

Company Registration No.: 03075826

Registered Charity No.: 1048304

THE GRAMMAR SCHOOL AT LEEDS

A Company Limited by Guarantee

Report and Financial Statements

31 August 2024

**THE GRAMMAR SCHOOL AT LEEDS
REPORT AND FINANCIAL STATEMENTS 2024**

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GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISER

GOVERNORS AND CHARITY TRUSTEES

The Governors are the charity Trustees and company directors of The Grammar School at Leeds (the charity). The Board is a self-appointing body and the Governors, who have served in office during the year and subsequently, are shown below. Changes from last year are indicated in italics.

Name of Governor	Committees served as at 31 August 2024				
	Corporate Governance	Education	External Relations	Business, Audit & Risk	Fundraising
<i>Mr P Ahye (appointed 20 September 2024)</i>					
Mrs B Ashby		X			
Mr P J Britton		X			X
Mr J Cross				X	
Mr M R Curle	X				
Prof A Harrison Moore		X			
Ms J Harper			X		
Mr R Howse				X	X
Dr A L Khan					
<i>Mrs K Kibler (appointed 17 November 2023) (resigned 21 June 2024)</i>					
Mrs C Lyons (Joint Vice Chair)			X	X	X
Mr A M Martin (Chair)	X			X	
Mrs J Semple			X		
<i>Dr J Singh (appointed 20 September 2024)</i>					
Mrs P Sowa		X			
Mrs C Vilarrubi	X				
Mr T J Walsh	X			X	

OFFICERS

Principal	S Woodroffe
Clerk to the Governors	E Carruthers
Company Secretary and Director of Finance and Operations	S Kingston

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GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISER

KEY MANAGEMENT PERSONNEL

GSAL Leadership Team as at 31 August 2024

Sue Woodroffe , BA (Hons), MEd, NPQH	Principal
Helen Clapham, BA (Hons), CIM, Pg Dip	Director of External Relations
Rachel Cooper, BA(Hons), MCIPD	Head of Human Resources
Emma Cox, BA(Hons), PGCE	Deputy Head (Academic); GSAL Primary
Mark Cramoysan, BSc (Hons), D Phil	Deputy Head (Data and Systems)
Andrea Evans, BEd (Hons), NPQH, MEd	Deputy Head (Pastoral); GSAL Primary
Chris Freeman, MA (Hons)	Deputy Head (Pastoral & Co-Curricular)
Stephen Kingston, BA (Hons), FCA	Director of Finance and Operations
Graham Purves, MPhys, D Phil	Vice Principal and Head of Senior School
Gabrielle Solti, BA (Hons), NPQH	Vice Principal and Head of Primary School
Helen Stansfield, BEd (Hons)	Senior Deputy Head (Pastoral)
Orla Weaver, BA (Hons), MEd	Senior Deputy Head (Academic)

ADDRESSES AND CONTACT DETAILS

The Grammar School at Leeds
Senior and Primary Schools
Alwoodley Gates
Harrogate Road
Leeds
LS17 8GS
0113 229 1552
enquiries@gsal.org.uk

www.gsal.org.uk

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GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISER

ADVISERS

INVESTMENT MANAGERS

CCLA Investment Management Limited
One Angel Lane
London
EC4R 3AB

INSURANCE BROKERS

Bartlett and Company Limited
Broadway Hall
Horsforth
Leeds
LS18 4RS

BANKERS

NatWest Group
8 Park Row
Leeds
LS1 1QS

Close Brothers
10 Crown Place
London
EC2A 4FT

INDEPENDENT AUDITOR

Saffery LLP
10 Wellington Place
Leeds
LS1 4AP
United Kingdom

SOLICITORS

Lupton Fawcett LLP
2 The Embankment
Sovereign Street
Leeds
LS1 4BA

CMS Cameron McKenna LLP
Cannon Place
78 Cannon Street
London
EC4N 6AF

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

Walker Morris LLP
33 Wellington Street
Leeds
LS1 4DL

Ward Hadaway
5 Wellington Place
Leeds
LS1 4AP

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GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

The Governors of The Grammar School at Leeds (GSAL) present their annual report (including the Strategic Report) for the year ended 31 August 2024 under the Charities Act 2011, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice “Accounting and Reporting by Charities (SORP 2015)” applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed as a company limited by guarantee on 4 July 1995 (registration number 03075826) and is registered with the Charity Commission, (registration number 1048304).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The charity is governed by the Articles of Association of The Grammar School at Leeds, which were adopted by special resolution dated 15th June 2005.

Governing Body

The Governing Body, as detailed on page 2, acts as the sole Governing Body for all sections of school, i.e. Primary and Senior.

Recruitment and training of Governors

The Corporate Governance Committee has carefully defined the job description and person specification for a Governor of The Grammar School at Leeds and has appraised the existing structure of the Governing Board. Its aim is to recruit responsible people who are actively interested in our charity and who can give the necessary time commitment. We look for a person with the specific expertise required to maintain a balanced, diverse and effective Board in accordance with our governing documents.

An induction procedure is in place for new Governors when appointed. All Governors are made aware of training opportunities available to them.

Governors’ engagement with suppliers, parents and other stakeholders

Where appropriate the Governors will consult with professionals to assist with decision making and help consider the likely consequences of the decision in the long term. The interests of all key stakeholders including GSAL’s employees, suppliers, parents and the wider community are considered as part of the decision-making process. GSAL actively engages with key stakeholders through employee, parent and supplier feedback.

Section 172(1) statement

The Governors recognise the importance of their governance structure in supporting the operational performance and long term success and sustainability of the school. Details of the training and governance structure are included within section ‘structure, governance and management’, the details of which can be found on page 5, and details of how the school engages with other key stakeholders is included within the relevant section of the Governors’ Report.

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GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

Organisational management

The Governors, as the charity’s trustees and company directors, are legally responsible for the overall management and control of the school and met 5 times in the year. There are a number of sub-committees which meet on a regular basis and report back to the main Governing Body, as detailed below. Membership of these bodies is noted in the details on page 2.

Committee	Committee Chair	Meetings in year	Executive officers attending / secretary
Education	Mrs P Sowa	4	Principal Vice Principal & Head of Senior School Vice Principal & Head of Primary School <i>Clerk to the Governors</i>
External Relations	Mrs C Lyons	4	Principal Vice Principal & Head of Senior School Director of External Relations <i>Clerk to the Governors</i>
Business, Audit & Risk	Mr T J Walsh	6	Principal Vice Principal & Head of Senior School Vice Principal & Head of Primary School Director of Finance & Operations <i>Clerk to the Governors</i>
Corporate Governance	Mr M R Curle	3	Principal <i>Clerk to the Governors</i>
Fundraising	Mrs C Lyons	3	Principal Vice Principal & Head of Primary School Director of Finance & Operations Director of External Relations <i>Clerk to the Governors</i>

The day-to-day running of the school is delegated to the Principal supported by GSAL Senior Leadership Team. The Principal, Vice Principal & Head of Senior School, Vice Principal & Head of Primary School and the Director of Finance & Operations attend meetings of the Governing Body in addition to attendance at sub-committees as outlined above.

Group Structure and Relationships

The charity has two wholly owned non-charitable trading subsidiaries, GSAL Enterprises Limited and GSAL Transport Limited whose annual profits are donated to the charity under the Gift Aid Scheme.

The trading activities of GSAL Enterprises Limited relate to revenue from letting of the school campus facilities when not in use by the charity.

Those of GSAL Transport Limited relate largely to the provision of transport services to the charity with some additional revenue generated through providing transport services to third parties, primarily local state schools. This company was created in August 2015 to address operational issues that the charity was experiencing in the provision of before and after school transport for its pupils and thus remove a significant element of external risk.

