

**Company Registration No. 01521751**  
**Charity Registration No. 510809**

**LEICESTER GRAMMAR SCHOOL TRUST**

**TRUSTEES' REPORT  
AND  
STATEMENT OF ACCOUNTS**

**FOR THE YEAR ENDED  
31 JULY 2021**

## LEICESTER GRAMMAR SCHOOL TRUST

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## **LEICESTER GRAMMAR SCHOOL TRUST**

### **Legal and administrative information**

#### **Charity Trustees**

The Trustees of Leicester Grammar School Trust are also company directors, and carry the responsibilities accorded to them by the Charity Commission and under Company Law. They have all served in office throughout the year except where indicated:

Mrs E M Bailey  
Mrs J Burns (Vice chair, Academic)  
Professor D Cartmell (appointed 16 November 2020)  
Mr S Gasztowicz (Chairman)  
Mr D C Green  
Dr S E Hadley  
Mr M J Holley (Vice chair, Financial)  
Mr N J M Imlach  
Dr D I Khoosal  
Mrs K Law (appointed 6 December 2021)  
Dr L Mongan-Cockcroft (resigned 21 June 2021)  
Mrs A G O'Donovan  
Mr A P M Osiatynski (appointed 6 December 2021)  
Professor J M Saker  
The Ven R V Worsfold

#### **Committees and sub committees of the Board of Trustees**

The following Trustees served on committees and sub committees of the Board during the year:

##### **Education Committee:**

Mrs J Burns (Committee Chairman)  
Mrs E M Bailey  
Mr S Gasztowicz  
Dr L Mongan-Cockcroft  
The Ven R V Worsfold

##### **Finance and General Purposes Committee:**

Mr M J Holley (Committee Chairman)  
Mrs E M Bailey  
Mr S Gasztowicz  
Mr D C Green  
Mr N J M Imlach

##### **Bursaries, Scholarships and Public Benefit Sub Committee:**

Mrs E M Bailey (Sub committee Chairman)  
Mrs A G O'Donovan

##### **Health and Safety Committee:**

Professor J M Saker (Committee Chairman)  
Dr D I Khoosal  
Dr S E Hadley

##### **Nominations and Governance Committee:**

Mr S Gasztowicz (Committee Chairman)  
Mrs J Burns  
Mr M J Holley

##### **Salaries Review Committee:**

Mr S Gasztowicz (Committee Chairman)  
Mrs J Burns  
Mr M J Holley

## **LEICESTER GRAMMAR SCHOOL TRUST**

### **Legal and administrative information cont.**

The Board is a self-appointing body. One third of the Board is required to retire by rotation, each year. Board members are eligible to stand for re-election at the end of a term of office.

### **Officers**

Headmaster of Leicester Grammar School and Principal of Leicester Grammar School Trust:

Mr J W Watson

Headmistress of Leicester Grammar Junior School: Mrs C Rigby (retired 31 August 2021);

Mrs S V Ashworth Jones (appointed 1 September 2021)

Headmaster of LGS Stoneygate: Mr J Dobson

Director of Finance and Operations and Company Secretary: Mr S J Jeffries

### **Addresses:**

Leicester Grammar School and Leicester Grammar Junior School

London Road

Great Glen

Leicester

LE8 9FL

(School and registered office)

LGS Stoneygate

6 London Road

Great Glen

Leicester

LE8 9DT

Websites: [www.leicestergrammar.org.uk](http://www.leicestergrammar.org.uk)

[www.lgs-stoneygate.org.uk](http://www.lgs-stoneygate.org.uk)

### **Auditors**

Haysmacintyre LLP

10 Queen St Place

London

EC4R 1AG

### **Bankers**

NatWest

1 Granby Street

Leicester

LE1 9GT

## **LEICESTER GRAMMAR SCHOOL TRUST**

### **REPORT OF THE BOARD OF TRUSTEES (incorporating the Strategic Report) FOR THE YEAR ENDED 31 JULY 2021**

The Trustees present their report and financial statements for the year ended 31 July 2021 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Report under the Companies Act 2006.

#### **Reference and Administrative Information**

The Charity was founded in 1980 and is registered with the Charity Commission under charity number 510809.

Leicester Grammar School Trust is also a company limited by guarantee, registered under company number 01521751.

The Trustees, executive officers and principal address of the Charity are as listed on page 1 and 2. Particulars of the Charity's professional advisers are given on page 2.

#### **Structure, Governance and Management**

##### **Governing Document**

The Charity is governed by its Memorandum and Articles dating from 13 October 1980 and last amended on 3 December 2014.

##### **Governing Bodies**

The Charity operates three schools, Leicester Grammar School, Leicester Grammar Junior School and LG Stoneygate School. There is a single Governing body, being the Charity Trustees, the details of which are explained on page 1.

##### **Recruitment and Training of Trustees**

The Charity's elected Trustees are appointed at a meeting of the Board of Leicester Grammar School Trust, on the basis of recommendations made by the Nominations and Governance Committee, a committee of the Board. The Committee considers eligibility, skills and commitment when advising the Board and endeavours to ensure that the Board contains an appropriate balance of skills.

New Trustees receive a pack of written information as well as visiting all three schools and meeting with key officers and the Chairman of the Board. A Trustees' skills audit is performed to identify individual training needs and also any areas where additional expertise may need to be added to the Board. Trustees are also encouraged to assess their own training needs and individual Trustees attend courses as required.

##### **Organisational Management**

The Trustees are legally responsible for the overall management and control of the three Schools. The Board of Trustees meets at least four times each year.

The Education Committee meets once per term. This Committee oversees the curriculum, teaching and learning and educational policy across the three Schools.

The Finance and General Purposes Committee meets four times a year. This Committee oversees the implementation of Board policies, and also undertakes detailed reviews before making recommendations to the Board. The Finance and General Purposes Committee is chaired by a Trustee who is not Chairman of the full Board. The Bursaries, Scholarships and Public Benefit Sub Committee meets to review applications and policy in detail at least twice each year.

The Health and Safety Committee meets once per term and reviews health and safety policies and procedures at all three Schools.

## **LEICESTER GRAMMAR SCHOOL TRUST**

### **REPORT OF THE BOARD OF TRUSTEES (incorporating the Strategic Report) FOR THE YEAR ENDED 31 JULY 2021**

The Nominations and Governance Committee meets as and when required, but usually once a year. It considers the composition of the Board and applications from prospective Trustees. The Salaries Review Committee meets periodically to consider salaries payable to the Senior Leadership Team.

The day to day running of the schools is delegated to the respective Heads supported by their Senior Leadership Teams together with the Director of Finance and Operations. The Head Teachers and the Director of Finance and Operations attend meetings of the Board and its committees and sub committees.

Key Management Personnel are considered to be the Principal and Headmaster of Leicester Grammar School, the Director of Finance and Operations, the Heads of Leicester Grammar Junior School and LGS Stoneygate, and the Deputy Heads of Leicester Grammar School. The remuneration of this senior staff group is determined by the Salaries Review Committee of the Board of Trustees with reference to appraisal records and benchmarking.

#### **Objects, Aims, Objectives and Activities**

##### **Charitable Objects**

The Trust's Objects, as set out in its Memorandum and Articles, are the advancement of education, through a school or schools, run according to Christian principles.

##### **Aims and Intended Impact**

Within these Objects the Trust's aim is to provide an excellent education for pupils of high academic ability, regardless of their financial means. The Trust aims to provide for the pupils' general instruction of high standard and quality, including physical, moral and religious education and to provide an environment where each pupil can develop their talents to the full.

##### **Objectives for the Year**

In setting objectives and planning activities the Trustees 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.

The maintenance of academic progress, underpinned by individual pastoral care and a strong sense of community, has been a key focus. Academic excellence is complemented by an emphasis on sport, art and music, ensuring a rounded education for pupils of all ages.

