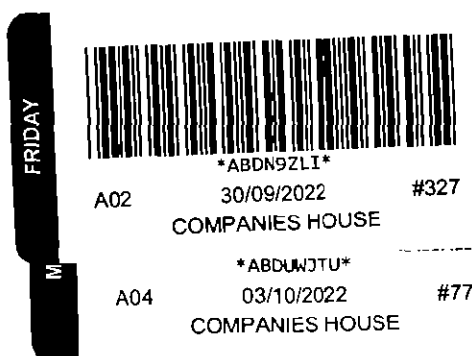


Registered number: 02059659 (England and Wales)
Charity number: 518076

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021



LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the School, its Trustees and advisers	1
Trustees' report	2 - 9
Independent auditor's report on the financial statements	10 - 13
Consolidated statement of financial activities	14
Consolidated balance sheet	15 - 16
School balance sheet	17 - 18
Consolidated statement of cash flows	19
Notes to the financial statements	20 - 46

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2021**

Trustees	Mr A J Furniss Mr R S Sherrey Mr M T Boobbyer Mr P D Morris Dr A Paterson Mr A D Miles Mrs D J Marten Rev'd M Kneen Mr G S F Bell (appointed 9 June 2020) Mr A Khan
Company registered number	02059659 (England and Wales)
Charity registered number	518076
Company secretary	Mr K P Thorne (resigned 31 August 2020) Mrs D J Marten (appointed 1 November 2020)
Head Teacher	Mr J H Goode (Acting Head Teacher from 1 September 2020) Mrs E Niblett (Acting Head Teacher from 1 September 2020)
Independent auditor	Crowe U.K. LLP Fourth Floor St James House St James Square Cheltenham Gloucestershire GL50 3PR
Bankers	Lloyds TSB Bank PLC Ariel House 2138 Coventry Road Sheldon B26 3JW
Solicitors	Harrison Clark Rickerbys Solicitors Thorpe House 29 Broad Street Hereford HR4 9AR

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2021.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charity's Memorandum and Articles of Association, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)".

Objects, Aims, Objectives and Activities

The objects of the charity are:

To promote and provide for the advancement of education of children in the United Kingdom and elsewhere, such education to be designed to give a sound religious and moral basis to all pupils.

Aims and Objectives for the Year

Beyond the teaching of traditional academic subjects and some vocational qualifications, pupils are expected to develop in the broadest educational sense, preparing them for adult life in an ever-changing world. In addition to academic and co-curricular excellence, the school seeks to provide awareness of technological advancement and environmental issues, thereby equipping pupils for an increasingly global setting as they transition to adulthood.

The strategies employed to achieve the charity's aims and objectives and to support long-term goals are to:

- Provide excellent teaching through the recruitment and retention of high-quality classroom practitioners at all age ranges.
- Adopt and promote high standards of behaviour amongst the pupils.
- Inculcate a culture of integration between local and overseas students.
- Enhance the nursery provision to provide healthy numbers entering the school at age 4/5.
- Invest in staff and support self-improvement by providing inset training and funding external courses.
- Improve the facilities on offer at the school.
- Conserve and improve the buildings of the school.
- Introduce the benefits of the school to as wide an audience as possible, including overseas markets and those in the UK who might not be able to afford an independent school education.

Either directly, or through certain members of staff, the school holds membership of the Association of Governing Bodies of Independent Schools (AGBIS), the Independent Schools Council (ISC), The Independent Schools Association (ISA), The Boarding Schools Association (BSA), The Independent Schools Bursars' Association (ISBA) and through the Head of the Prep School, the Independent Association of Prep Schools (IAPS), thus providing access to many support and CPD opportunities for staff. Collectively, these organisations provide immense support, from courses to policy guidance and a whole raft of advice and assistance.

The Trustees have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Success is measured through external academic results, places secured at universities and other higher education institutions, alongside other less metric aspects, particularly well-being.

Public benefit is achieved through the provision of subsidised and full place awards to pupils otherwise unable to attend the school, alongside provision of the assets of the school for local primary schools and the wider local community, primarily achieved through sports facilities.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

STRATEGIC REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The Directors of the Company present their annual report for the year ended 31st August 2021, together with the financial statements for the year, which have been prepared in accordance with Company Law and in compliance with Charities SORP (FRS 102).

Activities, Achievements and Performance

With the global pandemic continuing to dominate the national economic agenda, we were delighted that the latter part of the school year returned to something like normal. Full on-site teaching was restored, although the national exams system again relied on assessment over formal examinations. Nonetheless the pandemic impacted hugely on our ability to attract overseas students, with some not returning compounded by an inability to market and recruit effectively. Particular thanks go to Mr Goode, Mrs Niblett and Mrs Lund for their senior leadership bridging roles, enabling some cost relief in a very difficult year.

GCSE

Fantastic news for our Year 11 pupils who achieved a 92% pass rate in their GCSEs with 93% of the year group attaining 5 or more passes including English and Mathematics.

A Levels

Huge congratulations to our Year 13 students who, once again, have achieved fantastic results in their A Levels! With a 100% pass rate, almost 40% of Lucton students received A*-A grades.

Head of Sixth Form, Michael Wolstenholme, commented: "After two tumultuous years of hard work, it was wonderful to see so many Sixth Formers collect their A level results today. Whether talking amongst each other, to their teachers or with their parents, it was clear that the Lucton experience had produced well-rounded, polite and highly capable young men and women, ready to set out into the great unknown."

Amongst the many excellent results, notable mentions include pupils who achieved (A*,A*,A*,B) and (A*,A,A) with places secured at some top UK universities. There was a plentiful supply of A* grades in the arts, with Higher Education destinations in this field, as well as other specialities including Engineering.

"Congratulations again to all of our Year 13 students on a wonderful set of exam results; we wish them the very best in the future and will miss them greatly!"

Lucton School has a long and proud record of not only delivering strong external examination results but also for the value-added scores inherent in those results. The results this year, as usual, fully endorse Lucton's ambition to enable every pupil to achieve their full potential, with many students gaining outcomes significantly ahead of expectations on arriving at the school. The ethos of the school inculcates a culture of equal pride and satisfaction in students maximising their own potential as it does for a high-flying student gaining optimum grades. Lucton is proud to have a healthy mix of each category of students.

Boarding

The fully integrated nature of the boarding houses at Lucton are an enormous part of the "quietly confident" aspirations of the staff and students at the school. The restrictions brought about by the pandemic did not deter Mrs Webb-Rogers and her team, with all sorts of innovative use of on-site facilities replacing off-site trips for the first two terms, including a tie dye t-shirt event and lots of sports and other activities. Mr Rogers, ably supported by the maintenance team in building the fire, led a chilly Bonfire Night extravaganza.