Both subsidiaries are incorporated in England and Wales. The financial results of both GSAL Enterprises Limited and GSAL Transport Limited are included in the consolidated financial statements.

The charity also has a wholly owned subsidiary charitable incorporated organisation, the Parents and Friends of the Grammar School (GSAL PFA). The purpose of the GSAL PFA is to support the charity through developing relationships within the parental community and raising funds to support activities of the charity.

GSAL is the only shareholder of GSAL PFA and has sole authority to elect the Trustees. The GSAL PFA’s financial results are not deemed to be material to GSAL’s financial statements and have not been consolidated here.

Whilst not qualifying as a related party, Leeds Girls High School & Leeds Grammar School Foundation shares similar charitable objectives that support the charity in meeting its own objectives, including provision of bursary funding for the education of children.

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GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

STRATEGIC REPORT

RISK MANAGEMENT

Principal risks and going concern for the charity and group

The principal ongoing financial risks facing the charity are its ability to make payment of capital and interest in accordance with the facility agreement and to be able to adhere to the banking covenants given by the charity in respect of its borrowings. In addition, the government policies on applying VAT to school fees from January 2025, and the loss of charitable business rates relief from April 2025 prevent a further risk.

The principal covenant for the charity relates to pupil numbers and the impact that inadequate pupil recruitment and retention has on the charity's ability to meet the covenant represents a risk. Pupil numbers are monitored closely throughout the year, including the mix of pupils between school sections, forecasts of future numbers and analysis of demographic trends in the local population. The charity actively markets the school to new pupils in order to generate interest and potential applications, and has procedures in place to address individual pupil retention issues as and when they arise.

Additionally, the charity is required to meet a cash flow covenant. This risk is addressed through the preparation of detailed budgets, financial forecasts and sensitivity analyses, which are closely monitored against actual performance to ensure that acceptable levels of cash are generated on an aggregated basis to enable the cash flow covenant to be met.

The application of VAT to school fees and the loss of charitable business rates relief create a significant financial risk, which could result in consequences for fee income, pupil numbers and costs. The charity has conducted a thorough financial review, including the production of detailed medium and long term forecasts with associated sensitivity analysis, and has implemented a strategy to help mitigate the impact of these new policies. This has included implementing cost savings, without compromising provision, to share the cost burden with parents and phasing in any required fees increases over a number of years to protect parents from any sudden or substantial rises.

Going Concern

After consideration of the charity's risks, the Governors believe that the charity is well placed to operate successfully in the future and the banking covenants will be met. Accordingly, the Governors have determined that the financial statements should be prepared on a going concern basis.

Management of risk

The Board of Governors is responsible for the management of the risks faced by GSAL. An on-going process has been established for identifying, evaluating and managing risks, streamed into educational, financial, external relations and governance risk areas.

The Board of Governors, supported by the Business, Audit and Risk Committee, has identified and prioritised the key strategic and operational risks, and approved the process for dealing with these risks.

Detailed consideration and management of each risk area is delegated to the Business, Audit and Risk Committee, which meets termly and consists of five Governors and key members of the Executive Leadership Team. The Business, Audit and Risk Committee reports to every meeting of the Governing Board.

The key controls used by the charity include:

- Adherence to formal written policies covering all aspects of school operations including keeping children safe in education, health and safety, staff recruitment and financial procedures, including bribery and corruption.
- Comprehensive strategic planning, revenue and capital budgeting, cash flow and management accounting, reporting and monitoring.
- Detailed tracking of pupil number movements weekly as well as annual recruitment forecasts.
- Annual review of key objectives in the Strategic Development Plan, including the results of pupils in public examinations.
- Termly review of strategic and operational risks including cyber threats.

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GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

- Compliance with statutory requirements and external guidelines as appropriate.
- Formal agendas and minutes for all Committee and Board activity.
- Clearly defined organisational responsibilities and limits of authority.
- Clear authorisation and approval levels.

Through the above risk management procedures the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Employment and employee engagement

GSAL actively invites opinion, and endeavours to understand the issues important to employees to ensure they have a voice which is heard and respected. GSAL is committed to establishing collaborative and constructive employment relationships with its staff, to enable both parties to achieve common objectives relating to the efficiency and prosperity of GSAL. GSAL believes in the value of representation for its staff, in a culture of fairness, openness and equality. In order to implement these principles, GSAL as an employer has entered into a formal agreement with the staff to meet with staff representatives on a regular basis via the Staff Consultative Forum to discuss workplace issues.

Diversity

The promotion of Equity, Diversity and Inclusion (EDI) has been a large focus at GSAL over recent years and, GSAL has gone over and above the statutory commitments (the Sex Discrimination Act 1975, the Equality Act 2010 and the Disability Discrimination Act 1995) to embark upon accreditation with the National Centre for Diversity (NCD). This was granted in October 2023 and GSAL was the first independent school to achieve this. Then, for and with our students, we also run a vibrant EDI society called UpSoc. Both of these additions have their own development plans to embed best EDI practice in every part of school life, as a business and as a place of education. We have invested in staff training and key appointments to improve our knowledge and understanding, we have diversified our curriculum, and want to ensure that all people, including those with protected characteristics, are represented in school life and feel valued in our inclusive community. We are active members of a number of local, regional and national initiatives and have an EDI calendar to bring a different aspect of this work to life in the school each month. As part of the NCD accreditation, we also follow the FREDIE principles; Fairness, Respect, Equality, Diversity, Inclusion and Engagement and these are publicised everywhere, in print and online, to underline our commitment to these core values in the school.

Remuneration

Remuneration is set annually by the Board taking into account national pay body settlements and the broader issues of pay and employment conditions within the independent sector and the local market. Remuneration of the Senior Leadership Team is reviewed by the Business, Audit and Risk committee annually, and recommendations made to the main Board.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the charity that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

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GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

The objects of the charity are the advancement of education and training for boys and girls.

Public benefit aims and intended impact

As a registered charity, the Governors of GSAL aim to ensure that our activities in support of this charitable aim are of benefit to the public, and have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee charging.

In meeting the above objects, the school's public benefit aim is to provide pupils with a friendly and caring learning community in which their abilities and talents are developed by superb teachers. We aim to produce confident and versatile young people, capable of high achievement, rising to any challenge, and having a positive contribution to make to the wider community.

Our pastoral system – widely regarded as a model of excellence - promotes and rewards good social skills and consideration for others. As a result, friendships formed at GSAL often endure for many years and unite nationalities and cultures.

Bursarial support is offered to assist pupils who may otherwise have been unable to attend GSAL on the grounds of financial cost. The extent of these bursaries is detailed further in the review of achievements and performance for the year.

GSAL encourages pupils to consider their place in the wider community, to develop a strong sense of social responsibility, and to support those less fortunate than themselves. This is achieved through many avenues, with pupils voluntarily taking part in charity and community projects, as well as making contributions to our weekly charity collection and organising fundraising events throughout the year including competitions, concerts, food sales, fun runs, carol singing, coffee mornings and non-uniform days to benefit local, national and global charities.

A wide range of community groups benefit from our provision of sports, meetings and event facilities. For some - charities, fundraisers and those offering activities which benefit children - use of the school's facilities and/or equipment is free or substantially discounted.

Partnerships with local schools and organisations

As one of the oldest institutions in Leeds we take our role in the community seriously and believe in the transformative power of education. GSAL continues to be guided by its sense of civic responsibility, rooted in the heritage and example set by our founding schools. We have utilised our expertise and facilities to provide meaningful opportunities to as many young people in the region as possible. In doing this, we have been informed by the needs of the wider community. The school's partnership work is undertaken in the knowledge that it is mutually beneficial.