The Trust remains committed to enrolling able children from all backgrounds regardless of ability to pay the fees.

A key objective for the Trust for 2020-21 was to maintain pupil numbers and parental confidence during the unprecedented period of managing the impact of the Covid 19 pandemic on the schools.

The Trust aims to play a full part in the life of the local, regional and indeed national community.

##### **Strategies to Achieve the Year's Objectives**

The Trustees worked with senior leaders to ensure that pupils made good academic progress during the pandemic and that examination candidates were therefore well prepared for final assessment. There has been an increased focus on teaching and learning strategies, and a new Sixth Form programme (Aspire) was introduced in September 2020. Remote learning and teaching have also provided unforeseen opportunities to enhance the use of technology.

Provision of means-tested bursaries remains a high priority for the Trust, in order to ensure that the school is accessible to pupils from a wide range of backgrounds. The Trust continues to seek funding

## LEICESTER GRAMMAR SCHOOL TRUST

### REPORT OF THE BOARD OF TRUSTEES (incorporating the Strategic Report) FOR THE YEAR ENDED 31 JULY 2021

for additional bursaries and has a subsidiary company, LGS Enterprises Limited, which was established to generate additional income.

The Trustees continue to work to raise the profile of the schools in order to attract applications for admission from able candidates. The Trust continues to work hard to create links with local schools and the local community, particularly by making its facilities available to other local groups and organisations. Some of these activities have been sustained remotely during the pandemic.

#### **Principal Activities of the Year**

The Trust principally provides education to boys and girls from the age of 3 to 18.

The Trust continues to operate three schools.

Two of the schools are based on a shared site in Great Glen, Leicestershire: Leicester Grammar School for pupils aged 10-18 and Leicester Grammar Junior School for pupils aged 3-11. During the year Leicester Grammar School averaged 859 (2019-20: 839) pupils and Leicester Grammar Junior School averaged 400 (2019-20: 391) pupils. Both schools continue to operate broadly at capacity with the growth in the senior school pupils following a concerted increase in admissions activity during 2019-20.

In May 2016 the Trust acquired the trade and assets of Stoneygate School, an independent coeducational preparatory school also situated in Great Glen, Leicestershire on a separate 45 acre site. During the year Stoneygate averaged 190 (2019-20: 166) pupils. The school offers high-quality education with a distinctive ethos, supported by attentive governance and management provided by the Trust.

The welcome increase in pupil numbers at Stoneygate resulted from clarification and redefinition of the senior school curriculum and more intensive admissions activity and marketing. It is the intention of Trustees to increase the pupil roll further and, following a review, the school has been re-branded from September 2021 as LGS Stoneygate. Trustees have planned to invest in the school, and capital projects over the next year include a new Food Room and a new multi-purpose hall scheduled for completion in late 2022.

2020-21 has been another complex year owing to the Covid 19 pandemic. The Trust has managed its finances carefully over the last year, taking advantage of further Government support, although much more limited, through the Coronavirus Job Retention Scheme and by retaining the Coronavirus Business Interruption Loan Scheme (CBILs) funding of £4 million borrowed in June 2020. A surplus commensurate with the need to maintain investment in our pupils' education was still achieved.

The CBILs funding was deemed a prudent measure to ensure the Trust had a buffer to counter any downside-risks arising from economic volatility subsequent to the health crisis caused by Covid 19.

Following the January 2021 national lockdown, the Trust passed on to parents the savings made during the period of closure. Parents were again supported through individual fee deferral arrangements and the offer of additional hardship bursary funding.

The Trust is confident that the schools will continue to attract able pupils. This is a result of continued efforts to maintain the academic, pastoral and co-curricular standards for which the schools have become known, continued investment in facilities and ongoing efforts to market the schools.

#### **Our Ethos**

The Trust is a charity which seeks to benefit the public through the pursuit of its stated aims. Fees are set at a level to ensure the financial viability of the schools and at a level which is consistent with the aim of providing a first-class education to boys and girls.

## **LEICESTER GRAMMAR SCHOOL TRUST**

### **REPORT OF THE BOARD OF TRUSTEES (incorporating the Strategic Report) FOR THE YEAR ENDED 31 JULY 2021**

The schools welcome academically able pupils from all backgrounds. To admit a prospective pupil the schools need to be satisfied that they will be able to educate and develop that prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Pupils wishing to join the Grammar School are required to sit an entrance exam and pupils wishing to join Leicester Grammar Junior School or LGS Stoneygate undergo an assessment. Both forms of assessment are designed to satisfy the school and the parents that the potential pupil can cope with the pace of learning and benefit from the education provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the assessment process.

The schools are committed to safeguarding and promoting the welfare of pupils and expect all staff and volunteers to share this commitment. The schools carry out appropriate background checks of adults who come into contact with pupils. The schools maintain regular contact with parents through the year including holding parents evenings, issuing end of term reports, and sending home regular newsletters.

The Trust is an equal opportunity organisation and is committed to a working environment which is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability.

#### **Disabled employees**

The Trust facilitates the employment of disabled persons and provides, wherever possible, training, career development and promotion. Where employees become disabled whilst in service, every effort is made to rehabilitate them to their former jobs or some other suitable alternative and provide appropriate training and specialist advice.

#### **Access Policy**

It is important that access to the education provided by the Trust and to its facilities is not restricted to those who can afford the fees. The Trust believes that all pupils benefit from learning within a diverse community. The Trust's bursaries policy, together with links with local state schools and other organisations which have access to the Trust's facilities, contribute to a widening of access.

#### **Grant-making Policy**

The Trustees view the bursary awards as essential in helping to ensure that children from families which would not otherwise be able to afford the fees can access the education on offer. Bursaries are available to all prospective pupils who pass the entrance exam to join the Grammar School in years 7 and above, and are made solely on the basis of parental means. Bursaries are also available to existing pupils whose financial circumstances change and whose ability to remain at the school is under threat, for example due to parental redundancy. From September 2018 the bursaries scheme was extended to also include pupils joining LGS Stoneygate in years 7 and above.

In assessing a bursary application the Trust takes a number of factors into consideration, including family income, assets held, investments and savings, and the number of dependents. However, the Trust does not have a large endowment or extensive reserves to draw on. In funding bursary awards the Trust is mindful of the need to ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. The Trustees are also mindful of the requirement for careful financial stewardship at a time when significant financial commitments have been taken on.

Bursary awards vary from 10% to 100% of fees and are re-assessed on an annual basis to take account of any changes in the family's financial situation. Information about fee assistance is available in the prospectus and on the school website, as well as being advertised in the local press and elsewhere. The form completed by applicants includes a box to tick, to indicate simply that the applicant wishes to be considered for a means tested bursary.

## **LEICESTER GRAMMAR SCHOOL TRUST**

### **REPORT OF THE BOARD OF TRUSTEES (incorporating the Strategic Report) FOR THE YEAR ENDED 31 JULY 2021**

The Trustees have also set up a sub committee of the Finance and General Purposes Committee: the Bursaries, Scholarships and Public Benefit Sub Committee. This sub committee reviews, monitors and advises on the Trust's Public Benefit role, particularly developing the provision of means tested bursaries, taking into account the Charities Act requirements and Charity Commission guidelines.

During 2019-20, an additional Coronavirus Hardship Bursary Fund was established to support parents impacted by Covid 19, either health-wise or financially.

#### **Volunteers**

Old Leicestrians, Friends of Leicester Grammar School, Friends of Leicester Grammar Junior School and the Stoneygate Association provided support, advice and enrichment opportunities during the year, as well as helping with fundraising and organising social and cultural events. The Board is grateful to them for their continuing and valuable support for the schools.