Summer term saw trips back on the agenda, with paintballing and West Midlands the highlights of an excellent co-curricular provision offered by the boarding team.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Co-Curricular

During such a challenging year it would have been easy for staff and students to focus efforts on the additional challenges of online teaching and learning to the detriment of wider educational outcomes. As always, and befitting of the rounded education provided at the school, classroom activity was heavily punctuated by significant amounts of extra-curricular activity.

The Arts

A heavily disrupted programme of Drama did not detract from the enjoyment of the formal learning environment but the production of "Teechers", by John Godber will wait for a future airing, as this year's plans were scuppered by the pandemic.

Lamda enjoyed better luck than their Drama department counterparts, with an outdoor production of Peter Pan the clear highlight, being as it was, blessed with glorious weather, all delivered under the watchful eye of Mrs Rogers and Mrs Sharman. Some of the most beautiful swans imaginable, in the form of Prep School staff, were put to good effect in a Red Nose Day revamping of "Swan Lake", whilst Fetch Theatre's highly entertaining and educational "Insect Safari" proved hugely popular with students and staff alike.

As with other departments, the Music team led by Mr Wall continued to provide pupils with stimulation outside the classroom, despite the best efforts of Covid. The Picnic Concert provided an opportunity to hear some high-quality music from 6th Form leavers, a group that will be sorely missed and have contributed enormously over eight years. Music for all at Lucton was very much evident in formal instrument assessment, with awards achieved from Grade 1 all the way up to Grade 8, with the beginners no doubt inspired in some way by those at the top of the tree.

Sport

Much of the sport was either restricted by social distancing driven temporary rules or geographically led fixtures. Nonetheless the teams put up their usual proud Luctonian performances in all disciplines. Mrs Connop is rightly proud of the depth and breadth of opportunity at Lucton, as well as the talent that emerges from it.

With horses free from the restrictions of self-isolation and mask wearing, the Equestrian Centre found itself busier than ever during the last academic year. The Lucton Pony Camp was a successful new initiative under the leadership of Ms Coates. The equestrian team performed well at NSEA Show Jumping events, including the hallowed ground of Hickstead.

Once again proving Lucton's ability to punch above its weight, the U15 tennis team, under the tutelage of Mrs Bassett, won their league, a league including the mighty Bromsgrove School and King's, Worcester.

Our cricketers made county plate finals at U13 and U15 level, whilst footballers, netballers, as well as lacrosse and rounders players took great pride, with mixed degrees of success in a range of fixtures. An inter-form Sports Day enabled spirited but friendly competition to close the year.

The trustees extend their warmest congratulations to all the sporting endeavours performed at and on behalf of Lucton School, feats which show the depth and breadth of education on offer at the school.

Beyond the arts and sporting headlines pupils enjoyed a superb year in a range of other extra-curricular activities, within a mixed provision of online and live forums. The Combined Cadet Force (CCF) is hugely subscribed, with approaching 150 pupils participating during the year. Plans and energy levels are eager to explore much more as the nation moves out of lockdown.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Prep School

A summary of the year for our younger learners could not be summed up any better than by Prep Head, Mr Bicker-Caarten in the Luctonian magazine. "In a world where we couldn't go anywhere, what could we do? Plenty as it turns out and if there were obstacles, then we would around them." In addition to the plethora of innovative learning activities delivered on site, trips to Carding Mill Valley were very welcome to provide some off-site variety in a very challenging year for the little people of Lucton School.

The Nursery continues to go from strength to strength, with more and more pupils joining the tireless Mrs Powell and here team of helpers. This augurs well for the long term success of Lucton School.

Fundraising

During the year ended 31 August 2021 no fundraising activities were undertaken. All fundraising, when fundraising is undertaken, is managed by Lucton School. No professional or commercial fundraisers are used. No complaints have been received. Lucton School does not carry out direct marketing activity by mail or in person and we ensure that no undue pressure is ever placed on any person to give money or other resources to the school. The school is not voluntarily subscribed to any fundraising standards or schemes which regulate fundraising.

Lucton International Schools Limited

2020/21 was the third full year for Lucton Shanghai, with 117 pupils on role during the academic year. Further pupil roll growth should see increased revenues in future years, complemented by the doors to Lucton School Chongqing being set to open in September 2022,

Lucton School Limited

There has been no activity in 2020/21 within this subsidiary company, although as the pandemic continues to relent, opportunities are being explored for increased trading and events.

Financial Review and Results for the Year

The ongoing global pandemic has significantly affected the operational finances of the school, with the charity suffering an investment loss (the widely recognised and benchmarked performance measure in the sector, being net movement in funds plus depreciation) for the year of £334k deficit (2019/20 £92k deficit). The inclusion of the introduction of a historical VAT liability position, the write off of goodwill, as well as pension interest on the defined benefit scheme for support staff have exacerbated the poor headline result by around £150k. With many boarding pupils not returning for the year and considerably reduced government subsidy available, achieving this loss required prudent management and some significant cost cutting measures. Support from the bank was secured to buffer the school against this downturn, allowing time for longer term financial improvements as pupil roll returns to normal in future years.

With the impact of Covid-19 extending well in to the new financial year and possibly beyond, generating a modest surplus would be a considerable achievement for the foreseeable future.

Going Concern

The global pandemic necessitated the closure of the school in March 2020, with boarding pupil roll significantly impacted in to and beyond 2020/21. The impact on the school was significant, so despite savings plans implemented immediately, a breach of the loan covenants occurred.

With funding requirements reaching levels beyond that which the bank would support, Trustees acted proactively to safeguard the long-term future of the school, commencing negotiations alternative funders, as well as

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

exploring options for the merger of the charity into a larger entity. Bank support was extended to October 2022 to allow due process, an approach rewarded by the intervention of Alpha Schools, a national education group, providing financial, operational and governance support, providing greater certainty for the school and its lenders. A legal agreement completed on 29th November 2021 includes a commitment from Alpha Schools to provide required cash inputs to maintain the "Going Concern" status of the school for the next five years.

Reserves

The reserves policy is to sustain sufficient funding between reserves held and bank debt to ensure the ongoing activities of the charity.

The unrestricted funds of the school and its subsidiaries are £30,832 (2020: £259,867) with restricted funds standing at £11,977 (2020: £38,203). Negative free reserves stand at £3,637,821 (2020: £3,470,514 negative) being unrestricted reserves less intangible assets, tangible fixed assets and investments.

The trustees are satisfied that the schools' operating cash flows, external finance facilities and agreement with Alpha Schools are sufficient to meet the schools day-to-day working capital requirements.

Future Developments

At the end of 2021, Alpha took control of Lucton school and immediately brought relief to the school's situation. Founded in 2003 by Ali Khan, Alpha Schools has grown to become one of the biggest and leading independent schools groups in the UK, with 19 schools.