The school delivers an extensive primary and secondary school outreach programme, and it also works in partnership with a number of organisations which share its objectives and values. The aim of these projects are to provide high quality activities which enrich the lives of our community, with the aim of helping Leeds be the best city in the UK for children and young people.

Our partners include, but are not limited to:

- Child Friendly Leeds for whom we are an ambassador. We organise seasonal collections, support their annual awards ceremony and they make use of our facilities.
- Mount St Marys with whom we have a long-standing partnership. Students attend guest lectures and MSM teachers run intensive GCSE revision sessions at GSAL.
- Parklands Primary where our Sixth Form students work with Year 6 pupils to help develop their literacy and numeracy skills.
- Leeds Beckett University with whom we are joint funding a PhD to improve young people's participation in sport.
- Leeds Rhinos to improve netball pathways across the area.

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- Leeds City Museum to provide free family fun days during the school holidays to augment the curriculum.
- White Rose and Yorkshire Schools' Teaching Alliances to support teacher training and development and hence teacher recruitment and retention.
- LEAP (Leeds Enterprise and Advisory Programme) to develop student's enterprise skills in conjunction with other secondary schools across the city.

These partnerships and our outreach programme enables the school to deliver activities which benefit over 1,500 children and young people a year from across the city region. The programme includes projects which improve access to higher education, enhanced understanding of careers and the world of work, provide support for GCSE preparation, subject workshops and visiting speakers. We also have an extensive student volunteering programme.

Our facilities which include specialist rooms, sports pitches, swimming pool, conference suites and buses are used extensively by community groups, charities, educational organisations and businesses. Our staff also volunteer for a range of organisations including other schools and various charities.

Principal activities of the year

The principal activity has been to continue to provide a high quality education for boys and girls. The school consists of three sections; Primary School (age 3-11), Senior School (age 11-16) and Sixth Form (age 16-18).

GSAL prides itself on being the "best of both"; offering the best of both single-sex and co-educational environments under the diamond model. We also offer the best of both through our sharp focus on academic success, being mirrored in our staff's devotion to providing a co-curricular programme that is second to none. These aspects are both underpinned by our pastoral care system that ensures every pupil is nurtured and supported throughout their GSAL journey to reach their full potential.

Investment powers and policy

The Articles of Association allow the Governing Body to invest any part of the funds of the charity in such manner as they consider being most beneficial for the achievement of the objects of the charity. Investment income is accounted for as income when receivable and realised and unrealised investment gains are recognised in the SOFA under other recognised gains and losses.

Grant-making policy

While authority to provide additional funds to support bursaries rests with the Governing Body, the discretionary distribution of those funds rests with the Principal in accordance with agreed criteria and procedures. All applicants are assessed according to means and bursary provision awarded according to a common means-tested scale.

Fundraising

GSAL is registered with the Fundraising Regulator and, as a result, has signed up to the Code of Fundraising Practice. No complaints have arisen this year with regards to the GSAL's fundraising activity. All marketing/advertisement of events and activities is planned and led by the GSAL Director of Development to ensure that it is not unreasonably intrusive or persistent.

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Our operational objectives are set to reflect our charitable purpose, our educational mission, and our ethos.

GSAL’s whole school development plan was set in 2021 to cover the period 2021-2024. It includes objectives across a range of areas as summarised, along with achievements in the year and plans for the future as below:

Area	Main objectives	Achievements in the year	Future
Mission and vision	Reinforcement of the school’s ethos and values including emphasis on safeguarding and EDI.	Carried out surveys with key stakeholders to assess how we are performing following receipt of accreditation from the National Centre for Diversity.	Continued work with student leaders to further embed EDI across primary and senior schools.
Teaching and learning	A clear and coherent vision across all ages and school sections, inspiring academic excellence and wide pupil involvement.	81% of grades achieved were A* to B at A Level. 91% of students progressed to higher education. At GCSE, in 2024, 52% of the GCSE grades were at an 8 or above (formerly A*), and almost a third given a grade 9 (A**). Ongoing refurbishment of the school and classrooms – the greatest of these was the refurbishment of the Theatre Foyer. Other improvements included full upgrade of the Senior School interactive whiteboards with installation of the final 48 boards, expansion of the Individual Needs department and the reconfiguration of IT classrooms.	Completion of the Performing Arts Centre to significantly improve the provision of teaching spaces for drama, music and events. Upgrade of display equipment in assembly hall spaces and refresh and upgrade of digital signage to share important teaching and learning.
Pastoral and co-curricular	Commitment to pupil wellbeing and pastoral care through promoting key core values. Listening to pupil voice, promotion of EDI and investment in wellbeing support and safeguarding education. Range of activities and extensive pupil involvement in the co-curricular programme.	Increased spending on training and support in key safeguarding areas – rolling programme of keynote speakers to support the themed calendar. Increased filtering and monitoring of electronic devices, investment in student support services. Review of Co-curricular allowances to coordinate provision and ensure parity of remuneration.	Continued safeguarding education for pupils, enhanced age and stage filtering/monitoring. Review of trips and visits offering across school sections, year groups and subjects.
Staff	Focus on colleague wellbeing, attraction, retention and continuing professional development.	Increased wellbeing and engagement scores in biennial survey. Colleague financial wellbeing supported through the free specialist pension advice. Performance and development framework embedded across school. 50 roles successfully recruited externally. New recruitment landing page launched and enhanced job brochures in place to support employer of choice ambition. 3 teacher training apprenticeships successfully completed and new teachers appointed to roles, alongside other apprenticeship programmes. Senior leadership development structured around feedback from 360-degree feedback.	Process improvements to candidate and colleague experience. Interpretation and implementation of policy changes required from Employment Rights bill. Continued focus on wellbeing and engagement and EDI action plan to ensure colleagues continue to recognise school as a great place to work.
School culture and external relations	Focus on communications, alumni relations, pupil recruitment/retention, renewed	Saw strong pupil recruitment and retention across the school. Launched a new website which takes a ‘user first’ approach. Secured our first seven figure gift for our bursary programme.	Making greater use of digital activity to support pupil recruitment. Delivering a greater level of

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

	parent activities and school outreach.	PFA have expanded their events and activities programme which has helped to increase parental engagement.	personalisation to prospective parents. Developing our partnership and outreach work. Launch of the next phase of our bursary fundraising campaign. PFA to continue to evolve to meet the needs of the parent community.
Capital investments, operational systems and resources	Focus on cyber security, risk management and statutory compliance, driving the green agenda, development of the performing arts centre.	Work has continued on the Performing Arts Centre (PAC) whilst the theatre foyer has been refurbished. The Individual Needs Department has been redeveloped to create a superior teaching space whilst the Year 7 playground has been upgraded. The wired network has been upgraded, the new website has been launched, the interactive board replacement programme has been completed and work continues on cyber security resilience. The process of planting 10,000 trees to help offset our carbon footprint has started whilst the replacement of lights with energy efficient LEDs has continued.	The Performing Arts Centre (PAC) is due to be completed in 2024/25. The green agenda will continue to be pursued, with the installation of smart meters and microwave light switching. Focus will continue on strengthening cyber security.

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FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Consolidated net income before exceptional income and transfers for the year was **£1,278k** (2023: £1,750k). The decrease in net income for 2023-24 is largely attributable to the reduction in the asset value of the swap contract (see note 24). In addition to this, we have experienced increased salary costs as a result of the increase to the employers TPS contribution rate from April 24, as well as the increase in national living wage.