#### **STRATEGIC REPORT**

##### **Review of Achievements and Performance for the Year**

#### **Operational Performance of the schools**

Subsequent to the necessity for Centre Assessed Grades in 2020, public examinations in 2021 were replaced with Teacher Assessed Grades owing to Covid 19.

The Grammar School maintained its high academic standing. At GCSE level, 83% of results were graded between 7 and 9. At 'A' level 90.5% of grades were at A\* - B, and 74% at A\*/A grade.

LGS Stoneygate recorded its second set of GCSE results in 2020-21, with 100% of Teacher Assessed Grades at 4 or above and 50% of results graded between 7 and 9.

Leicester Grammar and Leicester Grammar Junior School underwent a Focussed Compliance and Educational Quality Inspection in November 2019. The schools were found to be fully compliant with the Independent School Standards Regulations and were judged 'Excellent' in the two EQI categories (pupils' achievements and pupils' personal development). Leicester Grammar School was also named East Midlands Independent Secondary School of the Year 2020.

During the year ended 31 July 2021, the value of means tested bursaries awarded to pupils totalled £719,000 (2019-20 £759,000). This figure included bursaries worth £36,000 (2019-20 £28,000) funded by external benefactors. The value of means tested bursaries represented 4.2% of the gross fee income of the Trust (2019-20: 4.6%).

During the year, 16 pupils received a 100% bursary (2019-20: 11 pupils). A further 26 pupils received bursaries of between 80% and 99% of fees (2019-20: 26 pupils).

Further awards totalling £103,000 (2019-20: £160,000) were made to pupils at Leicester Grammar School Trust in the form of scholarships. The Trustees' policy is to make these awards on the basis of individual ability and potential. The Trustees have a stated aim of gradually reducing the total value of scholarships in favour of gradually increasing the number and value of means tested bursaries.

A full complement of staff qualified to teach their respective subjects was in place throughout the year at all three of the Trust's schools. The support staff positions were similarly all filled.

#### **Public benefit – Contribution to the community**

In 2020-21 the Trust continued to contribute to the local and wider community where possible, despite the Covid 19 pandemic, however many of our usual events were not able to go ahead due to the limitations on social mixing. The schools provided the following activities:

## **LEICESTER GRAMMAR SCHOOL TRUST**

### **REPORT OF THE BOARD OF TRUSTEES (incorporating the Strategic Report) FOR THE YEAR ENDED 31 JULY 2021**

Charitable projects, examples include:

- Online concerts, car washing and inter-house sporting competitions to fundraise for Rainbows Hospice.
- Huge support for the Rainbows Hospice 'Where's it bin?' campaign, requesting donations for items that could be sold in charity shops.
- Christmas Shoe Box donations to the YMCA.
- Christmas cards and messages of support to care home residents in the local community.
- Diverse list of charities supported over the year through fundraising and raising awareness such as Macmillan, Pets as Therapy, Rainbows Hospice, Cancer Research UK, Age UK, the Jubilee Food Bank in Market Harborough, the Motor Neurone Disease Association and the Royal British Legion Poppy Appeal.
- Pupils have been engaged in fundraising with each House choosing a charity to support.
- Food bank donations, Harvest food collections and Easter Egg collections for various charities.
- £10,000 was raised for charities during the year as well as numerous individual charitable projects led by pupils for charities of their choice.

Educational partnerships, examples include:

- Initiatives with local maintained school (Manor High School), including Reader Leader and Maths Mentor catch-up tuition.
- GCSE study skills sessions run by Year 13, Year 11 and Year 10 pupils at a local maintained school (Manor High School).

Community service, examples include:

- Community service performed by the Duke of Edinburgh Award students and 6<sup>th</sup> form community service programme.
- Placements in care homes, primary schools, charity shops as well as volunteers offering telephone support via the Age UK befriending service and pupils working from home to support the Market Harborough Museum.
- Support of the National Citizen Service programme.

Facilities, Music and Sport for the Community, although impacted significantly in the year owing to Covid 19 restrictions, examples include:

- Community use of school facilities for sports, music, drama and general use.
- Our swimming facilities continue to be used for lessons by the wider local community and we host competitive swimming clubs.
- We continue to partner with the Bardi Orchestra. The orchestra benefits from rehearsing at the school. Each year the orchestra gives a concert at the Grammar school hall.

#### **Financial Review and Results for the Year**

The Trust recorded a surplus of £1,209,000 (2019-20 £254,000) during the year. The Surplus achieved is considered satisfactory for the Trust to enable investment and efficiency for repaying debt. The 2019-20 surplus was significantly impacted by fee discounts following the lengthy period of lockdown owing to Covid 19

Total income increased by £1,456,000, from £16,757,000 to £18,213,000. The higher pupil numbers contributed significantly to this increase and 2019-20 included a discount to fees in the Trinity Term owing to Covid 19.

## **LEICESTER GRAMMAR SCHOOL TRUST**

### **REPORT OF THE BOARD OF TRUSTEES (incorporating the Strategic Report)** **FOR THE YEAR ENDED 31 JULY 2021**

#### **Investment Policy**

The financial objective of the Trustees is to maintain the real value of the Trust's assets whilst generating a stable and sustainable return to help fund the charity's activities over the long term. The Trustees review the investment policy on a regular basis.

At the year end the Trust's investments included £423,000 (2019-20: £358,000) of investment assets held within an investment portfolio managed by Brewin Dolphin. The Finance and General Purposes Committee is charged with agreeing a suitable asset allocation strategy with the investment managers which is set with the aim of achieving the Trust's overall investment objectives. This strategy would reflect the Brewin Dolphin risk category 5-6: low to moderate investment risk, to moderate investment risk. The Trustees adopt an ethical investment policy so that the Trust's assets are invested in line with its aims. Specifically, the Trustees would not wish to be invested in companies that obtain more than 10% of their turnover from involvement in the military or armaments.

The Trust also owns an investment property valued at £250,000 which is let out on the open market. This residential property was acquired in May 2016 as part of the Stoneygate School site. Further short term investments are held in the form of bank deposit accounts. During the year the Trust recorded a gain on investments of £61,000 (2019-20: deficit of £11,000), plus bank and other interest receivable of £21,000 (2019-20: £29,000) and a further £7,000 of gains on investments (2019-20: £7,000).

#### **Risk Management**

The Trustees are responsible for the management of the risks faced by the schools. Risks are identified and assessed and controls established throughout the year. A formal risk register is in place and is reviewed and updated on a regular basis by the Senior Leadership Team and reviewed by the Finance & General Purposes Committee.

The principal risks and uncertainties identified in the Trust's risk register include:

- Recruiting sufficient able pupils into the schools each year in order to maintain the pupil roll and therefore fee income in line with forecast.
- Maintaining tuition fees at an affordable level, whilst meeting rising costs including pension contributions for teaching staff, repaying the bank loan and complying with the bank covenants, and continuing to invest in the facilities available to pupils.
- To manage the health and safety risks.
- The need to continue to recruit top quality staff remains a high priority.
- The Trustees remain vigilant with regards to child welfare.
- External financial risks are kept under review by the Trustees including the potential for changes to tax legislation or changes to the treatment of charities.

Key controls used by the charity include:

- Formal agendas for all Committee, Sub Committee and Board activity.
- Detailed terms of reference for Board Committees and Sub Committees.
- Comprehensive strategic planning, budgeting and management accounting.
- Established organisational structure and lines of reporting.
- Formal written policies.
- Clear authorisation and approval levels.
- Vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the Trust, the Trustees 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.