Alpha Schools working with the Head have the following plans in place:

- Alpha have already invested £550k of its own money into the School to keep it open. This shows huge commitment and belief to the School.
- By resetting Lucton's cost base and natural wastage, as well as the redundancy of administrative roles (now covered by the Alpha central support team), steps have already been made in improving Lucton and developing financial stability.
- In order to improve Lucton's income, it is necessary to consider a multi-faceted approach that utilises the existing assets and strengths of the school. With these in mind, Alpha's aims for Lucton are:
 1. To increase pupil numbers in classes:
 2. To improve the school's FFE (Full Time Fee Equivalent) percentage
 3. To improve boarding numbers, by doubling these in three year period

With the focus firmly on the future of Lucton and how to further improve income, we are confident that we will move the school to a position of strength, not just within the group but in the Education sector.

When many in the sector were heading off for a well-earned break, the Trustees of Lucton School were busy securing the services of the school's next Head. Following a competitive and comprehensive recruitment process, the Governors were delighted to appoint Mr Jon Tyler, previously Academic Deputy at Dauntsey's School in Wiltshire. Jon brings with him experience across a range of academic management disciplines, strong working knowledge of both independent and maintained sector education, as well as an experience curve working with some truly outstanding Heads.

Links with Alpha Schools will form a prominent part of the new Head's agenda, with the ability to operate in a shared culture of academic, extra and co-curricular excellence. Nearer home, the restoring the boarding house to fuller occupancy will be a primary objective, and in so doing, leading Lucton School out of the ravages of the pandemic, returning to a prosperous and successful future for pupils and staff at the school.

Restoring community links will also be key to success, both in promoting the school but also in generating much needed revenues through letting of the superb asset base used by pupils in term-time but available to wider stakeholders during evenings, weekends and holiday periods.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

As Lucton School Shanghai passed the three-figure pupil roll in 2020/21, Trustees look ahead to the opening of Lucton School, Chongqing in September 2022, providing even stronger links with China, as well as generating additional revenues to support the charity in the UK. Alpha School's connections in China and Hong Kong will aim to bring greater benefits from this established Joint Venture project.

Risk management

The board of trustees is responsible for the management of the risks faced by the group. Detailed considerations of risk are delegated to the Senior Management of the school. Risks are identified, assessed and controls established throughout the year.

The trustees have a risk management strategy which comprises:

- an annual review of the risks the charity may face;
- the establishment of systems and procedures to mitigate those risks identified in the plan; and
- the implementation of procedures designed to minimise any potential impact on the charity should those risks materialise.

The Senior Management Team ensures that the school complies with all relevant legislation. This process is also monitored by the trustees through termly reports provided by the Head Teacher and the Bursar, as well as through individual Trustees taking responsibility for certain key areas. Trustee sub-committees also ensure that the areas within their remit maintain full compliance.

The most significant risks identified are as follows;

1. The ongoing impact of the global pandemic in both educational and financial terms.
2. Fee affordability, particularly for parents based in the local catchment area.
3. The ability to attract pupils from overseas whilst travel restrictions continue to be imposed.
4. Continuing financial pressure being applied through central government policy and loss of charitable business rate reductions.

Through the risk management processes established for the school, and the group, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary.

Structure, governance and management Governing document

Lucton Pierrepont School Educational Trust Limited is a company limited by guarantee governed by its Memorandum and Articles of Association dated 11 July 1986, revised in 2013 and on November 29th 2021. It is a registered charity with the Charity Commission.

Recruitment and appointment of new trustees

The appointment of the trustees is managed by the board to maintain a strong and effective blend of professional and lay skills to ensure robust and informed governance. From November 29th 2021, when the school became part of the Alpha Schools Group, Trustee numbers were reduced from nine to five, with three Alpha nominated Governors joining two retained existing Lucton School Governors to form the new board.

Induction and training of new trustees

The Chairman or a nominated substitute will be the trustees' representatives with AGBIS, the Association of Governing Bodies of Independent Schools, and will be responsible for keeping up to date with best practice and cascading the knowledge down to fellow trustees.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Key management personnel remuneration policy

The pay of key management personnel is reviewed annually by the trustees. The school benchmarks remuneration against other similar sized independent schools, using both the AGBIS and the Baines Cutler salary surveys, together with local comparisons.

Organisational structure

The full board meets termly and there are three sub-committees, one covering Education, one covers Well Being & HR and the third is The Resources Committee, which includes all financial matters. The trustees appoint a Headteacher and Bursar to manage the day-to-day operations of the school. To facilitate effective operations, the Headteacher has delegated authority, within terms of delegation approved by the trustees, for operational matters including finance, employment and academic performance related activity. Trustees of the school are also Directors of the subsidiary entities.

Public benefit intended aims and impact

Lucton School has always sought to attract pupils from a wide range of social backgrounds. Our aim is to ensure that children, irrespective of means, are able to benefit from the excellent education provided. The Trustees of the school are determined to maintain the philosophy of providing the rounded education synonymous with Lucton School to as wide a pupil base as possible.

A robust means tested bursary scheme is operated to ensure the effective and charitable delivery of this aim, with an annual review of the scheme carried out to ensure appropriate distribution of available resources. Although the main focus for bursary support ensures that free places are offered to a large number of recipients, the scheme also provides the opportunity for pupils with parents of moderate income to attend the school. The school also provides free and subsidised access to facilities for local primary schools and clubs, as well as access of the swimming pool to a commercial swim school provider.

In the furtherance of these aims, the Charity Trustees consider that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant subsector guidance concerning the operation of the Public Benefit requirement under that Act.

Disabled persons

The school's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

LUCTON PIERREPORT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Statement of trustees' responsibilities

The trustees (who are also the directors of Lucton Pierreport School Educational Trust Limited for the purposes of company law) are responsible for preparing the Report of the Trustees 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 accounts for each financial year which give a true and fair view of the state of affairs of the school and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, 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; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the school will continue in operation.

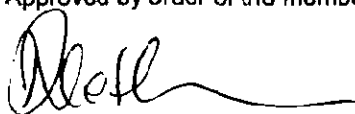
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the school and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the school and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

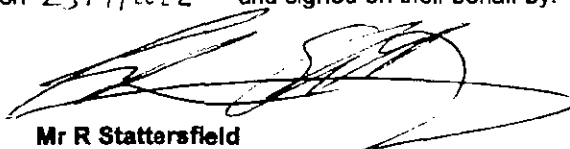
In so far as each of the Trustees are aware at the date of approval of this report there is no relevant audit information of which the auditor is unaware. Each Trustee has taken all of the steps that they should have taken as Trustee in order to make themselves aware of any relevant audit information and to establish that the school's auditor is aware of that information.

Small companies' exemptions have been applied when preparing this Director's Report.

Approved by order of the members of the board of Trustees on 23/9/2022 and signed on their behalf by:



Mr A Khan
Chair of Trustees



Mr R Stattersfield
Trustee

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUCTON PIERREPONT SCHOOL
EDUCATIONAL TRUST**

Opinion

We have audited the financial statements of Lucton Pierrepont School Educational Trust (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated statement of financial activities, the Consolidated balance sheet, the School balance sheet, the Consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent charitable company's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUCTON PIERREPONT SCHOOL
EDUCATIONAL TRUST (CONTINUED)**

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.