In line with our charitable objectives, GSAL provided **£1,045k** (2023: £1,083k) of bursary, scholarship and temporary financial hardship support to parents in 2023-24, the equivalent of 3.4% of gross fee income. This included an additional contribution from the school of **£607k** (2023: £552k) to support restricted funds over and above the **£438k** (2023: £448k) transfer required by the Memorandum and Articles, representing 2% of Senior School fees.

After these transfers total funds carried forward were **£21,511k** (2023: £20,233k), split between unrestricted funds **£21,369k** and restricted funds **£142k**. GSAL has **£54,220k** invested in fixed assets.

Reserves policy

Notes 17 and 18 to the financial statements show movements on the unrestricted funds and the assets and liabilities attributable to the unrestricted funds respectively.

The Governors have determined that the reserves policy should focus on the School's liquidity position, ensuring that the School maintains sufficient liquid assets to meet working capital needs as well as the financial requirements of lenders.

GSAL is cash generating and well placed to meet its working capital requirements.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

This report was undertaken in accordance with the SECR reporting requirements. This report contains details on our annual UK energy consumption across our UK business, and energy efficiency actions implemented.

UK Greenhouse gas emissions and energy use data for the period 1 September to 31 August	2023/24	2022/23 comparative
Energy consumption used to calculate emissions (kWh)	6,535,760	6,291,234
Energy consumption break down (kWh) (optional):		
• gas		
• electricity		
• transport fuel		
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	847	813
Owned transport – mini-buses	9	8
Total Scope 1	856	821
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	385	375
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	2.19	1.42
Total gross emissions in metric tonnes CO2e	1,243	1,197
Intensity ratio Tonnes CO2e per pupil	0.60	0.57

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2024 UK Government's Conversion Factors for Company Reporting.

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FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

During this year, we have continued with the programme to remove internal fluorescent lights and replaced them with LED fittings which consume approximately 1/3rd of the amount of power required to support the old fittings. Common room lights have been replaced with LED fittings and work has been done on the recently refurbished library. Microwave sensors have been installed in large areas to reduce lighting being left on in unoccupied rooms and the swimming pool water temperature has been reduced by one degree.

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GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also the trustees and directors of The Grammar School at Leeds for the purposes of charity and company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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

In so far as the Governors are aware:

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

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

AUDITOR

Saffery LLP has expressed their willingness to continue in office as auditor and their reappointment will be considered at the forthcoming Annual General Meeting.

The Governors' Report, including the Strategic Report, is approved by the Governing Body and signed on behalf of the Board.

Signed by:

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A M Martin

Chair

17 December 2024

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of The Grammar School at Leeds (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2024 which comprise the consolidated statement of financial activities (incorporating income and expenditure account), the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including 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 affairs of the group and the parent charitable company as at 31 August 2024 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 have conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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 group or the parent charitable company'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information. 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 course of 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.

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

INDEPENDENT AUDITOR'S REPORT

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 15, the Governors (who are also the directors of the parent 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 Governors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the group 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 Governors 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

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the group and parent 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

INDEPENDENT AUDITOR’S REPORT

We assessed the susceptibility of the group and parent charitable company’s financial statements to material misstatement and how fraud might occur, including through discussions with the Governors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charitable company by discussions with Governors and updating our understanding of the sector in which the group and parent charitable company operate.

Laws and regulations of direct significance in the context of the group and parent charitable company include The Companies Act 2006 and guidance issued by the Charity Commission for England and Wales, the Independent School Standards as found in the Education and Skills Act 2008 and guidance issued by the Department for Education.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company’s records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company’s policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

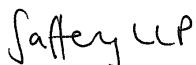
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner’s review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

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



.....
Sally Appleton (Senior Statutory Auditor) for and on behalf of Saffery LLP

Chartered Accountants
Statutory Auditors
10 Wellington Place
Leeds
LS1 4AP

Date: 17 December 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)

Year ended 31 August 2024

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2024 £'000	Total funds 2023 £'000
INCOME FROM:					
<u>Charitable activities – education:</u>					
Tuition fees		30,332	-	30,332	29,058
Other income	2	1,930	-	1,930	1,818
		32,262	-	32,262	30,876
Other trading activities - trading income		650	-	650	622
Donations - general		-	276	276	103
Investments		543	1	544	343
Total trading and charitable income		33,455	277	33,732	31,944
Exceptional income – transfer from GCT	23	-	-	-	4,574
TOTAL INCOME		33,455	277	33,732	36,518
EXPENDITURE ON:					
Raising funds:					
Trading expenditure		(1,725)	-	(1,725)	(1,599)
Charitable activities - education:					
Education and grant making	7	(29,493)	(1,236)	(30,729)	(28,595)
TOTAL EXPENDITURE		(31,218)	(1,236)	(32,454)	(30,194)
NET INCOME/(EXPENDITURE)		2,237	(959)	1,278	6,324
Transfers between funds:					
Transfer to Expendable Bursary & Hardship Fund	3	(438)	438	-	-
Additional Transfer to Expendable Bursary & Hardship Fund	3	(607)	607	-	-
NET MOVEMENT IN FUNDS	4	1,192	86	1,278	6,324
<i>NET MOVEMENT IN FUNDS BEFORE EXCEPTIONAL INCOME</i>		<i>1,192</i>	<i>86</i>	<i>1,278</i>	<i>1,750</i>
RECONCILIATION OF FUNDS:					
Total funds brought forward		20,177	56	20,233	13,909
Net movement in funds for the year		1,192	86	1,278	6,324
TOTAL FUNDS CARRIED FORWARD	16,17,18	21,369	142	21,511	20,233

All income and expenditure derives from continuing operations.

There are no recognised gains and losses for the current and prior period other than as stated above.

See note 25 for comparative Consolidated Statement of Financial Activities analysed by fund.

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 August 2024

		Group		Charity	
		2024	2023	2024	2023
	Note	£'000		£'000	
FIXED ASSETS					
Tangible assets	8	48,818	49,366	48,640	49,192
Assets under construction	9	5,376	878	5,376	878
Investments	10	26	25	26	25
		54,220	50,269	54,042	50,095
CURRENT ASSETS					
Stocks		22	27	17	20
Debtors due within one year	11	942	758	1,222	1,050
Debtors due after one year	11	4,403	5,635	4,449	5,731
Bank balances and cash		16,073	12,724	15,820	12,369
		21,440	19,144	21,508	19,170
CREDITORS: amounts falling due within one year	12	(19,603)	(19,249)	(19,493)	(19,101)
NET CURRENT ASSETS/(LIABILITIES)		1,837	(105)	2,015	69
TOTAL ASSETS LESS CURRENT LIABILITIES		56,057	50,164	56,057	50,164
CREDITORS: amounts due after more than one year	13,14,15	(34,546)	(29,931)	(34,546)	(29,931)
NET ASSETS		21,511	20,233	21,511	20,233
FUNDS					
Restricted funds	16	142	56	142	56
Unrestricted funds	17	21,369	20,177	21,369	20,177
TOTAL FUNDS	18	21,511	20,233	21,511	20,233

These financial statements of The Grammar School at Leeds, Company Registration Number 03075826 were approved by the Governing Body and authorised for issue on 17 December 2024 and signed on their behalf by:

Signed by:

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A M Martin

Chair

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 August 2024

	Note	2024		2023	
		£'000	£'000	£'000	£'000
Net cash flows from operating activities	A		(1,067)		2,902
Cash flows from investing activities:					
Interest received		544		343	
Purchase of tangible fixed assets		(6,120)		(2,168)	
Net cash flows from investing activities			(5,576)		(1,825)
Cash flows from financing activities:					
Repayment of borrowings		(3,229)		(4,781)	
Interest payable		(573)		(532)	
Net cash flows from financing activities			(3,802)		(5,313)
Fees in advance scheme					
New fees in advance money due within one year		6,778			
New fees in advance money due in more than one year		7,016			
			13,794		
(Decrease) in cash and cash equivalents in year			3,349		(4,236)
Cash and cash equivalents at beginning of year			12,724		16,960
Cash and cash equivalents at end of year			16,073		12,724

Cash and cash equivalents are represented by bank balances and cash.