#### **Charity Fundraising**

The school has not made any fundraising appeals to the general public during the year, and is unlikely to do so in the future. There has been no outsourced fundraising via professional fundraisers or other

## **LEICESTER GRAMMAR SCHOOL TRUST**

### **REPORT OF THE BOARD OF TRUSTEES (incorporating the Strategic Report) FOR THE YEAR ENDED 31 JULY 2021**

third parties. As a result the charity is not registered with the fundraising regulator and received no fundraising complaints in the year.

#### **Reserves Policy**

The Trustees aim to hold funds which are sufficient in order to fund current operational requirements and future development. The Trustees are mindful of the need to maintain a level of reserves which enables the organisation to respond to circumstances and mitigate risk, including ensuring compliance with the terms of the bank loans.

The Trustees review the reserves policy on a regular basis. The policy was revised in 2019-20 such that the Trust aims to hold a minimum of £2m (cash balances) at all times. The value of cash and investments held at 31 July 2021 was £7.9m (2020: £7.3m). Reflecting increased resources to mitigate risks arising from Covid 19.

At the end of the year the Trust's total reserves were £14,796,000 (2020: £13,587,000), including £14,003,000 (2020: £12,815,000) of unrestricted funds, £29,000 (2020: 23,000) of restricted funds and £764,000 (2020: £748,000) of endowment funds. The Trust's total reserves include £28,383,000 (2020: £29,231,000) which could only be realised by disposing of tangible fixed assets.

The Trustees remain confident that the Trust is able to meet its financial obligations as they fall due, as well as continuing to invest in the fabric of the buildings and the facilities and equipment required to provide an excellent education at the Trust's schools. The Trust holds significant cash reserves and continues to generate an annual surplus after meeting its financial obligations and is forecast to continue to do so. The Trustees are confident, based on the Trust's sound financial position that the Trust can continue as a going concern.

#### **Payment practices**

The average number of days taken to make payments to the Trust's suppliers in the year was 35 (2020: 31). The percentages of payments made within the year which were paid: within 30 days was 41% (2020: 55%); between 31 and 60 days was 51% (2020: 35%); and after 61 days or longer was 8% (2020: 10%). The percentage of payments due within the reporting period which were not paid within agreed terms was 9% (2020: 27%).

#### **Gender pay gap reporting**

The Trust's gap for mean hourly rates of pay at 5 April 2021 was 13.8% (2020: 14.2%) in favour of male employees. The median hourly pay gap at 5 April 2021 was 14.3% (2020: 14.4%). The pay gap is impacted by the diversity of employed roles within the Trust and is kept under review on an annual basis.

#### **Communication**

Effective communication with employees is of vital importance and both Trustees and senior management provide information to, and consult with, staff on matters that affect them, including financial matters.

## LEICESTER GRAMMAR SCHOOL TRUST

### REPORT OF THE BOARD OF TRUSTEES (incorporating the Strategic Report) FOR THE YEAR ENDED 31 JULY 2021

#### **Environmental matters**

##### **Carbon Report - UK Greenhouse gas emissions and energy-use data**

Energy consumption used to calculate emissions (kWh) 3,252,585

□ Gas	2,309,972
□ Electricity	942,613

##### Scope 1 emissions in metric tonnes CO<sub>2</sub>e

Gas consumption 508.22

Owned transport – mini-buses 12.52

Total Scope 1 520.74

##### Scope 2 emissions in metric tonnes CO<sub>2</sub>e

Purchased electricity 219.76

##### Scope 3 emissions in metric tonnes CO<sub>2</sub>e

Business travel in employee owned vehicles was insignificant in the year.

Total gross emissions in metric tonnes CO<sub>2</sub>e 740.50

Intensity ratio Tonnes CO<sub>2</sub>e per pupil 0.51

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for the Company Reporting.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

The Trust is committed to minimising the impact that its operations have on the environment and providing a safe environment for its staff and pupils. A pupil eco-group meets to suggest initiatives and the schools are conscious of ensuring the schools take a proactive view on environmental matters.

#### **Subsidiary Company**

The Trust has a wholly owned subsidiary company, LGS Enterprises Limited. This company undertakes commercial activities in order to generate funds to gift to Leicester Grammar School Trust.

#### **Strategic Planning**

The Trust Development Plan for the three years ending 31 July 2023 affirms the main aims of the Trust as being:

The Leicester Grammar School Trust seeks to be an inspiring centre for co-educational excellence in academic and personal development, within a Christian ethos.

The schools select pupils for entry in accordance with published admission procedures.

## **LEICESTER GRAMMAR SCHOOL TRUST**

### **REPORT OF THE BOARD OF TRUSTEES (incorporating the Strategic Report)** **FOR THE YEAR ENDED 31 JULY 2021**

The Trust remains committed to maintaining its position as a leading provider amongst co-educational day schools. The key objectives within the Plan, which are supported by school action plans are;

#### **Future Planning**

At a strategy away-day in March 2020, a 2030 Vision was shared and agreed by Trustees.

Each of our schools will have:

- Excellent academic outcomes and co-curricular opportunities.
- Innovative teaching and learning supported by a digital strategy.
- A forward-looking and stimulating curriculum.
- An environmental focus with outstanding facilities.
- An international/ global outlook.

Each of our schools will be:

- Financially secure and adequately flexible to invest in developing our pupils and staff.
- A community with clear ethos and values.
- A community where well-being is promoted.
- A community which prioritises public benefit and outreach.

The Trust's mission statement and the aims of Leicester Grammar and Leicester Grammar Junior Schools were revised:

The Leicester Grammar School Trust seeks to be an inspiring centre for co-educational excellence in academic and personal development, within a Christian ethos.

#### **Leicester Grammar School:**

In order to fulfil this mission, the school aims to:

- Promote intellectual curiosity and academic excellence.
- Provide a broad, balanced and stimulating curriculum.
- Offer a rich range of co-curricular opportunities which enhance pupils' physical, cultural and personal development.
- Equip pupils with the self-belief, consideration and skills required for a principled and fulfilling life.
- Create a happy and mutually-supportive community of learners and staff, in which each individual is encouraged and enabled to do and be their best.
- Care for the mental and emotional well-being of pupils, and be proactive in the promotion of a healthy lifestyle.
- Welcome pupils of diverse backgrounds and faiths, nurturing their social and spiritual development.
- Foster a generous contribution to charity, community service and society.

#### **Leicester Grammar Junior School:**

In order to fulfil this mission, the school aims to:

- Promote intellectual curiosity and a lifelong love of learning.
- Offer an extensive range of experiences which broaden the curriculum and develop the pupil.
- Create a stimulating, happy and supportive community where each pupil is allowed to flourish.
- Care for the mental and emotional well-being, promoting a healthy lifestyle and nurturing self-esteem.
- Enable the moral and spiritual well-being of each pupil to grow and thrive.

## LEICESTER GRAMMAR SCHOOL TRUST

### REPORT OF THE BOARD OF TRUSTEES (Incorporating the Strategic Report) FOR THE YEAR ENDED 31 JULY 2021

Vision: The school communities within the Trust will thrive through:

#### **Inspiring learning (Teaching, learning and attainment)**

- Foster increased discussion of teaching and learning, with consistent implementation of best practice
- Encourage resourceful learning which results in best-possible attainment

#### **Stimulating curriculum (Curriculum and co-curriculum)**

- Ensure a curriculum which best prepares pupils for a future of challenge and adventure
- Foster healthy co-curricular participation by all members of the school community

#### **Care and community (Pupils' well-being, support and guidance; staff professional development and well-being)**

- Ensure best deployment of pastoral resource to address pupils' needs
- Become increasingly recognised as a community which cares deeply for pupils, staff and others

#### **Appeal and outreach (Marketing, admissions, outreach, fundraising and communications)**

- Formulate and implement marketing and fundraising plans
- Be an ethically and environmentally responsible member of our local, national and global communities

#### **Environment and provision (Resources and facilities)**

- Ensure adequate funding to refurbish and develop facilities according to educational need
- Confirm and fully develop digital strategy

**LEICESTER GRAMMAR SCHOOL TRUST**

**REPORT OF THE BOARD OF TRUSTEES (incorporating the Strategic Report)**  
**FOR THE YEAR ENDED 31 JULY 2021**

**Trustees' Responsibilities Statement**

The Trustees (who are also directors of Leicester Grammar School for the purposes of company law) are responsible for preparing the Report of the Board of Trustees and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees 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.