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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Directors' report included within the Trustees' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report included within the Trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Trustees' report and from the requirement to prepare a Strategic report.

Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement, 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.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUCTON PIERREPONT SCHOOL
EDUCATIONAL TRUST (CONTINUED)**

In preparing the financial statements, the Trustees are responsible for assessing the Group's and the 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 the 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, employment legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors' and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Board about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, designing audit procedures over income, reviewing accounting estimates for biases, reviewing regulatory correspondence

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LUCTON PIERREPONT SCHOOL
EDUCATIONAL TRUST (CONTINUED)**

with the Charity Commission, Independent Schools Inspectorate and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

This report is made solely to the members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the members Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the 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 members for our audit work, for this report, or for the opinions we have formed.



Tara Westcott (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Fourth Floor
St James House
St James Square
Cheltenham
Gloucestershire
GL50 3PR

Date: 26 September 2022

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND
EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2021**

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Income from:					
Donations	4	131,325	-	131,325	482,057
Charitable activities:					
Fees		3,308,333	-	3,308,333	3,638,584
Other educational income		333,301	-	333,301	423,778
Other trading activities	8	166,674	-	166,674	152,705
Investments	7	66	-	66	935
Total income		3,939,699	-	3,939,699	4,698,059
Expenditure on:					
Raising funds		141,532	-	141,532	82,035
Charitable activities	9	4,132,808	-	4,132,808	4,701,104
Total expenditure		4,274,340	-	4,274,340	4,783,139
Net expenditure before taxation		(334,641)	-	(334,641)	(85,080)
Taxation	15	-	-	-	(7,200)
Net expenditure after taxation		(334,641)	-	(334,641)	(92,280)
Transfers between funds	23	27,126	(27,126)	-	-
Net movement in funds		(307,515)	(27,126)	(334,641)	(92,280)
Reconciliation of funds:					
Total funds brought forward		259,867	38,203	298,070	390,350
Net movement in funds		(307,515)	(27,126)	(334,641)	(92,280)
Total funds carried forward		(47,648)	11,077	(36,571)	298,070

The notes on pages 20 to 46 form part of these financial statements.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 02059659 (England and Wales)

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	16	-	25,921
Tangible assets	17	3,601,250	3,704,390
Investments	18	-	70
		<u>3,601,250</u>	<u>3,730,381</u>
Current assets			
Stocks	19	39,730	27,786
Debtors	20	164,329	285,009
Cash at bank and in hand		725	1,258
		<u>204,784</u>	<u>314,053</u>
Creditors: amounts falling due within one year	21	<u>(3,315,736)</u>	<u>(3,020,373)</u>
Net current liabilities		(3,110,952)	(2,706,320)
Total assets less current liabilities		490,298	1,024,061
Creditors: amounts falling due after more than one year	22	(526,869)	(725,991)
Net (liabilities)/assets excluding pension asset		<u>(36,571)</u>	<u>298,070</u>
Total net (liabilities)/assets		<u><u>(36,571)</u></u>	<u><u>298,070</u></u>

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 02059659 (England and Wales)

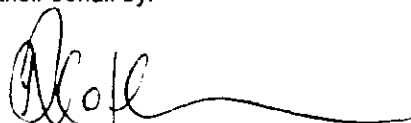
CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	23	11,077	38,203
Unrestricted funds			
General funds	23	(461,749)	(184,431)
Revaluation reserve		414,101	444,298
Total unrestricted funds	23	(47,648)	259,867
Total funds		(36,571)	298,070

The Trustees acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the Trustees on 23/4/22 and signed on their behalf by:



Mr A Khan
Chair of Trustees

The notes on pages 20 to 46 form part of these financial statements.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 02059659 (England and Wales)

SCHOOL BALANCE SHEET
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	17	3,425,996	3,528,263
Investments	18	166,743	172,117
		<u>3,592,739</u>	<u>3,700,380</u>
Current assets			
Stocks	19	39,730	27,786
Debtors	20	176,913	256,074
Cash at bank and in hand		724	1,243
		<u>217,367</u>	<u>285,103</u>
Creditors: amounts falling due within one year	21	<u>(3,312,016)</u>	<u>(3,009,933)</u>
Net current liabilities		<u>(3,094,649)</u>	<u>(2,724,830)</u>
Total assets less current liabilities		<u>498,090</u>	<u>975,550</u>
Creditors: amounts falling due after more than one year	22	(526,869)	(725,991)
Total net (liabilities)/assets		<u><u>(28,779)</u></u>	<u><u>249,559</u></u>

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 02059659 (England and Wales)

SCHOOL BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Charity funds			
Restricted funds	23	11,077	38,203
Unrestricted funds			
General funds	23	(498,861)	(251,573)
Revaluation Reserve	23	459,005	462,929
Total unrestricted funds	23	(39,856)	211,356
Total funds		(28,779)	249,559

The School's net movement in funds for the year was £(278,338) (2020 - £(178,678)).

The financial statements were approved and authorised for issue by the Trustees on 23/9/22 and signed on their behalf by:



Mr A Khan
Chair of Trustees

The notes on pages 20 to 46 form part of these financial statements.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash (provided by)/ used in operating activities	25	(34,547)	19,983
Cash flows from investing activities			
Dividends, interests and rents from investments		66	935
Proceeds from the sale of tangible fixed assets		-	1,700
Purchase of tangible fixed assets		(4,371)	(48,001)
Financing costs		(49,523)	(45,437)
Interest element of HP payments		(20,665)	(14,402)
Net cash used in investing activities		(74,493)	(105,205)
Cash flows from financing activities			
Cash inflows from new borrowing		-	50,000
Repayments of borrowing		(44,586)	(30,584)
Repayments of finance leases		(51,912)	(44,882)
Net cash used in financing activities		(96,498)	(25,466)
Change in cash and cash equivalents in the year		(205,538)	(110,688)
Cash and cash equivalents at the beginning of the year		(168,160)	(57,472)
Cash and cash equivalents at the end of the year	26	(373,698)	(168,160)

The notes on pages 20 to 46 form part of these financial statements

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

1. General Information

Lucton Pierrepont School Educational Trust is a registered charity with the Charities Commission England and Wales (charity no: 518067) and is incorporated as a company limited by guarantee (company no: 02059659 England and Wales). The registered address is Lucton School, Leominster, Herefordshire, HR6 9PN.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Charities Act 2011.

Lucton Pierrepont School Educational Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the School and its subsidiary undertakings, detailed in note 18. The results of the subsidiaries are consolidated on a line by line basis.

All intra-group transactions are eliminated on consolidation. Whilst the parent charity adopts a revaluation model for land and buildings, Lucton School Limited adopt historic cost. Therefore, on consolidation the land and buildings within Lucton School Limited are revalued.