NOTE A: RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2024	2023
	£'000	£'000
Net incoming resources	1,278	6,324
Interest receivable	(544)	(343)
Interest payable	573	-
(Gain)/loss on GCT transfer	-	(4,574)
Depreciation	2,170	1,709
Decrease/(Increase) in stocks	5	(8)
Increase/(Decrease) in creditors <1yr	(5,617)	33
Increase/(Decrease) in creditors >1yr	20	(28)
(Increase)/Decrease in debtors	1,048	(211)
Net cash inflow from operating activities	(1,067)	2,902

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Company and charitable status

The Grammar School at Leeds, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. There are currently 16 Governors who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. If upon winding up or dissolution of the company there remains, after the satisfaction of all debts and liabilities, any assets these should be given or transferred to Leeds Grammar School and Leeds Girls' High School Foundation or to some other charitable body or bodies having objects similar to the objects of the company.

The charity is a registered charity. The registered office is given on page 3.

Basis of accounting

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

The charity meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemption available to it in respect of its separate financial statements in relation to presentation of a cash flow statement.

The principal accounting policies are summarised below.

Preparation of financial statements – going concern basis

The principal ongoing financial risks facing the charity are its ability to make payment of capital and interest in accordance with the facility agreement and to be able to adhere to the banking covenants given by the charity in respect of its borrowings.

The principal covenant for the charity relates to pupil numbers and the impact that inadequate pupil recruitment and retention has on the charity's ability to meet the covenant represents a risk. Pupil numbers are monitored closely throughout the year, including the mix of pupils between school sections, forecasts of future numbers and analysis of demographic trends in the local population. The charity actively markets the school to new pupils in order to generate interest and potential applications, and has procedures in place to address individual pupil retention issues as and when they arise.

Additionally, the charity is required to meet a cash flow covenant. This risk is addressed through the preparation of detailed budgets, financial forecasts and sensitivity analyses, which are closely monitored against actual performance to ensure that acceptable levels of cash are generated on an aggregated basis to enable the cash flow covenant to be met.

The application of VAT to school fees from January 2025 and the loss of charitable business rates relief from April 2025 present significant financial risk, which could result in consequences for fee income, pupil numbers and costs. The charity has conducted a thorough financial review, including the production of detailed medium and long term forecasts with associated sensitivity analysis, and has implemented a strategy to help mitigate the impact of these new policies.

After consideration of the charity's risks, the Governors believe that the charity is well placed to operate successfully in the future and the banking covenants will be met. Accordingly, the Governors have determined that the financial statements should be prepared on a going concern basis.

Basis of consolidation

The consolidated financial statements of the group comprise the financial statements of The Grammar School at Leeds and its trading subsidiaries, GSAL Enterprises Limited and GSAL Transport Limited (GTL).

A separate Statement of Financial Activities (incorporating Income and Expenditure Account) for the charity has not been presented, because the group has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. However, the charity's net income for the year in accordance with the Companies Act 2006 was £1,278k (2023: £6,264k).

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

Income

All income is recognised in the statement of financial activities when the charity has entitlement to the funds, conditions for receipt have been met, it is probable that the income will be received and the amount can be measured reliably. Where a claim for repayment of income tax has or will be made, such income is grossed up for the tax recoverable. The following accounting policies are applied to income.

Tuition fees - credit is taken for fees relating to the school year. Tuition fees received in advance in respect of future academic years are deferred until the above criteria for income recognition are met.

Investment income - investment income is accounted for when receivable and the amount can be measured reliably by the group; this is normally upon notification of the interest paid or payable by the bank.

Donations - donations and all other receipts from fundraising are reported gross and the related fundraising costs are reported under fundraising expenditure.

Legacies - Legacy income is included when the charity is advised by the personal representative of an estate that payment will be made, and the amount involved can be quantified.

Other – school catering, pupil transport, and any other miscellaneous income is accounted for when the above criteria for income recognition are met.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. The charity's operating costs include staff costs, premises costs, financing costs and other related costs. Such costs are allocated as follows:

Cost of raising funds - includes costs relating to fundraising and trading company expenditure.

Direct charitable expenditure - includes all expenditure directly related to the sole activity of the charity, being the education of children. Expenditure is categorised between teaching costs, welfare costs, premises costs, financing costs, support costs, governance costs and grants, awards and prizes.

Fund accounting

The charity maintains the following funds:

Restricted funds - represent grants, donations and legacies received which are allocated by the donor for specific purposes, including donations received and collections made on site for direct payment to specific third party beneficiaries.

Unrestricted funds - represent funds which are expendable at the discretion of the Governing Body in the furtherance of the objects of the charity and include designated funds representing monies allocated from unrestricted reserves by the Governors for designated purposes. Such funds may be held in order to finance both working capital and capital investment.

Fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and any provision for impairment. Fixed assets consist of leasehold property and related equipment. Tangible fixed assets are capitalised and depreciated in equal annual instalments over their estimated useful lives as follows:

Vehicles	4 years
Plant and machinery	7 years
Office and computer equipment	3 years
Furniture and fixtures	10 years
Land and buildings - general	25 years
Land and buildings – main	Remaining life of lease expiring in December 2070
Organ	50 years

The land at Alwoodley is the property of the Leeds Grammar School and Leeds Girls' High School Foundation.

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

Investments

Investments are stated in the financial statements at market value. Realised and unrealised gains and losses on investments are disclosed in the statement of financial activities.

In the parent charity balance sheet, investments in subsidiary undertakings are measured at cost less impairment.

Stocks

Stocks of food and merchandise for re-sale are valued at the lower of cost and net realisable value.

Employee benefits

Contributions made by the charity to the Teachers' Pension Agency superannuation scheme (a defined benefit scheme) and the group personal pension schemes for teaching and support staff (a defined contribution scheme) are charged directly to the statement of financial activities.

Operating leases

The group classifies the lease of land and buildings and vehicles and equipment as operating leases, as the title to the leased items remains with the lessor and the economic life of the leased items is substantially longer than the lease term. Rentals due under operating leases are charged to the statement of financial activities on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

With the exception of the interest rate swap described in note 24, the charity and group only have 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.

The fair value of the interest rate swap is calculated by the charity's bankers by discounting the future cash flows to the maturity date. Any movement in the valuation at the year end is recognised in the statement of financial activities for the year.

Advanced fee payment (composition) scheme

The composition fees received represent a basic financial instrument and have been accounted for within creditors at cost.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described above, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

2. OTHER INCOME (UNRESTRICTED)

	2024	2023
	£'000	£'000
School catering	1,286	1,175
Miscellaneous	127	123
Pupil transport	517	520
	1,930	1,818

3. TRANSFERS BETWEEN FUNDS

Expenditure on Bursaries, Scholarships and Hardship Awards is accounted for as restricted fund expenditure in the SOFA and is funded by restricted fund donations from the Leeds Grammar School and Leeds Girls' High School Foundation Award Funds and other external third parties, with the balance being provided by GSAL as a transfer from unrestricted funds. The Memorandum and Articles requires the Governors to apply a minimum of 2% of the Senior School Independent fees towards Bursaries.