Approved by the Board of Trustees of Leicester Grammar School Trust on 6 December 2021, including the Strategic Report contained therein, and signed on its behalf by:



Mr S Gasztowicz  
Chairman of Trustees

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF  
LEICESTER GRAMMAR SCHOOL TRUST**

**Opinion**

We have audited the financial statements of Leicester Grammar School Trust for the year ended 31 July 2021 which comprise the Statement of Financial Activities, the Balance Sheets, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102. The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2021 and of the charitable company's net movement in funds, including the 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 charity 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 trustees' 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 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.

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF  
LEICESTER GRAMMAR SCHOOL TRUST**

**Opinions 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 strategic report and 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; and
- the strategic report and directors' report included within the Trustees' Report have 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the strategic report and the directors' report).

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

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

**Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 14, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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 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.

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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements of the Charity Commission and the Independent Schools Inspectorate considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, payroll tax and sales tax.

**INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF  
LEICESTER GRAMMAR SCHOOL TRUST**

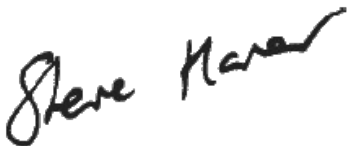
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Obtaining confirmation and corroborating evidence that there have been no regulatory or tax compliance issues ;
- Discussions with management and review of relevant minutes of trustees' meetings including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

**Use of our report**

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



.....

6 December 2021

Date: .....

**Steven Harper (Senior Statutory Auditor)**  
for and on behalf of Haysmacintyre LLP, Statutory Auditor  
10 Queen Street Place  
London EC4R 1AG

LEICESTER GRAMMAR SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 JULY 2021

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2021 £	Total 2020 £
<b>INCOME FROM:</b>						
<b>Charitable Activities</b>						
Tuition fees	2	17,234,752	-	-	17,234,752	15,608,314
Exam registration fees		38,848	-	-	38,848	49,373
Canteen receipts		444,505	-	-	444,505	430,157
Bus fares		159,295	-	-	159,295	139,792
Sundry income		180,465	-	-	180,465	100,081
<b>Investments</b>						
Investment income	3	3,511	-	3,864	7,375	7,439
Bank and other interest	4	9,660	-	11,770	21,430	28,969
<b>Donations and legacies</b>	5	109,800	16,333	-	126,133	392,653
<b>Total income</b>		<b>18,180,836</b>	<b>16,333</b>	<b>15,634</b>	<b>18,212,803</b>	<b>16,756,778</b>
<b>EXPENDITURE ON:</b>						
<b>Charitable Activities</b>						
Schools operations		17,038,251	10,397	15,634	17,064,282	16,492,457
<b>Total expenditure</b>	6	<b>17,038,251</b>	<b>10,397</b>	<b>15,634</b>	<b>17,064,282</b>	<b>16,492,457</b>
<b>NET INCOME/(EXPENDITURE) BEFORE INVESTMENT GAINS/(LOSSES)</b>		<b>1,142,585</b>	<b>5,936</b>	<b>-</b>	<b>1,148,521</b>	<b>264,321</b>
<b>Gains/(losses) on investments</b>		<b>45,471</b>	<b>-</b>	<b>15,082</b>	<b>60,553</b>	<b>(10,578)</b>
<b>NET INCOME AND MOVEMENT IN FUNDS</b>		<b>1,188,056</b>	<b>5,936</b>	<b>15,082</b>	<b>1,209,074</b>	<b>253,743</b>
Fund balances at 1 August 2020		12,815,105	23,140	748,435	13,586,680	13,332,937
<b>FUND BALANCES at 31 JULY 2021</b>		<b>14,003,161</b>	<b>29,076</b>	<b>763,517</b>	<b>14,795,754</b>	<b>13,586,680</b>

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The accompanying notes form part of these financial statements.

The profit for the year in accordance with Companies Act 2006 is £1,148,521 (2020: £264,321).

No separate income and expenditure account has been included on the grounds that the difference between net income stated above and profit for the year for Companies Act purposes is immaterial.

**LEICESTER GRAMMAR SCHOOL TRUST**

**BALANCE SHEET**

**AT 31 JULY 2021**

	Notes	2021		2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10	28,382,574		29,231,301	
Investments	11	<u>673,285</u>		<u>607,563</u>	
			29,055,859		29,838,864
<b>CURRENT ASSETS</b>					
Stock of consumables		13,794		23,658	
Debtors	12	663,137		998,590	
Cash at bank and in hand		<u>7,475,522</u>		<u>6,972,655</u>	
		8,152,453		7,994,903	
<b>CREDITORS: Amounts falling due within one year</b>	13	<u>(3,207,276)</u>		<u>(2,243,708)</u>	
<b>NET CURRENT ASSETS</b>			4,945,177		5,751,195
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>34,001,036</u>		<u>35,590,059</u>
<b>CREDITORS: Amounts falling due after more than one year</b>	14		(19,205,282)		(22,003,379)
<b>NET ASSETS</b>			<u>14,795,754</u>		<u>13,586,680</u>

The funds of the charity are represented by:

Endowment funds (restricted)	18	763,517	748,435
Restricted funds	19	29,076	23,140
Unrestricted funds		<u>14,003,161</u>	<u>12,815,105</u>
		<u>14,795,754</u>	<u>13,586,680</u>

The accounts were approved and authorised for issue by the Board of Trustees on 6 December 2021 and signed on their behalf by:

  
S. GASZTOWICZ

  
M. J. HOLLEY

Company Registration No. 01521751

The accompanying notes form part of these financial statements

LEICESTER GRAMMAR SCHOOL TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2021

	Notes	2021		2020	
		£	£	£	£
<b>Net cash inflow from operations</b>					
Net cash provided by operating activities	(i)		2,765,312		1,422,574
<b>Cash flows from investing activities:</b>					
Payments for tangible fixed assets		(352,746)		(340,008)	
Investment income and bank interest received		28,805		36,408	
Purchase of investments		(74,623)		(82,488)	
Proceeds from sale of investments		69,454		82,902	
<b>Net cash used in investing activities</b>			(329,110)		(303,186)
<b>Cash flow from financing activities</b>					
New borrowing in the year		-		4,000,000	
Repayment of long term loan		(1,933,335)		(1,793,820)	
<b>Net cash (used in)/from financing activities</b>			(1,933,335)		2,206,180
Change in cash and cash equivalents in the reporting period			502,867		3,325,569
Cash and cash equivalents at the beginning of the period			6,972,655		3,647,086
Cash and cash equivalents at the end of the reporting period	(ii)		7,475,522		6,972,655

(i) RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021	2020
	£	£
Net movement in funds	1,209,074	253,743
Depreciation charges	1,201,473	1,217,598
Decrease/(increase) in stock	9,864	(11,799)
Decrease/(increase) in debtors	335,453	(209,053)
Increase in creditors	98,806	197,915
Bank interest received	(28,805)	(36,408)
(Gains)/losses on investments	(60,553)	10,578
<b>Net cash inflow from operating activities</b>	<u>2,765,312</u>	<u>1,422,574</u>

(ii) Analysis of cash and cash equivalents

	2021	2020
	£	£
Cash	7,475,522	6,972,655
<b>Total cash and cash equivalents</b>	<u>7,475,522</u>	<u>6,972,655</u>

# LEICESTER GRAMMAR SCHOOL TRUST

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 JULY 2021

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#### 1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

##### a) Basis of Accounting

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Leicester Grammar School Trust meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Consolidated accounts have not been prepared on the grounds of materiality.