Lucton International Schools Limited has a 70% shareholding in Lucton Education Investments Limited, incorporated in Hong Kong. The income and expenditure from this is recognised within Lucton International Schools Limited.

The School has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

The School has also taken advantage of the exemption available to a qualifying entity in FRS102 from the requirement to present a School only Statement of Cash Flows and certain disclosures about the School's financial instruments within the consolidated financial statements.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Accounting policies (continued)

2.2 Going concern

The global pandemic necessitated the closure of the school in March 2020, with boarding pupil roll significantly impacted in to and beyond 2020/21. The impact on the school was significant, so despite savings plans implemented immediately, a breach of the loan covenants occurred for the year ended 31 August 2021.

With funding requirements reaching levels beyond that which the bank would support, Trustees acted proactively to safeguard the long-term future of the school, commencing negotiations with alternative funders. Bank support was extended to October 2022 to allow due process, an approach rewarded by the intervention of Alpha Schools, a national education group, providing financial, operational and governance support, providing greater certainty for the school and its lenders. A legal agreement completed on 29th November 2021 includes a commitment from Alpha Schools to provide required cash inputs to maintain the "Going Concern" status of the school for a maximum of 5 years.

The Trustees have reviewed the forecasts prepared by management which have been sensitised to reflect possible downside scenarios as a result of reduced pupil numbers and income levels. These demonstrate that additional cash injections are required by Alpha School for the next 18 month period but with this, the school is able to meet its obligations as they fall due for a period of at least 12 months from the date of signing of these financial statements. As such, the trustees are satisfied that the Group has adequate resources to continue to operate for the foreseeable future. For this reason they continue to adopt the going concern basis for preparing these financial statements.

2.3 Income

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school, but include contributions received from Restricted Funds for Scholarships and Bursaries. Where fees are paid in advance, the income is deferred until the term to which it relates. These deferred amounts are shown on the Balance sheet within creditors.

Cash donations are recognised on receipt. Other donations are recognised once the school has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Grants, including government grants, are included in the Consolidated statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.4 Expenditure

Charitable activities – expenses are charged to the Consolidated Statement of financial activities on an accruals basis. Expenditure is allocated to functional headings either on a direct cost basis or apportioned according to time spent.

Costs of raising funds – includes all trading subsidiary costs.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

Governance costs – includes those costs associated with constitutional and statutory requirements such as audit fees, legal costs and Trustees' expenses.

Support costs – comprise costs including staff, which are all attributable to the costs of providing education.

The irrecoverable element of VAT is included with the item or expense to which it relates.

2.5 Employee benefits

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

2.6 Taxation

The School is exempt from corporation tax on its charitable activities.

In the prior year, not all of the trading subsidiary's profits were gift aided to the parent charity, Lucton School, and as a result Lucton International Schools Limited incurred a tax charge.

Lucton International Schools Limited will gift aid its profits within 9 months of the year end, therefore no corporation tax charge will be due this year.

2.7 Intangible assets and amortisation

Amortisation has been charged on the goodwill on a straight-line basis over 10 years effective from the year ended 31 August 2016 to comply with the requirements of FRS 102. The charge for the year is shown in the Consolidated statement of financial activities.

Amortisation is provided on the following basis:

Goodwill	- 10 % Straight line
----------	----------------------

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter. Tangible fixed assets costing more than £1,000 are capitalised.

Freehold property	- 1% - 2% straight line
Plant and machinery	- 2 - 5% straight line on cost
Motor vehicles	- 25% on reducing balance
Fixtures and fittings	- 20% on cost and 20% on reducing balance

Freehold land is not depreciated.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

2.9 Impairment of fixed assets

At each reporting end date, the School reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2.10 Investments

Investments in subsidiaries are measured at cost less impairment.

2.11 Stocks

Stocks are valued at the lower of cost and net realisable value.

2.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Accounting policies (continued)

2.13 Cash at bank and in hand

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.14 Creditors

Creditors are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

2.15 Financial Instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the asset's fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

The interest element of these obligations is charged to the Statement of Financial Activities over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight-line basis over the period of the lease.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

2. Accounting policies (continued)

2.17 Pensions

Teaching staff

The School contributes to the Teachers' Pension Scheme at the advised rates and also makes contributions to a 'money purchase' scheme for support staff. As it is not possible to separately identify the assets and liabilities of the Teachers' Pension Agency Scheme, it is accounted for as if it were a defined contribution scheme under FRS 102. The Schools' contributions to the schemes are charged in the financial statements as they accrue. For further information see note 27.

Support staff

The School operates a pension scheme for its support staff, a defined contributions scheme. Contributions payable to the school's defined contribution scheme are charged to the Statement of financial activities.

2.18 Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

A revaluation reserve was set up as the land and buildings were revalued to fair value on the conversion of the SORP to SORP FRS 102.

Restricted funds can only be used for particular restricted purposes within the objects of the school. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

3. Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The school makes estimates and assumptions concerning the future.

Critical accounting estimates and assumptions:

Useful economic lives of tangible assets

The annual depreciation charges for the tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, economic utilisation and the physical condition of the assets. See note 2.8 for the rates used and the carrying values of assets are shown in note 17.

Impairment of debtors

The school makes an estimate of the recoverable value of fee debtors, trade and other debtors. When assessing the impairment of debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 20 for the net carrying amount of the debtors and the associated impairment provision.

Impairment of Assets and the Assessment of Property Valuations

The school has a market valuation performed every three years and ensures that the carrying value of their assets remains lower than the fair value of the assets on the open market, and therefore that there is no impairment. Between the valuations, management is required to review the assets for impairment, and therefore this remains an area of judgement.

Assessment of the Pension Liability

The school is provided with a liability schedule by the pension provider, payable over the next 7 years. The amount is material and therefore must be discounted to net present value using an appropriate discount rate. Management have decided that the most appropriate discount rate is 2.1%, the same rate as their current borrowings.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

4. Income from donations

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Government grants				
Nursery Early Years Funding	105,767	-	105,767	90,581
Small Business Grant	-	-	-	10,000
Coronavirus Job Retention Scheme	13,358	-	13,358	323,788
	119,125	-	119,125	424,369
Donations	12,200	-	12,200	57,688
	131,325	-	131,325	482,057
Total 2020	474,507	7,550	482,057	

5. Fees

	2021 £	2020 £
Fees receivable consist of:		
Gross fees	4,703,970	5,432,341
Less bursaries and other allowances	(1,395,637)	(1,793,757)
	3,308,333	3,638,584

All fee income is unrestricted.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

6. Other educational income

	2021 £	2020 £
Music, dance and drama	78,520	55,324
School outings and clubs	5,435	52,233
Examinations and extra lessons	41,932	72,923
Horse riding and stable fees	43,294	42,297
Transport	101,479	85,611
Uniforms	26,534	34,952
Other income	36,107	80,438
	<u>333,301</u>	<u>423,778</u>

Other educational income is unrestricted.

7. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	Total funds 2020 £
Interest receivable	<u>66</u>	<u>66</u>	<u>935</u>
<i>Total 2020</i>	<u>935</u>	<u>935</u>	

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Biomass income	44,472	44,472	41,889
Trading Income - Lucton International Schools Limited	80,725	80,725	72,646
Rental income	41,477	41,477	38,170
	<u>166,674</u>	<u>166,674</u>	<u>152,705</u>
<i>Total 2020</i>	<u>152,705</u>	<u>152,705</u>	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	<i>Total funds 2020 £</i>
Teaching	2,278,584	-	2,278,584	2,606,799
Welfare	345,672	-	345,672	397,436
Premises	590,382	-	590,382	634,056
Support	918,170	-	918,170	1,062,813
	<u>4,132,808</u>	<u>-</u>	<u>4,132,808</u>	<u>4,701,104</u>
<i>Total 2020</i>	<u>4,700,954</u>	<u>150</u>	<u>4,701,104</u>	

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Analysis of expenditure by activities

	Teaching 2021 £	Welfare 2021 £	Premises 2021 £	Support 2021 £	Total funds 2021 £	Total funds 2020 £
Staff costs	2,155,057	-	238,427	329,230	2,722,714	3,139,033
Depreciation	-	22,120	85,391	-	107,511	120,397
Other costs	123,527	323,562	266,564	588,940	1,302,583	1,441,674
	<u>2,278,584</u>	<u>345,672</u>	<u>590,382</u>	<u>918,170</u>	<u>4,132,808</u>	<u>4,701,104</u>
Total 2020	<u>2,606,799</u>	<u>397,436</u>	<u>634,056</u>	<u>1,062,813</u>	<u>4,701,104</u>	

11. Governance costs

Governance included in support costs include:

	2021 £	2020 £
Audit fees	29,592	22,877
Accountancy	4,836	2,400
Legal and professional	53,574	10,979
Trustees' expenses	364	1,242
	<u>88,366</u>	<u>37,498</u>

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Auditor's remuneration

	2021	2020
	£	£
Fees payable to the School's auditor for the audit of the School's annual accounts	23,360	22,877
Fees payable to the School's auditor in respect of:		
All non-audit services not included above	4,030	2,400

13. Staff costs

	Group 2021	Group 2020	School 2021	School 2020
	£	£	£	£
Wages and salaries	2,198,698	2,541,390	2,198,698	2,541,390
Social security costs	189,439	218,391	189,439	218,391
Contribution to defined contribution pension schemes	334,577	379,252	334,577	379,252
	2,722,714	3,139,033	2,722,714	3,139,033

During the year redundancy and termination payments totalling £1,166 were made (2020: £40,229).

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

	Group 2021	Group 2020
	No.	No.
Teaching	72	56
Support and ancillary	31	56
	103	112

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

13. Staff costs (continued)

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

	Group 2021 No.	Group 2020 No.
In the band £90,001 - £100,000	-	1
In the band £120,001 - £130,000	-	1

Remuneration paid to key management personnel was £179,736 (2020: £267,510). Key management personnel in the prior year comprised the Headteacher and the Bursar. Key management personnel in 2021 comprised of the bursar and two deputy head teachers.

14. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2020 - £NIL).

During the year ended 31 August 2021, expenses totalling £364 were reimbursed or paid directly to 3 Trustees (2020 - £1,242 to 3 Trustees). Expenses related to travel and stationery.

15. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on net expenditure for the year	-	7,200
Taxation on net expenditure	-	7,200

The tax assessed for the year is the same as (2020 - the same as) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Net expenditure before tax	(334,641)	(85,080)
Net expenditure multiplied by the standard rate of corporation tax in the UK of 19 (2020 - 19%).	(63,582)	(16,165)
Effects of:		
Charitable activities not subject to taxation	63,582	23,365
Total tax charge for the year	-	7,200

There are no factors considered likely to affect future tax charges.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

16. Intangible assets

Group

	Goodwill £
Cost	
At 1 September 2020	52,441
At 31 August 2021	52,441
Amortisation	
At 1 September 2020	26,520
Charge for the year	5,544
Impairment charge	20,377
At 31 August 2021	52,441
Net book value	
At 31 August 2021	-
At 31 August 2020	25,921

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 September 2020	3,018,537	416,210	397,864	1,084,865	4,917,476
Additions	1,033	-	-	3,338	4,371
At 31 August 2021	<u>3,019,570</u>	<u>416,210</u>	<u>397,864</u>	<u>1,088,203</u>	<u>4,921,847</u>
Depreciation					
At 1 September 2020	26,241	45,626	298,781	842,438	1,213,086
Charge for the year	26,273	14,574	22,121	44,543	107,511
At 31 August 2021	<u>52,514</u>	<u>60,200</u>	<u>320,902</u>	<u>886,981</u>	<u>1,320,597</u>
Net book value					
At 31 August 2021	<u>2,967,056</u>	<u>356,010</u>	<u>76,962</u>	<u>201,222</u>	<u>3,601,250</u>
At 31 August 2020	<u>2,992,296</u>	<u>370,584</u>	<u>99,083</u>	<u>242,427</u>	<u>3,704,390</u>

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

17. Tangible fixed assets (continued)

School

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 September 2020	2,841,537	416,210	397,864	1,084,865	4,740,476
Additions	1,033	-	-	3,338	4,371
At 31 August 2021	<u>2,842,570</u>	<u>416,210</u>	<u>397,864</u>	<u>1,088,203</u>	<u>4,744,847</u>
Depreciation					
At 1 September 2020	25,368	45,626	298,781	842,438	1,212,213
Charge for the year	25,400	14,574	22,121	44,543	106,638
At 31 August 2021	<u>50,768</u>	<u>60,200</u>	<u>320,902</u>	<u>886,981</u>	<u>1,318,851</u>
Net book value					
At 31 August 2021	<u>2,791,802</u>	<u>356,010</u>	<u>76,962</u>	<u>201,222</u>	<u>3,425,996</u>
At 31 August 2020	<u>2,816,169</u>	<u>370,584</u>	<u>99,083</u>	<u>242,427</u>	<u>3,528,263</u>

The freehold property was revalued at market value in March 2019 by Pinders, Chartered Surveyors.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2020	70
At 31 August 2021	<u>70</u>
Impairment	
Charge for the year	70
At 31 August 2021	<u>70</u>
Net book value	
At 31 August 2020	<u>70</u>

In 2018 Lucton International School entered into a joint venture with Lucton Education Investment Ltd based in Hong Kong. The amount has been fully impaired in this year's accounts as the entity was dissolved in October 2021.