	2024	2023
	£'000	£'000
2% of Senior School Independent fees	438	448
Additional bursary transfer from GSAL unrestricted funds	607	552
	1,045	1,000

4. NET MOVEMENT IN FUNDS

Net movement in funds is stated after charging/ (crediting):

	2024	2023
	£'000	£'000
(Profit)/loss on disposal of fixed assets	-	-
Depreciation - owned assets	2,170	1,709
Fees payable to the charitable company's auditor:		
For audit related assurance services	25	38
For other services - taxation & project advice	16	1
Rentals under operating leases - buildings	-	650
Rentals under operating leases - vehicles and equipment	153	158

The charity's net income for the year in accordance with the Companies Act 2006 was £1,278k (2023: £6,264k).

5. GOVERNING BODY REMUNERATION AND RELATED PARTY TRANSACTIONS

During the year, £nil travel expenses were paid to Governors for attending meetings (2023:£nil).

No governors were remunerated during the current or prior years.

The children of governors that attend the school do so under normal commercial terms and receive no discount or concession.

All transactions between the charity and its subsidiaries, GSAL Enterprises and GSAL Transport Ltd, are eliminated on consolidation. In the year, the following transactions took place between GSAL and its subsidiaries:

GSAL Transport Limited

Income to GSAL from GSAL Transport £13k donation under gift aid (2023: £1k).

Income to GSAL from GSAL Transport £10k in respect of support services provided (2023: £10k).

Expenditure paid by GSAL to GSAL Transport £1,280k in respect of transport services and advertising (2023: £1,216k).

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

Last financial year, a £150k loan from GSAL to GSAL Transport was granted to purchase vehicles. There is an outstanding balance owing of £96k at 31 August 2024. The loan is interest bearing and subject to a repayment plan.

A further balance of £212k was owed to GSAL from GSAL Transport limited at 31 August 2024 (2023: £244k).

GSAL Enterprises Limited

Income to GSAL from GSAL Enterprises £186k donation under gift aid (2023: £178k)

Expenditure paid by GSAL to GSAL Enterprises £1k in respect of the provision of consumables (drinks) for events (2023: £1k).

A balance of £186k was owed to GSAL from GSAL Enterprises limited at 31 August 2024 (2023: £178k).

A balance of £nil was owed by GSAL to GSAL Enterprises limited at 31 August 2024 (2023: £1k)

6. INFORMATION REGARDING EMPLOYEES

	Consolidated		Charity	
	2024	2023	2024	2023
	No.	No.	No.	No.
Average headcount of persons employed				
Teachers	221	214	221	214
Support staff	297	258	278	239
	518	472	499	453
Average number of persons employed (full time equivalents)	No.	No.	No.	No.
Charitable activities:				
Teachers	185	191	185	191
Support staff	180	177	162	158
	365	368	347	349
Staff costs during the year:	2024		2023	
	£'000		£'000	
Wages and salaries	15,754		14,946	
Social security costs	1,579		1,495	
Pension costs	2,948		2,646	
	20,281		19,087	

During the year there were redundancy/termination payments made by the charity to one individual (2023: two) which amounted to £10k (2023: £62k). As at year end, £nil remained outstanding (2023: £nil).

There were 18 staff (FTE) directly employed by the charity's subsidiaries in the year (2023: 19).

THE GRAMMAR SCHOOL AT LEEDS**NOTES TO THE FINANCIAL STATEMENTS**

The number of Group employees whose emoluments, excluding pension contributions but including employer's national insurance contributions and benefits in kind, were in excess of £60,000 was:

	2024	2023
	No.	No.
£60,001 - £70,000	47	43
£70,001 - £80,000	10	4
£80,001 - £90,000	2	4
£90,001 - £100,000	4	2
£100,001 - £110,000	2	-
£110,001 - £120,000	-	3
£120,001 - £130,000	2	-
£160,001 - £170,000	-	1
£170,001 - £180,000	1	-
£230,001 - £240,000	-	1
£250,001 - £260,000	1	-

Of the above staff members, 59 (2023: 50) have benefits accruing under defined benefit pension schemes and 10 (2023: 8) had benefits accruing under the defined contribution scheme. Employer's contributions for the defined contribution scheme were £97k (2023: £68k).

The key management personnel of the parent charity, The Grammar School at Leeds, are listed on page 2. The total employee benefits, including employer's national insurance and pension contributions, of the key management personnel of GSAL were £1,641k (2023: £1,518k).

The key management personnel of the group comprise those of GSAL and the key management personnel of its wholly owned subsidiaries GSAL Enterprises Ltd and GSAL Transport Ltd. There are not considered to be any key management personnel in either of the subsidiaries. The total employee benefits of key management personnel for the group were therefore £1,641k (2023: £1,518k).

7. ANALYSIS OF EDUCATION AND GRANT MAKING EXPENDITURE

	Staff Costs	Other Costs	Depreciation	Total 2024
<u>Direct costs</u>				
Teaching costs	15,904	1,218	-	17,122
Welfare costs	808	989	-	1,797
Premises	1,088	1,963	1,438	4,489
Non-teaching support costs	1,692	1,560	704	3,956
Bursaries, prizes and specific fund expenditure	-	1,236	-	1,236
<u>Support costs</u>				
Governance costs	45	183	-	228
Finance and other costs	-	1,901	-	1,901
Consolidated total	19,537	9,050	2,142	30,729

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2023 Comparatives

	Staff Costs	Other Costs	Depreciation	Total 2023
<u>Direct costs</u>				
Teaching costs	14,855	1,241	-	16,096
Welfare costs	754	927	-	1,681
Premises	1,018	2,855	1,195	5,068
Non-teaching support costs	1,786	1,145	504	3,435
Bursaries, prizes and specific fund expenditure	-	1,101	-	1,101
<u>Support costs</u>				
Governance costs	41	527	-	568
Finance and other costs	-	646	-	646
Consolidated total	18,454	8,442	1,699	28,595

With the exception of the bursaries, prizes (£1,127k) and specific fund expenditure (£109k), of which £96k relates to the Smeaton Wood grant, all of the above expenditure is taken from unrestricted funds.

8. FIXED ASSETS

Consolidated & Company	Vehicles	Plant & Machinery	Office & Computer Equipment	Land & Buildings	Furniture & Fixtures	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 September 2023	29	788	3,057	46,594	3,576	54,044	201	54,245
Additions	74	39	1,194	-	282	1,589	33	1,622
Disposals	-	(23)	(269)	-	(48)	(340)	-	(340)
At 31 August 2024	103	804	3,982	46,594	3,810	55,293	234	55,527
Accumulated depreciation								
At 1 September 2023	28	534	1,642	999	1,649	4,852	27	4,879
Charge for the year	3	62	700	1,042	334	2,141	29	2,170
Disposals	-	(23)	(269)	-	(48)	(340)	-	(340)
At 31 August 2024	31	573	2,073	2,041	1,935	6,653	56	6,709
Net book value								
At 31 August 2024	72	231	1,909	44,553	1,875	48,640	178	48,818
At 31 August 2023	1	254	1,415	45,595	1,927	49,192	174	49,366

All of the above assets were in use at year end and were depreciated accordingly.

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9. ASSETS UNDER CONSTRUCTION

Consolidated & Company	Performing Arts Centre	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2023	878	878	-	878
Additions	4,498	4,498	-	4,498
Transfer to fixed assets	-	-	-	-
At 31 August 2024	<u>5,376</u>	<u>5,376</u>	<u>-</u>	<u>5,376</u>

The above asset relating to the performing arts centre was under construction at the year end and as such has not been depreciated.