##### b) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, trustees are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing 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 affected current and future periods.

In the view of the trustees, no assumptions concerning future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment of their carrying amounts in the next financial year.

##### c) Going Concern

The accounts have been prepared on a going concern basis. The Leicester Grammar School Trust Board reviews the financial information for the charitable company and consider whether the charitable company is a going concern for a period of at least 12 months from the date of approval of the accounts. After making enquiries, the trustees have a reasonable expectation that the charitable company has no material uncertainties and adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and Accounts.

##### d) School Fees Receivable and Similar Income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances and other remissions granted by the school. Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are included in liabilities until either taken to income in the term when used or refunded.

## LEICESTER GRAMMAR SCHOOL TRUST

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 JULY 2021

#### 1. ACCOUNTING POLICIES (continued)

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##### e) Ancillary and Non-Ancillary Trading Income

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school refectory sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

##### f) Voluntary sources, Grants and Donations

Voluntary income is accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not. Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the school in case of donated services or facilities.

##### g) Expenditure

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the trust bad debt policy.

The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

##### h) Pension Costs

The trust participates in the Teachers' Pensions scheme, which is an unfunded government scheme, which provides benefits based on final pensionable pay. The funds of the scheme are separate from the trust, although the trust's share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes. The trust also contributes to other defined contribution pension schemes for non-teaching staff.

##### i) Tangible Fixed Assets and Depreciation

In accordance with Section 35.10 (d) of FRS102, Leicester Grammar School has elected to use the carrying value of any of the above freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1 August 2014.

Tangible fixed assets are stated at cost less depreciation.

Where tangible fixed assets have been acquired with the aid of specific grants they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

## LEICESTER GRAMMAR SCHOOL TRUST

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 JULY 2021

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##### 1. ACCOUNTING POLICIES (continued)

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life, as follows:

Freehold land is not depreciated

Freehold Buildings - 2% to 20% per annum on cost

Computers and equipment - 25% on cost

Fixtures and fittings - 12.5% to 33% on cost

Leicester Grammar School Trust exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

##### j) Financial Instruments

Leicester Grammar School Trust 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.

##### k) Securities investments and Fees in Advance

Securities investments and Fees in Advance are carried at fair value, which is deemed to be market value as at the balance sheet date.

The investment property is included in the financial statements at market value.

Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets. Realised gains and losses are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year. Uninvested cash is the balance of liquid cash, held as an investment, which has not been invested in securities.

##### l) Stocks

Stock of goods held for resale are valued at the lower of cost and net realisable value.

##### m) Leasing Commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the SOFA over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

##### n) Fund Accounts

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity. Endowment funds are further sub-divided into permanent and expendable, where required by the terms of the trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and have not been designated for other purposes.

##### o) Taxation

Leicester Grammar School Trust is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010.

**LEICESTER GRAMMAR SCHOOL TRUST**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2021**

**Note 2 FEES RECEIVABLE (Unrestricted funds)**

	<b>2021</b>	<b>2020</b>
	£	£
Fees receivable consists of		
Gross fees	18,056,317	16,526,668
Less: Bursaries and awards	<u>(821,565)</u>	<u>(918,354)</u>
	<u>17,234,752</u>	<u>15,608,314</u>

**Total bursaries and awards**

Leicester Grammar School Trust makes awards to individual families to support schooling.

	<b>2021</b>	<b>2020</b>
	£	£
<b>From Unrestricted Funds:</b>		
Bursaries	718,875	758,423
Scholarships and awards	<u>102,690</u>	<u>159,931</u>
	<u>821,565</u>	<u>918,354</u>

**Note 3 INVESTMENTS - INVESTMENT INCOME**

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2021 £
<b>Securities investment income</b>				
Equities	3,511	-	571	4,082
Fixed Interest	-	-	3,293	3,293
	<u>3,511</u>	<u>-</u>	<u>3,864</u>	<u>7,375</u>

**PRIOR YEAR**

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2020 £
<b>Securities Investment income</b>				
Equities	4,892	-	796	5,688
Fixed Interest	-	-	1,751	1,751
	<u>4,892</u>	<u>-</u>	<u>2,547</u>	<u>7,439</u>

**LEICESTER GRAMMAR SCHOOL TRUST**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2021**

**Note 4 INVESTMENTS - BANK AND OTHER INTEREST**

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2021 £
Bank interest	481	-	11,770	12,251
Other interest	9,179	-	-	9,179
	<u>9,660</u>	<u>-</u>	<u>11,770</u>	<u>21,430</u>

<b>PRIOR YEAR</b>	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2020 £
Bank interest	2,018	-	16,172	18,190
Other interest	10,779	-	-	10,779
	<u>12,797</u>	<u>-</u>	<u>16,172</u>	<u>28,969</u>

**Note 5 VOLUNTARY SOURCES - GRANTS AND DONATIONS**

	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2021 £
Donations from: LGS Enterprises	-	-	-	-
Coronavirus Job Retention Scheme grant	109,500	-	-	109,500
Small sundry donations	300	16,333	-	16,633
	<u>109,800</u>	<u>16,333</u>	<u>-</u>	<u>126,133</u>

<b>PRIOR YEAR</b>	Unrestricted funds £	Restricted funds £	Endowed funds £	Total 2020 £
Donations from: LGS Enterprises	-	13,016	-	13,016
Coronavirus Job Retention Scheme grant	355,411	-	-	355,411
Small sundry donations	3,300	20,926	-	24,226
	<u>358,711</u>	<u>33,942</u>	<u>-</u>	<u>392,653</u>

LEICESTER GRAMMAR SCHOOL TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

Note 6 ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 7) £	Depreciation (note 10) £	Support Costs £	Total 2021 £
<b>Charitable expenditure</b>				
Teaching	8,597,430	951,354	3,963,103	13,511,887
Welfare	703,493	77,845	324,285	1,105,623
Premises	402,245	44,511	185,420	632,176
School administration and governance	1,154,603	127,763	532,230	1,814,596
<b>Total expenditure</b>	<b>10,857,771</b>	<b>1,201,473</b>	<b>5,005,038</b>	<b>17,064,282</b>

Support costs are allocated on the basis of staff headcount.

b) Governance included in support costs

	2021 £	2020 £
Remuneration paid to auditor for audit services	14,340	13,800
Remuneration paid to auditor for non-audit services	4,140	3,390
	<b>18,480</b>	<b>17,190</b>

Leicester Grammar School Trust reimburses trustees for out of pocket expenses including travel subsistence and accomodation, where a claim is made. In 2021 no expenses were reimbursed to the trustees (2020: £Nil expenses were reimbursed).

PRIOR YEAR

	Staff costs £	Depreciation £	Support Costs £	Total 2020 £
<b>Charitable expenditure</b>				
Teaching	8,429,440	964,122	3,665,540	13,059,102
Welfare	689,747	78,890	299,936	1,068,573
Premises	394,385	45,109	171,498	610,992
School administration and governance	1,132,044	129,477	492,269	1,753,790
<b>Total expenditure</b>	<b>10,645,616</b>	<b>1,217,598</b>	<b>4,629,243</b>	<b>16,492,457</b>

**LEICESTER GRAMMAR SCHOOL TRUST**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2021**

**Note 7 STAFF COSTS**

	<b>2021</b>	<b>2020</b>
	£	£
The aggregate payroll costs for the year were:		
Wages and salaries	8,455,248	8,307,410
Social security costs	822,956	816,062
Pension costs	1,579,567	1,522,144
	<u>10,857,771</u>	<u>10,645,616</u>

None of the trustees received remuneration, reimbursement of expenses or other benefits from Leicester Grammar School Trust or from any connected body.