	Investments in subsidiary companies £
School	
Cost or valuation	
At 1 September 2020	234,088
At 31 August 2021	<u>234,088</u>
Impairment	
At 1 September 2020	61,971
Charge for the year	5,374
At 31 August 2021	<u>67,345</u>

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

18. Fixed asset investments (continued)

Net book value

At 31 August 2021	166,743
At 31 August 2020	172,117

The School has two subsidiary undertakings, Lucton School Limited (company number: 07067619) and Lucton International Schools Limited (company number: 09825420). Both are 100% owned and included in the consolidation. The registered address for both subsidiaries is Lucton School, Lucton, Leominster, Herefordshire, HR6 9PN.

Principal subsidiaries

The following were subsidiary undertakings of the School:

Names	Company number	Registered office or principal place of business	Class of shares	Holding
Lucton School Limited	07067619	Lucton School, Lucton, Leominster, Herefordshire, HR6 9PN	Ordinary	100%
Lucton International Schools Limited	09825420	Lucton School, Lucton, Leominster, Herefordshire, HR6 9PN	Ordinary	100%

The financial results of the subsidiaries for the year were:

Names	Income £	Expenditure £	Profit/(Loss) / for the year £	Net assets/ (liabilities) £
Lucton School Limited	-	3,947	(3,947)	168,167
Lucton International Schools Limited	80,725	112,534	(31,809)	(671)

19. Stocks

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
School uniforms	39,730	27,786	39,730	27,786

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

20. Debtors

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Trade debtors	62,196	131,396	62,196	84,353
Amounts owed by group undertakings	-	-	12,584	18,108
Other debtors	21,856	42,714	21,856	42,714
Prepayments and accrued income	80,277	110,899	80,277	110,899
	164,329	285,009	176,913	256,074

Included within trade debtors is a provision for bad debts totalling £26,995 (2020: £26,700).

21. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Bank overdrafts	374,423	169,418	374,423	169,418
Bank loans	1,120,033	1,155,452	1,120,033	1,155,452
Fee deposits	38,380	104,125	38,380	104,125
Trade creditors	273,969	191,496	273,969	191,496
Fees in advance	596,671	572,528	596,671	572,528
Amounts owed to group undertakings	-	-	10,554	-
Corporation tax	7,200	7,200	-	-
Other taxation and social security	308,893	293,336	308,893	293,336
Obligations under finance lease and hire purchase contracts	50,023	51,912	50,023	51,912
Other creditors	451,851	442,979	451,851	442,979
Accruals	94,293	31,927	87,219	28,687
	3,315,738	3,020,373	3,312,016	3,009,933

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

21. Creditors: Amounts falling due within one year (continued)

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Deferred income at 1 September 2020	577,528	82,164	577,528	82,164
Resources deferred during the year	591,671	577,528	591,671	577,528
Amounts released from previous periods	(572,528)	(82,164)	(572,528)	(82,164)
	<u>596,671</u>	<u>577,528</u>	<u>596,671</u>	<u>577,528</u>

Deferred income represents fees invoiced during the year which relate to the following academic year, seen as fees in advance within these financial statements. The amount deferred at the year-end will be released in the year ended August 2022.

22. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Bank loans	37,500	46,667	37,500	46,667
Fee deposits	151,038	292,930	151,038	292,930
Net obligations under finance lease and hire purchase contracts	196,544	246,567	196,544	246,567
Fees in advance	-	5,000	-	5,000
Other creditors	141,787	134,827	141,787	134,827
	<u>526,869</u>	<u>725,991</u>	<u>526,869</u>	<u>725,991</u>

Included within the above are amounts falling due as follows:

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Between one and two years				
Bank loans	10,000	10,000	10,000	10,000
Between two and five years				
Bank loans	27,500	30,000	27,500	30,000
Over five years				
Bank loans	-	6,667	-	6,667

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

22. Creditors: Amounts falling due after more than one year (continued)

Included within bank loans are:

A bank loan with Lloyds bank commencing on 1 May 2019, repayable by monthly instalments. The interest rate on the loan is fixed at 2.1% above the base rate. Due to a breach of bank covenants for the year ended 31 August 2021 and 2020 the bank loans are shown as due within one year.

A *Bounce Back* loan of £50,000 commencing on 7 May 2020, repayable by 72 monthly repayments at 2.5% fixed interest.

These loans were secured by the following:

1. A first legal charge over the freehold property of the school.
2. A first legal charge over the equestrian land owned by the subsidiary.
3. An unlimited debenture from the school.
4. An unlimited debenture from Lucton School Limited.
5. An unlimited all monies guarantee from the subsidiary.

23. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers In/out £	Balance at 31 August 2021 £
Unrestricted funds					
General Fund	(184,431)	3,939,699	(4,248,067)	31,050	(461,749)
Revaluation reserve	444,298	-	(26,273)	(3,924)	414,101
	<u>259,867</u>	<u>3,939,699</u>	<u>(4,274,340)</u>	<u>27,126</u>	<u>(47,648)</u>
Restricted funds					
Portrait of the founder donated to the school	11,077	-	-	-	11,077
Sports hall project	25,626	-	-	(25,626)	-
Outside play equipment	1,500	-	-	(1,500)	-
	<u>38,203</u>	<u>-</u>	<u>-</u>	<u>(27,126)</u>	<u>11,077</u>
Total of funds	<u>298,070</u>	<u>3,939,699</u>	<u>(4,274,340)</u>	<u>-</u>	<u>(36,571)</u>

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2019 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Taxation £</i>	<i>Transfers in/out £</i>	<i>Balance at 31 August 2020 £</i>
Unrestricted funds						
General Fund	(124,775)	4,690,509	(4,756,748)	(7,200)	13,783	(184,431)
Revaluation reserve	470,539	-	(26,241)	-	-	444,298
	<u>345,764</u>	<u>4,690,509</u>	<u>(4,782,989)</u>	<u>(7,200)</u>	<u>13,783</u>	<u>259,867</u>
Restricted funds						
Portrait of the founder donated to the school	11,077	-	-	-	-	11,077
Sports hall project	25,626	-	-	-	-	25,626
Shop	1,841	-	-	-	(1,841)	-
Classroom	3,742	-	-	-	(3,742)	-
Storage unit	398	-	-	-	(398)	-
Dining room folding doors	1,902	-	-	-	(1,902)	-
Anti-slip covering	-	150	(150)	-	-	-
Prep School new staging	-	4,000	-	-	(4,000)	-
Nursery pirate ship	-	1,900	-	-	(1,900)	-
Outside play equipment	-	1,500	-	-	-	1,500
	<u>44,586</u>	<u>7,550</u>	<u>(150)</u>	<u>-</u>	<u>(13,783)</u>	<u>38,203</u>
Total of funds	<u>390,350</u>	<u>4,698,059</u>	<u>(4,783,139)</u>	<u>(7,200)</u>	<u>-</u>	<u>298,070</u>

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

23. Statement of funds (continued)

The purpose of the restricted fund of £11,077 is to hold and maintain the Portrait of the Founder for the future benefit of the school. This restriction was imposed by the Charity Commission when the charity acquired the portrait from the charitable organisation previously responsible for the school.

