship and Prize fund	-	6,802	(6,802)	-	-
Drugs awareness fund	5,150	-	-	-	5,150
Bursary fund	880,148	57,939	(57,012)	-	881,075
Pavilion	1,000	-	-	-	1,000
School House donation	2,338	-	-	-	2,338
Musical instrument fund	1,826	-	-	-	1,826
Head's discretionary fund	3,820	10,980	-	-	14,800
Academic departments	30,612	4,723	(4,239)	-	31,096
Other funds	9,998	50	-	-	10,048
	934,892	80,494	(68,053)	-	947,333

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

22 FINANCIAL INSTRUMENTS

Group and Trust	2020 £	2019 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	3,365,982	4,675,028
	<u>3,365,982</u>	<u>4,675,028</u>

23 ANALYSIS OF NET ASSETS BETWEEN FUNDS

2020	Unrestricted funds		Restricted funds £	Total funds £
	General funds £	Endowment funds £		
Tangible fixed assets	16,504,003	-	-	16,504,003
Investments	3,217,786	148,196	-	3,365,982
Net current assets/(liabilities)	(4,219,248)	151,734	963,150	(3,104,364)
Long term liabilities	(1,115,486)	-	-	(1,115,486)
Defined benefit pension scheme liability	(136,329)	-	-	(136,329)
TOTAL NET ASSETS				
At 31 August 2020	<u>14,250,726</u>	<u>299,930</u>	<u>963,150</u>	<u>15,513,806</u>
2019	Unrestricted funds		Restricted funds £	Total funds £
	General funds £	Endowment funds £		
Tangible fixed assets	16,196,211	-	-	16,196,211
Investments	4,526,247	148,781	-	4,675,028
Net current assets/(liabilities)	(4,230,873)	150,688	947,333	(3,132,852)
Long term liabilities	(1,335,934)	-	-	(1,335,934)
Defined benefit pension scheme liability	(162,000)	-	-	(162,000)
TOTAL NET ASSETS				
At 31 August 2019	<u>14,993,651</u>	<u>299,469</u>	<u>947,333</u>	<u>16,240,453</u>

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

24 CASH FLOWS FROM OPERATING ACTIVITIES

	2020	2019
	£	£
Net expenditure for the year	(726,647)	(314,150)
Depreciation on tangible fixed assets	899,957	886,385
Realised loss on disposal of investments	234,679	29,854
Unrealised loss/(gain) on revaluation of investments	55,131	(189,432)
Defined benefit pension schemes	(25,671)	(45,000)
Interest paid	17,777	17,217
Interest received	(2,300)	(3,900)
Investment income	(96,323)	(122,120)
Operating cash flows before movements in working capital	<u>356,603</u>	<u>258,854</u>
Decrease/(increase) in debtors	204,502	(123,079)
Decrease in creditors	(316,874)	(488,447)
Net cash generated from/(used in) operating activities	<u><u>244,231</u></u>	<u><u>(352,672)</u></u>

25 ANALYSIS OF CHANGES IN NET FUNDS

	At 1		At 31
	September	Cash flows	August
	2019	£	2020
	£		£
Cash	1,589,272	(99,406)	1,489,866
	<u>1,589,272</u>	<u>(99,406)</u>	<u>1,489,866</u>

26 RELATED PARTY TRANSACTIONS

During the year the Trust entered into transactions with Leighton Park Enterprises Limited, a related party, in the ordinary course of business. Recharges were made by the Trust to Leighton Park Enterprises Limited for services provided amounting to £64,098 (2019: £25,819).

The subsidiary, Leighton Park Enterprises Limited, provides leisure and recreational services mainly to young people and donates its annual taxable profits to the Trust under Gift Aid. The gift aid donation for this year was £7,651 (2019: £130,033).

At the year end the balances due from Leighton Park Enterprises Limited to the Trust were £60,245 (2019: £363,292).

LEIGHTON PARK TRUST
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

27 FINANCIAL COMMITMENTS

At the reporting end date the Trust and its subsidiary company had outstanding commitments for future minimum lease payments under non-cancellable operating leases which fall due as follows:

Group	2020	2019
	£	£
Operating leases which expire:		
Within one year	215,989	210,339
Between two and five years	227,839	310,093
	<hr/>	<hr/>
	443,828	520,432
	<hr/>	<hr/>
Trust	2020	2019
	£	£
Operating leases which expire:		
Within one year	215,409	210,339
Between two and five years	227,839	310,093
	<hr/>	<hr/>
	443,828	520,432
	<hr/>	<hr/>

28 CAPITAL COMMITMENTS

At the reporting date, amounts committed to be paid but not provided in the financial statements amounted to £140,000 for the group and the Trust (2019: £nil), in respect of refurbishment work on boarding accommodation.