10. INVESTMENTS HELD AS FIXED ASSETS

	Consolidated & Charity	
	2024	2023
	£'000	£'000
Market value at 1 September 2023 and 31 August 2024	<u>26</u>	<u>25</u>
Investments comprise the following:		
Investments listed on a UK stock exchange:		
Charity unit trusts	5	5
Cash deposits held as fixed asset investments	<u>21</u>	<u>20</u>
	<u>26</u>	<u>25</u>
Historical cost at 31 August 2024	<u>26</u>	<u>25</u>

11. DEBTORS AND PAYMENTS IN ADVANCE

	Consolidated		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Tuition fee debtors	36	61	36	61
Trade debtors	103	98	-	-
Other debtors	282	120	237	51
Amounts due from trading subsidiaries	-	-	411	422
Loan due from GSAL Transport Limited	-	-	50	50
Prepayments and accrued income	521	479	488	466
	<u>942</u>	<u>758</u>	<u>1,222</u>	<u>1,050</u>
Amounts falling due after more than one year:				
Amounts due from LGS & LGHS Foundation	2,642	2,642	2,642	2,642
Loan due from GSAL Transport limited	-	-	46	96
SWAP contract	1,761	2,993	1,761	2,993
	<u>4,403</u>	<u>5,635</u>	<u>4,449</u>	<u>5,731</u>

The loan due from LGS & LGS Foundation is interest free, partly secured on a property owned by the Foundation, and due for repayment on the earlier of 31 December 2067 or by instalments after 31 December 2028.

The loan due from GSAL Transport Limited carries a fixed rate of interest, is unsecured and is currently being repaid by instalments with the final payment due on, or before, 31 July 2026.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Tuition fee payments received in advance - standard	6,065	11,879	6,065	11,879
Tuition fee payments received in advance - composite	6,778	-	6,778	-
Trade creditors	552	761	485	679
Other taxes and social security costs	218	440	202	423
Other creditors	1,022	860	1,011	858
Acceptance deposits	41	43	41	43
Accruals	1,698	1,230	1,681	1,182
Bank loan	3,229	4,036	3,229	4,036
Amounts owing to trading subsidiaries	-	-	1	1
	19,603	19,249	19,493	19,101

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated		Charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Tuition fee payments received in advance - composite	7,016	-	7,016	-
Acceptance deposits	487	467	487	467
Amount due to LGS/LGHS Foundation	10,900	10,900	10,900	10,900
Bank loan	16,143	18,564	16,143	18,564
	34,546	29,931	34,546	29,931

The loan of £10,900,000 from the Foundation was transferred from the LGS General Charitable Trust as part of the restructuring in the prior year and refinancing exercise and is made up of £6,050,000 (representing the equality of exchange resulting from the exchange of the Leeds Grammar School Moorland Road site, the Junior School property and the Playing Fields site at Lawnswood for the land at Alwoodley Gates with the University of Leeds), a loan of £750,000 advanced in May 2007 and a total of £4,100,000 being the proceeds of sale of the Headingley properties.

14. TUITION FEE PAYMENTS RECEIVED IN ADVANCE – COMPOSITE FEES

Parents may enter into a contractual arrangement to pay the school in advance a fixed contribution towards school fees for up to a maximum of five years. The monies are refundable subject to specific conditions on receipt of notice to leave. Assuming all participating pupils remain in the school for the full duration, the payments received in advance will be applied as follows;

	Note	2024	2023
		£	£
Due within one year	12	6,778	-
Due within one to two years	13	2,812	-
Due within two to five years	13	4,204	-
		13,794	-

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NOTES TO THE FINANCIAL STATEMENTS

15. BORROWINGS

The loans are repayable in instalments as follows;

	Note	2024 £	2023 £
Due within one year	12	3,229	4,036
Due within one to two years	13	3,229	3,229
Due within two to five years	13	9,685	9,685
Due after more than five years	13	14,129	16,550
		<u>30,272</u>	<u>33,500</u>

In November 2022 the assets and liabilities of the GCT were transferred to GSAL. This included bank loans from NatWest of £28m, repayable by July 2030.

The loan interest is at a variable rate, and a swap contract is in place to manage the risk of interest rate variations as per note 24.

The bank loan is secured by a legal charge over the assets of the charity and the following securities:

- a first and third-party first legal charge granted by the Foundation in respect of the Alwoodley Freehold;
- a deed of subordination entered into by the Foundation subordinating the existing Alwoodley Foundation loan, the Foundation Development facility and the Foundation Refinancing facility to the indebtedness of the Bank

The Foundation loan of £10.9m was transferred from GCT. The loan is interest-free and unsecured, is due to be repaid in one amount on 31 December 2067, with an option to make payments after 31 December 2028.

The Foundation is the custodian of the land at Alwoodley Gates pursuant to the Charity Commission Scheme of 6 December 1996.

16. RESTRICTED FUNDS

The restricted funds of the charity comprise the following:

	Expendable Bursary & Hardship Fund £'000	Lightwing, Headingley & Chapel Funds £'000	PAC appeal Funds £'000	Smeaton Wood Grant £'000	Specific Restricted Donations £'000	Total £'000
Consolidated & Charity						
Balance at 1 September 2023	-	21	-	-	35	56
Income	82	1	84	96	14	277
Expenditure	(1,127)	-	-	(96)	(13)	(1,236)
Transfer from unrestricted funds	1,045	-	-	-	-	1,045
Balance at 31 August 2024	<u>-</u>	<u>22</u>	<u>84</u>	<u>-</u>	<u>36</u>	<u>142</u>

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2023 Comparatives

	Expendable Bursary & Hardship Fund £'000	Lightwing, Headingley & Chapel Funds £'000	PAC appeal Funds £'000	Smeaton Wood Grant £'000	Specific Restricted Donations £'000	Total £'000
Consolidated & Charity						
Balance at 1 September 2022	-	21	-	-	33	54
Income	83	-	-	-	20	103
Expenditure	(1,083)	-	-	-	(18)	(1,101)
Transfer from unrestricted funds	1,000	-	-	-	-	1,000
Balance at 31 August 2023	-	21	-	-	35	56

The balances on the funds are included in the balance sheet under fixed asset investments and bank balances, as analysed in note 18.

All bursary transactions are accounted for through the Expendable & Hardship Bursary Funds. Bursaries paid out by GSAL amounted to £1,127k offset by donations from third parties and the Foundation Award Funds of £82k, with the balance being funded by transfers from GSAL unrestricted funds amounting to £1,045k.

In 23/24, we received a White Rose Forest capital grant amounting to £96k to assist with the planting of over 10,000 trees in the Smeaton Wood. Expenditure of £96k was incurred in relation to the planting of the Smeaton Wood project.

A campaign ran in the memento alumni magazine to generate funds for the Performing Arts Centre. Donations will be used to pay for solid oak panelling, retractable auditorium seats and various pieces of state of the art equipment required for the build. Donations amounted to £84k in the year. The expenditure has not yet been incurred.

Total specific restricted donations income of £14k includes monies received from restricted scholarship sources (£1k) and pupils' weekly charity collection (£13k). Specific restricted donations expenditure of £13k relates to the donations to various charities from the pupils' weekly collections. This has resulted in net income for specific restricted donations of £1k.