Transfers between funds are to reflect the restricted funds which have been fully utilised on capital items and their restrictions fulfilled. These have therefore been reclassified to unrestricted funds.

The trustees are aware that the school is operating with negative general funds which has increased in the year due to an operating loss of the school. Plans are in place to make the school profitable again with the help of Alpha Schools and a number of actions have been implemented immediately to reduce this balance going forward. These are set out in the Future Development section of the trustees report.

24. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,590,173	11,077	3,601,250
Current assets	204,784	-	204,784
Creditors due within one year	(3,315,736)	-	(3,315,736)
Creditors due in more than one year	(526,869)	-	(526,869)
Total	(47,648)	11,077	(36,571)

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,704,390	-	3,704,390
Intangible fixed assets	25,921	-	25,921
Fixed asset investments	70	-	70
Current assets	275,850	38,203	314,053
Creditors due within one year	(3,020,373)	-	(3,020,373)
Creditors due in more than one year	(725,991)	-	(725,991)
Total	259,867	38,203	298,070

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

25. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	<i>Group 2020 £</i>
Net expenditure for the year (as per Statement of Financial Activities)	(334,641)	<i>(92,280)</i>
Adjustments for:		
Depreciation charges	107,511	<i>120,397</i>
Amortisation charges	25,921	<i>5,544</i>
Dividends, interests and rents from investments	(66)	<i>(935)</i>
(Profit) on the sale of fixed assets	-	<i>(227)</i>
(Increase) / Decrease in stocks	(11,944)	<i>18,336</i>
Decrease / (Increase) in debtors	120,680	<i>(5,665)</i>
(Decrease)/Increase in creditors	(12,196)	<i>(85,026)</i>
Financing costs	49,523	<i>45,437</i>
Interest element of HP and finance lease payments	20,665	<i>14,402</i>
Net cash (used in)/provided by operating activities	(34,547)	<i>19,983</i>

26. Analysis of cash and cash equivalents

	Group 2021 £	<i>Group 2020 £</i>
Cash in hand	725	<i>1,258</i>
Overdraft facility repayable on demand	(374,423)	<i>(169,418)</i>
Total cash and cash equivalents	(373,698)	<i>(168,160)</i>

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

27. Analysis of changes in net debt

	At 1 September 2020	Cash flows	At 31 August 2021
	£	£	£
Cash at bank and in hand	1,258	(533)	725
Bank overdrafts repayable on demand	(169,418)	(205,005)	(374,423)
Debt due within 1 year	(1,727,980)	11,276	(1,716,704)
Debt due after 1 year	(51,667)	14,167	(37,500)
Finance leases	(298,479)	51,912	(246,567)
	<u>(2,246,286)</u>	<u>(128,183)</u>	<u>(2,374,469)</u>

28. Pension commitments

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 £308,108 (2020: £342,603) and at the year-end £68,324 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

28. Pension commitments (continued)

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following the public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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 cost cap mechanism revision is 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.

Non-Teaching Staff

Certain non-academic staff are members of The Independent Schools' Pension Scheme (ISPEN). This is an industry-wide funded defined benefits scheme. As a result, it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the school.

The last formal valuation of the Scheme was performed as at 30 September 2014 by a professionally qualified actuary. The market value of the Scheme's assets at the valuation date was £110 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £37 million, equivalent to a past service funding level of 75%.

Annual funding updates of the Scheme are carried out using approximate actuarial techniques rather than member by member calculations and will therefore not produce the same results as a full actuarial valuation. However, they will provide a good indication of the financial progress of the Scheme since the last full valuation. The following notes relate to the formal actuarial valuation as at 30 September 2014.

The financial assumptions underlying the last valuation as at 30 September 2014 were as follows:

	% p.a
Investment return pre-retirement	5.1
Investment return post retirement - non-pensioner	3.3
Investment return post retirement - pensioner	3.3
Rate of pension increases	
RPI	3.1
CPI	2.2

The ongoing future service contributions rate has been assessed and if the valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit by 31 August 2029.

The pension charge for the year represents the School's contributions payable to the Scheme of £26,469 (2020: £36,649) and at the year-end £17,438 was accrued in respect of contributions to this scheme. Included in this is a fixed monthly amount of £1,829, being £1,018 in respect of deficit amounts and £117 in respect of administrative expenses. From 1 September 2021 the fixed monthly amount has increased to

LUCTON PIERREPONT SCHOOL EDUCATIONAL TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

28. Pension commitments (continued)

£1,572 being £1,338 in respect of deficit amounts and £152 in respect of administrative expenses.

In accordance with FRS 102 the school has recognised a liability in relation to the deficit, measured at amortised cost and included within other creditors.

29. Operating lease commitments

At 31 August 2021 the Group and the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Not later than 1 year	35,952	38,162	35,952	38,162
Later than 1 year and not later than 5 years	925	35,644	925	35,644
	36,877	73,806	36,877	73,806

The School has an agreement in place with a catering company for the provision of catering services. It is anticipated that payments totalling £263,000 will be made in respect of this in the next 12 months.

30. Related party transactions

During the year the school entered into the following transactions with related parties:

During the year purchases of £18,104 (2020: £16,703) were made from Markham Garages Limited a company in which Bryan Markham, a Director of Lucton School Limited, has a controlling interest. There is an amount owed to Markham Garages Limited of £3,724 (2020: £3,992) included in trade creditors at the year end.

The children of staff and trustees may attend the school. In such cases trustees pay school fees at the standard rates available to all parents, but staff members may receive a fee remission at an agreed rate.

During the year ended 31 August 2021, expenses totalling £364 were reimbursed or paid directly to 3 trustees. Expenses relate to travel and stationery (2020: £nil was reimbursed).

Intercompany balances at the year end were £12,584 (2020: £12,572) owed by Lucton School Limited and £10,554 (2020: £5,536) owed by Lucton International Limited.

31. Post balance sheet events

On the 29 November 2021 Alpha Schools took over the ownership of Lucton Pierrepont School Educational Trust and its subsidiaries Lucton School Limited and Lucton International Schools Limited.



Registrar of Companies
Companies House
General Section
Crown Way
CARDIFF
CF14 3UZ

Crowe U.K. LLP

Chartered Accountants
Member of Crowe Global

4th Floor
St James House
St James' Square
Cheltenham
Gloucestershire GL50 3PR, UK
Tel +44 (0)1242 234421
www.crowe.co.uk

Date

29/09/2022

Ref

TW/LR

Dear Sirs

Company:

LUCTON SCHOOL LIMITED

Registered Number:

07067619

We enclose the following documents for your attention:

Accounts:

Year ended 31 August 2021

Forms:

N/A

Please stamp and return this letter as acknowledgement of receipt in the SAE provided.

Yours faithfully

Crowe UK LLP

CROWE U.K. LLP