

Charity Registration No. 514407

Company Registration No. 01751466 (England and Wales)

**LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST
(OPERATING AS DIXIE GRAMMAR SCHOOL)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

Leicestershire Independent Educational Trust

CONTENTS

	Page
Company information	1
Directors' report	3
Independent auditors' report	18
Statement of financial activities	21
Balance sheet	22
Cash flow statement	23
Notes to the accounts	24

Leicestershire Independent Educational Trust

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2020

DIRECTORS AND ADVISORS

Directors

Ms J Fenton Parkes (Chair)
Mr M Ashfield
Mr P J Bowman
Mr S D Boyes
Mr A J Churchill
Mrs S R Davies
Mrs C E Ellis (resigned 21 January 2020)
Dr C H Kendall
Professor M Mihsein
Mrs L M Pittwood
Mr I A Smith (Vice Chair)

Company Secretary

Group Captain J K Wheeler

Charity No.

514407

Company No.

01751466

Principal address and Registered Office

Dixie Grammar School
Market Place
Market Bosworth
Nuneaton
Warwickshire
CV13 0LE

Key Management Personnel

Headmaster

Mr R J Lynn

Finance Manager

Mrs M Medhurst

Head of the Junior School

Mrs E L Billington

Deputy Head

Mrs C Young

Head of Sixth Form

Mr J Dixon

Director of Student Care

Mrs H Banton

Assistant Head of the Junior School

Mrs S Baker

Assistant Head of the Junior School

Miss K Mee

Leicestershire Independent Educational Trust

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2020

Auditors	Cooper Parry Group Limited Sky View Argosy Road East Midlands Airport Castle Donnington Derby DE74 2SA
Bankers	National Westminster Bank Plc 13 The Borough Hinckley Leicestershire LE10 1NW
Solicitors	M and S Solicitors 20 Newton Road Heather Leicestershire LE67 2RD Broomfields Solicitors LLP 8 St John's Business Park Rugby Road Lutterworth Leicestershire LE17 4HB
Insurance Brokers	Turner Insurance Group 34-36 Princess Road West Leicester LE1 6TQ
Land Agents	Fisher German LLP The Estates Office Norman Court Ivanhoe Business Park Ashby de la Zouch LE65 2UZ

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

The directors present their report and financial statements for the year ended 31 August 2020 and confirm they comply with the requirements of the Charities Act 2011 including the Directors' and Strategic Reports, under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity is registered with the Charity Commission as charity number 514407. The charity is a limited liability company (number 01751466). Directors of the company are also governors of the school and trustees of the charity. The charitable company is incorporated in the United Kingdom. Leicestershire Independent Educational Trust operates as "The Dixie Grammar School." There are no connected charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 18 September 2009, replacing those dated 22 July 1983. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner that is legally charitable. The principal object for which the charity was established is to promote and provide for the advancement of education and to carry on, acquire and develop schools.

Governing Body

The Governors are the Directors and charitable trustees of the company and comprise the Governing Body of the Dixie Grammar School and are elected to hold office for periods as defined in the Articles of Association. The school is governed by the Governing Body, which operates using a number of committees. The Governing Body meets a minimum of 3 times each year, usually termly. This year it met more frequently, via video conferencing, to provide effective management and direction of the Charity and school during COVID-19.

Recruitment and Training of Governors

All Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The Governing Body looks to ensure a mix of skills and select new governors on the basis of background, competence and specialist skills. Governors are provided with induction training by the Head, Chair, Consultant Bursar and staff and a wider programme of training events is organised by the Association of Governing Bodies of Independent Schools (AGBIS), which governors are encouraged to attend.

Where possible the governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with marketing experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female governor and at least one male governor.
- A number of parent governors.

Of course, one Governor may have one or more of these skills/attributes.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

Volunteers

Governors are volunteers providing their time for free to support the governance of the school. The school also relies on a number of others to undertake volunteer roles, including members of the local Rotary club who give their time in helping our Upper Sixth prepare for university interviews. Also members of Bosworth in Bloom, who give their time in running the popular gardening club 'Dixie Diggers', and a sizeable numbers of parents who lend their expertise in assisting the school with its Duke of Edinburgh programme, sports coaching and other such activities. From time to time, other local people offer their time to the school in support of school activities, which is much appreciated and underscores the place of the school in the local community.

Organisational Management

The Governing Body provides governance and oversight of the school. It delegates its work to a number of committees. Membership of each committee is outlined below and committees normally meet once per term, with the Finance, Facilities and Personnel Committee usually meeting twice each term. The directors determine the general policy of the company. During the year, a comprehensive Governors Manual was developed, based upon an AGBIS template, to further improve Board effectiveness and to allow the better and timely induction of new governors. The Governing Body is currently active in seeking new additional governors, the size of the Board being at its lowest desirable range (10-15) having 10 members. Governors are welcome to attend any committee meeting and, during a year of video conferencing, 70% of governors had attended extra meetings. The Headmaster and Chair of Governors welcome the scope offered by this approach.