	<b>2021</b>	<b>2020</b>
	£	£
Total amount of employee benefits (including employer pension contributions) of key management personnel	<u>927,313</u>	<u>906,984</u>

The number of higher paid employees whose annual emoluments were £60,000 or more was:

	<b>2021</b>	<b>2020</b>
	No	No
£60,001 - £70,000	3	2
£70,001 - £80,000	2	1
£80,001 - £90,000	-	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
£150,001 - £160,000	-	1
£160,001 - £170,001	1	-

The average number of employees during the year were:

	<b>2021</b>	<b>2020</b>
	No	No
Teaching	161	154
Office and non-teaching staff	103	106
	<u>264</u>	<u>260</u>

**Note 8 TRUSTEES**

None of the trustees (or any persons connected with them) received any remuneration during the year.

Other than the transactions noted in Note 11, there were no other related party transactions during the year (2020: None).

LEICESTER GRAMMAR SCHOOL TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

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**Note 9 TAXATION**

The Trust is a registered charity and therefore no liability to taxation arises on its charitable activities.

**Note 10 TANGIBLE FIXED ASSETS**

	<b>Freehold Land and Buildings £</b>	<b>Furniture and Fittings £</b>	<b>Computers and Equipment £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 August 2020	36,533,781	1,167,110	1,798,275	39,499,166
Additions	6,657	332,469	13,620	352,746
Disposals	-	(70,754)	-	(70,754)
At 31 July 2021	<u>36,540,438</u>	<u>1,428,825</u>	<u>1,811,895</u>	<u>39,781,158</u>
<b>Depreciation</b>				
At 1 August 2020	7,970,553	939,448	1,357,864	10,267,865
Charge for the year	884,534	315,804	1,135	1,201,473
Disposals	-	(70,754)	-	(70,754)
At 31 July 2021	<u>8,855,087</u>	<u>1,184,498</u>	<u>1,358,999</u>	<u>11,398,584</u>
<b>Net Book Value</b>				
At 31 July 2021	<u>27,685,351</u>	<u>244,327</u>	<u>452,896</u>	<u>28,382,574</u>
At 31 July 2020	<u>28,563,228</u>	<u>227,662</u>	<u>440,411</u>	<u>29,231,301</u>

All assets are used for charitable purposes.

**LEICESTER GRAMMAR SCHOOL TRUST**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2021**

**Note 11 FIXED ASSETS INVESTMENTS**

	2021 £	2020 £
Securities Investments (11a)	423,285	357,563
Investment property (11b)	250,000	250,000
<b>Total investments at 31 July 2021</b>	<u><u>673,285</u></u>	<u><u>607,563</u></u>

**Note 11a Securities Investments**

	2021 £	2020 £
At 1 August 2020	357,562	368,555
Additions at cost	74,623	82,487
Disposal proceeds	(69,454)	(82,902)
Realised gain/(loss)	4,498	(4,978)
Unrealised gain/(loss)	56,055	(5,600)
	<u>423,284</u>	<u>357,562</u>
Investment in subsidiaries	1	1
<b>Securities investments at 31 July 2021</b>	<u><u>423,285</u></u>	<u><u>357,563</u></u>
<b>Historic cost</b>	<u><u>323,366</u></u>	<u><u>315,912</u></u>
<b>Investments comprise:</b>		
<b>Listed investments</b>		
Fixed interest	56,443	52,403
Equities - UK	95,965	103,489
Equities - overseas	238,945	168,380
Property	10,069	8,787
Other Investments	10,159	10,097
Cash	11,703	14,406
	<u>423,284</u>	<u>357,562</u>
Investment in subsidiary	1	1
<b>Securities investments at 31 July 2021</b>	<u><u>423,285</u></u>	<u><u>357,563</u></u>

## LEICESTER GRAMMAR SCHOOL TRUST

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 JULY 2021

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##### Note 11a FIXED ASSET INVESTMENTS (continued)

Leicester Grammar School Trust owns 100% of the ordinary share capital of LGS Enterprises Limited a company registered in England and Wales. The principal activities of LGS Enterprises Limited are the hiring out of the School facilities and the running of the café. It is intended that profits made by the company will be donated to the Trust unless required for the furtherance of LGS Enterprise Limited's own trading activities.

For the year ended 31 July 2021 LGS Enterprises Limited made a gift-aid donation of £Nil (2020: £Nil) and had capital and reserves of £15,133 (2020: £5,193).

The Trustees provided an initial working capital loan to LGS Enterprises Limited to cover essential set-up costs and have advanced a further loan to finance the construction of the new café. Loans are secured on the assets of that company. The Trustees have reviewed the financial forecast of the company for further years and are satisfied that it is a going concern and that it is expected to generate a profit before donations during 2021/22 and thereafter.

##### Note 11b INVESTMENT PROPERTY

	2021 £	2020 £
Valuation at 1 August 2020	250,000	250,000
<b>Valuation at 31 July 2021</b>	<u>250,000</u>	<u>250,000</u>

Investment properties consist of the Lodge/Gatehouse property at Stoneygate School held for investment purposes and which are not used in the Trust's own activities, primarily a residential house which is let out on the open market. Leicester Grammar School Trust is responsible for improvements and maintenance of the properties.

A formal valuation of the properties was prepared by Mr Richard Stamp MRICS of Pinders Professional & Consultancy Services Limited as 4 March 2016. The Trustees have assessed and agreed the valuation of the property in 2021.

**LEICESTER GRAMMAR SCHOOL TRUST**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2021**

**Note 12 DEBTORS**

	<b>2021</b>	<b>2020</b>
	£	£
Trade debtors	157,992	467,639
Amounts owed by subsidiary company	203,549	207,508
Prepayments and accrued income	301,596	323,443
	<u>663,137</u>	<u>998,590</u>

**Note 13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	£	£
Bank loan	1,743,925	945,175
Trade creditors	635,047	691,743
Deposits	31,800	52,786
Taxation and social security	207,698	208,725
Accruals and deferred income	435,958	269,060
	<u>3,054,428</u>	<u>2,167,489</u>
Advance fees (see note 15)	152,848	76,219
	<u>3,207,276</u>	<u>2,243,708</u>

The bank loan is secured by a debenture over the assets of the charity.

**Note 14 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2021</b>	<b>2020</b>
	£	£
Bank loan	18,808,830	21,540,915
Deposits	393,600	421,495
Advance fees	2,852	40,969
	<u>19,205,282</u>	<u>22,003,379</u>
<b>Loan maturity analysis</b>		
Repayable within		
1-2 years	1,743,925	1,011,175
2-5 years	8,072,461	9,769,112
Over 5 years	8,992,444	10,760,628
	<u>18,808,830</u>	<u>21,540,915</u>

**LEICESTER GRAMMAR SCHOOL TRUST**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2021**

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**Note 14 CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR (continued)**

The company has two bank loans. These are secured by a debenture over the assets of the charity. The original loan is repayable in equal quarterly instalments. Interest is payable at LIBOR plus an agreed percentage up to a maximum of 7.77% until January 2025 and thereafter at LIBOR plus 2.55%.

A second loan is repayable in monthly instalments. Interest is payable at bank base rate plus 2.95%.

During 2019-20, a new loan was taken out under the Coronavirus Business Interruption Loan scheme (CBILs). The loan is interest-free for the first year and has a repayment period of six years commencing from the beginning of the second year. Interest is payable at bank base rate plus 2.34%.