17. UNRESTRICTED FUNDS

	School Reserve £'000	Charity Total £'000	Trading Companies £'000	Consolidated Total £'000
Consolidated & Charity				
Balance at 1 September 2022	20,177	20,177	-	20,177
Income	32,812	32,812	643	33,455
Expenditure	(30,774)	(30,774)	(444)	(31,218)
Transfer to restricted funds	(1,045)	(1,045)	-	(1,045)
Transfer from trading companies	199	199	(199)	-
Balance at 31 August 2024	21,369	21,369	-	21,369

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

2023 Comparatives

	School Reserve	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000
Consolidated & Charity				
Balance at 1 September 2022	13,915	13,915	(60)	13,855
Income	31,220	31,220	619	31,839
Expenditure	(28,711)	(28,711)	(380)	(29,091)
Transfer to restricted funds	(1,000)	(1,000)	-	(1,000)
Transfer from trading companies	179	179	(179)	-
Exceptional items	4,574	4,574	-	4,574
Balance at 31 August 2023	20,177	20,177	-	20,177

18. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Fixed Assets and investments	Debtors due in more than one year	Current assets	Current liabilities	Long term liabilities	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Lightwing & Headingley Funds	21	-	-	-	-	21
Chapel Fund	5	-	-	(4)	-	1
Specific Restricted Donations incl. PAC	-	-	120	-	-	120
	26	-	120	(4)	-	142
Unrestricted funds						
School Reserve	54,194	4,403	16,917	(19,599)	(34,546)	21,369
	54,194	4,403	16,917	(19,599)	(34,546)	21,369
Consolidated total	54,220	4,403	17,037	(19,603)	(34,546)	21,511

2023 Comparatives	Fixed Assets and investments	Debtors due in more than one year	Current assets	Current liabilities	Long term liabilities	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Restricted funds						
Lightwing & Headingley Funds	20	-	-	(4)	-	16
Chapel Fund	5	-	-	-	-	5
Specific Restricted Donations	-	-	35	-	-	35
	25	-	35	(4)	-	56
Unrestricted funds						
School Reserve	50,244	5,635	13,474	(19,245)	(29,931)	20,177
	50,244	5,635	13,474	(19,245)	(29,931)	20,177
Consolidated total	50,269	5,635	13,509	(19,249)	(29,931)	20,233

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

19. TAXATION

The charity’s activities are exempt from taxation under chapter 3 of part II to the Corporation Tax Act 2010.

20. EMPLOYEE RETIREMENT BENEFITS

The charity 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 £2,403k (2023: £2,260k) and at the year-end £224k (2023 - £183k) 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 2020 and the Valuation Report was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation has valued the ‘greater value’ benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The charity also contributes to a defined contribution group personal pension plan for support staff and teaching staff who elect to join this scheme in place of the TPS. These contributions are also charged directly to the statement of financial activities.

	2024	2023
	£’000	£’000
The total pension costs are broken down as follows:		
Teachers	2,663	2,380
Support staff	254	238
	2,917	2,618

21. INVESTMENT IN SUBSIDIARIES

	2024	2023
	£	£
Investment in subsidiaries at cost	3	3

In addition to the investments shown in note 10, the charity owns the following: 100% of the ordinary share capital of GSAL Enterprises Limited (registration no. 02314911), incorporated in England and Wales. The principal activity of GSAL Enterprises Limited is letting and associated activities at the Alwoodley site.

The charity owns 100% of the ordinary share capital of GSAL Transport Limited (registration no. 09393247), incorporated in England and Wales. The principal activity of GSAL Transport Limited is the operation of passenger transport services.

GSAL is the only shareholder of GSAL PFA and has sole authority to elect the Trustees. The GSAL PFA’s financial results are not deemed to be material to GSAL’s financial statements and have not been consolidated here.

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

	2024	2023
GSAL Enterprises Ltd - financial summary	£'000	£'000
Turnover	215	212
Cost of sales	(5)	(18)
Gross profit	210	194
Admin expenses	(24)	(16)
Operating profit	186	178
Donation to GSAL	(186)	(178)
Result for the financial year	-	-
Assets	196	190
Liabilities	(196)	(190)
Funds	-	-

	2024	2023
GSAL Transport Ltd - financial summary	£'000	£'000
Turnover	1,716	1,627
Cost of sales	(1,636)	(1,523)
Gross profit	80	104
Admin expenses	(67)	(43)
Operating (loss)/profit	13	61
Profit/(loss) before tax	-	(60)
Donation to GSAL	13	(1)
Cumulative losses carried forward	-	-
Assets	436	528
Liabilities	(436)	(528)
Funds	-	-

22. OPERATING LEASES COMMITMENTS

The total future minimum lease payments under non-cancellable operating leases:

	2024	2023
	£000	£000
Group		
- within one year	26	3
- between one and five years	103	-
- after five years	7	-
	<u>136</u>	<u>3</u>
Charity		
- within one year	26	3
- between one and five years	103	-
- after five years	7	-
	<u>136</u>	<u>3</u>

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

23. EXCEPTIONAL INCOME

On 14 November 2022, as part of a restructuring and refinancing exercise, the total assets and liabilities of the LGS General Charitable Trust were transferred to the school.

The transfer included £43m of fixed assets, largely the land and buildings at Alwoodley Gates currently occupied by school. The banking facilities with NatWest were renewed at the point of restructure, and loan liabilities of £28m and a swap contract (asset) with a value of £3m were transferred to GSAL (see note 24).

Other liabilities totalling £14m were also transferred, including £11m owed to the Foundation (note 13) and £3m owed to GSAL (eliminated on consolidation), giving an overall exceptional income of £4.5m as shown in the 2023 statement of financial activities.

24. FINANCIAL INSTRUMENTS

Prior to the transfer of assets and liabilities to GSAL, GCT had previously entered into a contract in relation to a financial derivative to manage its exposure to the risk of interest rate variation. The interest rate swap was due to expire on 31 December 2028 but as part of the re-structure of loans during the 2015/16 financial year, the original swap contract was cancelled in July 2016 and a new swap contract entered into with a termination date of 30 June 2030.

The existing swap contract was transferred to GSAL as part of the restructure in November 2022.

The fair value of the derivative is calculated by discounting the future cash flows to the maturity date and at 31 August 2024 the value was determined by GSAL's bankers to be an asset of £1,761k compared to an asset of £2,993k at 31 October 2023 (when revalued as part of the restructure). The loss of £1,232k resulting from this revaluation was recognised in the statement of financial activities for the year.

The notional principal value at 31 August 2024 is £19,371k. The contract fixed interest rate is 0.92%. The interest rate swap settles quarterly, on the basis of the difference between the fixed and floating interest rate.

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NOTES TO THE FINANCIAL STATEMENTS

25. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND-TYPE

Year ended 31 August 2023

	Unrestricted funds £'000	Restricted funds £'000	Total 2023 £'000
INCOME FROM:			
<u>Charitable activities – education:</u>			
Tuition fees	29,058	-	29,058
Other income	1,818	-	1,818
	30,876	-	30,876
Other trading activities - trading income	622	-	622
Donations - general	-	103	103
Investments	343	-	343
Total trading and charitable income	31,841	103	31,944
Exceptional income – transfer from GCT	4,574	-	4,574
TOTAL INCOME	36,415	103	36,518
EXPENDITURE ON:			
Raising funds:			
Trading expenditure	(1,599)	-	(1,599)
Charitable activities - education:			
Education and grant making	(27,494)	(1,101)	(28,595)
TOTAL EXPENDITURE	(29,093)	(1,101)	(30,194)
NET INCOME/(EXPENDITURE)	7,322	(998)	6,324
Transfers between funds:			
Transfer to Expendable Bursary & Hardship Fund	(448)	448	-
Additional Transfer to Expendable Bursary & Hardship Fund	(552)	552	-
NET MOVEMENT IN FUNDS	6,322	2	6,324
<i>NET MOVEMENT IN FUNDS BEFORE EXCEPTIONAL INCOME</i>	1,748	2	1,750
RECONCILIATION OF FUNDS:			
Total funds brought forward	13,855	54	13,909
Net movement in funds for the year	6,322	2	6,324
TOTAL FUNDS CARRIED FORWARD	20,177	56	20,233