**Note 15 ADVANCE FEE PAYMENTS**

Parents may enter into an agreement to pay the school the equivalent of up to seven years tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, advance fees will

	2021 £	2020 £
Within 1 year	152,848	76,219
	<u>152,848</u>	<u>76,219</u>

The balance represents the accrued liability under the contracts. The movements during the year were:

	£	£
Balance at 1 August 2020	76,219	107,400
Fees received in advance	153,258	-
Amounts utilised in payment of fees	(76,629)	(31,181)
Balance at 31 July 2021	<u>152,848</u>	<u>76,219</u>

**Note 16 SHARE CAPITAL**

The company is limited by guarantee and does not have any share capital. The liability of the members of the Trust is limited to £1 each.

**LEICESTER GRAMMAR SCHOOL TRUST**

**NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 JULY 2021**

**Note 17 FINANCIAL COMMITMENTS**

At 31 July 2021 the charity had total commitments under non-cancellable operating leases for plant and equipment as follows:

	2021 £	2020 £
Operating lease expenditure falling due within:		
One year	62,658	103,577
One to two years	46,893	12,649
Two to five years	63,655	6,105
	173,206	122,331

**Note 18 ENDOWMENT FUNDS**

	Balance 1 August 2020 £	Movement in Resources			Balance 31 July 2021 £
		Income £	Expenditure £	Investment gains/ (loss) £	
<b>Bursary Funds:</b>					
Edward Smith Fund	24,309	354	(354)	4,245	28,554
Mrs M E Smith Fund	11,428	1,406	(1,406)	-	11,428
Parent donations	4,574	91	(91)	-	4,574
Bishop Mort fund	10,000	200	(200)	-	10,000
The Hon Lady A Brooks	38,242	589	(589)	5,620	43,862
Edith Murphy Foundation	10,000	200	(200)	-	10,000
John Higginbotham Fund	18,000	360	(360)	-	18,000
Telereal Trillium Fund	600,000	12,000	(12,000)	-	600,000
Margaret Float Travel Fund	29,872	434	(434)	5,217	35,089
Margaret Float Travel Cash	2,010	-	-	-	2,010
	748,435	15,634	(15,634)	15,082	763,517

Bursary funds are established to provide means tested bursaries to enable pupils to attend the school who would not otherwise be able to.

Income during the year were cash receipts from donors and interest/investment income received. Gains during the year were due to the increasing value of investments.

LEICESTER GRAMMAR SCHOOL TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

Note 18 ENDOWMENT FUNDS - PRIOR YEAR

	Balance 1 August 2019 £	Movement in Resources			Balance 31 July 2020 £
		Income £	Expenditure £	Investment gains/ £	
<b>Bursary Funds:</b>					
Edward Smith Fund	24,776	1,218	(1,218)	(467)	24,309
Mrs M E Smith Fund	11,428	1,405	(1,405)	-	11,428
Parent donations	4,574	92	(92)	-	4,574
Bishop Mort fund	10,000	200	(200)	-	10,000
The Hon Lady A Brooks	38,859	1,732	(1,732)	(617)	38,242
Edith Murphy Foundation	10,000	200	(200)	-	10,000
John Higginbotham Fund	18,000	360	(360)	-	18,000
Telereal Trillium Fund	600,000	12,000	(12,000)	-	600,000
Margaret Float Travel Fund	30,456	1,512	(1,512)	(584)	29,872
Margaret Float Travel Cash	2,010	-	-	-	2,010
	<b>750,103</b>	<b>18,719</b>	<b>(18,719)</b>	<b>- 1,668</b>	<b>748,435</b>

LEICESTER GRAMMAR SCHOOL TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

Note 19 RESTRICTED FUNDS

	At 1 August '20 £	Income £	Expenditure £	Transfers £	At 31 July '21 £
Vestments	61	-	-	-	61
Chapel Fund	205	-	-	-	205
Neville Hall Travel Fund	4,094	-	-	-	4,094
Other small prize fund	7,279	-	-	-	7,279
Shelter Fund	4,000	-	-	-	4,000
Dowlings Fund	-	-	-	-	-
COVID19 donations	7,501	83	(3,985)	-	3,599
Organ Fund	-	15,500	(5,912)	-	9,588
Singing Prize	-	250	-	-	250
SPA Challenge Week	-	500	(500)	-	-
General Bursaries Fund	-	-	-	-	-
	<u>23,140</u>	<u>16,333</u>	<u>(10,397)</u>	<u>-</u>	<u>29,076</u>

During the year the above restricted donations were received and have been allocated to specific funds in accordance with the donors' intentions.

Where funds have been spent on capital items in the current and previous years, these have been released to unrestricted funds as there are no ongoing restrictions as to the use of these funds.

Other small prize funds comprise 22 individual funds, which are established to provide a school prize, annually, out of income.

RESTRICTED FUNDS - PRIOR YEAR

	At 1 August '19 £	Income £	Expenditure £	Transfers £	At 31 July '20 £
Vestments	61	-	-	-	61
Chapel Fund	205	-	-	-	205
Music bursary	46	-	(46)	-	-
Music equipment	237	-	(237)	-	-
Tanzania Link School	-	-	-	-	-
Neville Hall Travel Fund	4,439	-	(345)	-	4,094
Hall art project	3,500	-	(3,500)	-	-
Other small prize fund	7,279	-	-	-	7,279
Shelter Fund	-	4,000	-	-	4,000
Dowlings Fund	-	500	(500)	-	-
COVID19 donations	-	16,426	(8,925)	-	7,501
General Bursaries Fund	-	13,016	(13,016)	-	-
	<u>15,767</u>	<u>33,942</u>	<u>(26,569)</u>	<u>-</u>	<u>23,140</u>

LEICESTER GRAMMAR SCHOOL TRUST

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2021

Note 20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible Fixed assets £	Investments £	Other Net liabilities £	Total 2021 £
Endowment funds	-	107,505	656,012	763,517
Restricted funds	-	-	29,076	29,076
Unrestricted funds	28,382,574	565,780	(14,945,193)	14,003,161
<b>Total funds</b>	<b>28,382,574</b>	<b>673,285</b>	<b>(14,260,105)</b>	<b>14,795,754</b>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Tangible Fixed assets £	Investments £	Other Net liabilities £	Total 2020 £
Endowment funds	-	92,423	656,012	748,435
Restricted funds	-	-	23,140	23,140
Unrestricted funds	29,231,301	515,140	(16,931,336)	12,815,105
<b>Total funds</b>	<b>29,231,301</b>	<b>607,563</b>	<b>(16,252,184)</b>	<b>13,586,680</b>

Note 21 NET DEBT RECONCILIATION

	At 1 August 2020 £	Cashflows £	Other non- cash changes £	At 31 July 2021 £
Cash at bank and in hand	6,972,655	502,867	-	7,475,522
Bank loans falling due < 1 year	945,175	-	798,750	1,743,925
Bank loans falling due < 5 years	10,780,287	-	(963,901)	9,816,386
Bank loans falling due > 5 years	10,760,628	-	(1,768,184)	8,992,444

	At 1 August 2019 £	Cashflows £	Other non- cash changes £	At 31 July 2020 £
Cash at bank and in hand	3,647,086	3,325,569	-	6,972,655
Bank loans falling due < 1 year	804,450	-	140,725	945,175
Bank loans falling due < 5 years	3,879,199	-	6,901,088	10,780,287
Bank loans falling due > 5 years	15,597,124	-	(4,836,496)	10,760,628

## LEICESTER GRAMMAR SCHOOL TRUST

### NOTES TO THE ACCOUNTS

#### FOR THE YEAR ENDED 31 JULY 2021

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#### Note 22 PENSION COMMITMENTS

##### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,090,037 (2020: £1,424,082 and at the year-end £174,750 (2020 - £121,938) 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.

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 a 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 review 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.