Finance, Facilities and Personnel (FFP) Committee – the FFP Committee's remit is to consider budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It makes recommendations regarding fee levels to the full Governing Body. It also considers financial policies and financial regulations. It is responsible for overseeing governance, internal control and risk. It does this through consideration of audit management letters and other reports relating to governance and control of the school. It reviews relevant school policies. It also develops the school's people strategy, and considers matters such as pay and benefits, pensions, staffing levels and recruitment and training. With regard to pay, remuneration policy is reviewed annually. Finally, it monitors health and safety and reviews relevant school policies. It reports to, and makes recommendations to, the Governing Body for approval.

Education Committee – the Education Committee is responsible for oversight of the academic performance of the school and educational policy, making recommendations to the Governing Body for approval. It reviews relevant school policies.

Strategy Committee – the Strategy Committee is made up of the Committee Chairs and Chair of Governors. It makes recommendations to the Governing Body regarding the strategic direction of the school and is responsible for considering the Governing Body's strategic plan in appropriate detail. It makes recommendations to the Governing Body for approval. An Away Day was held to debate and determine the school's medium term strategy. This delivered some very useful outcomes but in light of the impact of COVID-19, both locally and nationally to the sector, this will be repeated in 2021. Once again, it will include members of the school's Senior Leadership Team.

Marketing and Communications Committee – this Committee is responsible for external and internal communications, marketing and advertising, the school website and public relations. The school's new website has been well received and now gives a much more accurate picture of the school. Further videos of the school are being developed, not only for the website but also for wider publicity and marketing uses, these being developed by a former student. It makes recommendations to the Governing Body for approval. It reviews relevant school policies.

The daily management of the company is delegated to the Headmaster and his Senior Leadership Team, assisted by the Bursar Consultant, as the Key Management personnel, overseeing the educational, pastoral and administrative functions of the school. The daily administration is undertaken within the policies and procedures approved by the Governors, which requires only significant expenditure decisions and major capital projects to be referred to them for prior approval, unless forming part of the approved annual budget.

The Headmaster oversees the recruitment of all educational staff, whilst under delegated authority; the

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31 AUGUST 2020**

HR Manager oversees the recruitment of the support staff. All HR activity is the responsibility of the professionally qualified HR Manager. The Headmaster, Head Teacher of the Junior school, Deputy Head and the Bursar Consultant are invited to attend all governors' meetings, with the Headmaster attending all committee meetings, with the Bursar Consultant attending the FFP and Strategy Committees.

The remuneration of key management personnel is set by the Governing Body, under the auspices of the Remuneration Committee, it being chaired by the Chair of Governors, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school's success. Similarly the FFP develop the pay policy for the teaching and support staff, which is agreed by the full Governing Body.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure that the school remains sensitive to the broader issues of pay and employment conditions elsewhere. This includes pension provision for both teaching and support staff.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence, with staff costs being the largest single element of our charitable expenditure. Delivery of the school's charitable vision and purpose is primarily dependent upon our key management personnel.

Group Structure and Relationships

The school has developed links with a wide range of organisations to ensure the widest possible access to our facilities and schooling. Through membership of ISA/ISBA/AGBIS and through networking with peer groups, we ensure that we are able to attain the highest standards of quality and performance. The support of both ISA and the ISBA has been invaluable to both the school Executive and the Governing Body, as they have sought to successfully manage the many challenges provided by COVID-19. We encourage our pupils to develop an awareness of the social context of the all-round education they receive at the school and they are engaged in a number of activities to enhance their understanding. We aim to develop an alumni group, to support the school in the years ahead. We also cooperate with many local charities in our on-going endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Investment Policy and Objectives

The company's Memorandum and Articles of Association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Governors have taken legal advice with regard to the management of the Bernard Heathcote donation, which is used to support the provision of bursaries to widen access to the school from families who would otherwise not be able to benefit from the high quality all round education provided at the Dixie Grammar School. It remains their wish to continue to add funds to the Bursary Fund and to that end, encourage donations from former alumni as well as the wider community.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31 AUGUST 2020**

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and provide for the advancement of education for public benefit and in connection therewith to conduct, carry out, acquire and develop in the United Kingdom or elsewhere, a school or schools to be run for the education of students and children of either sex or both sexes.

Aims

The Dixie Grammar School is a day school for pupils from the ages of 3 to 18. It aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. Our aim is to provide a rounded education to help the pupils to make their way in adult life. These aims have continued to be developed and actioned, notwithstanding the unprecedented demands imposed by COVID-19.

Primary objectives

The primary objectives of the Dixie Grammar School to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Dixie education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately; and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

Our key strategies in delivering each of the school's primary objectives include:

- Periodically reviewing the provision of teaching space across both the Senior and Junior schools and investing in a rolling programme of refurbishment and upgrade.
- The provision of a clear pastoral structure in which every child is known.
- Creating an environment in which all students have responsibility for others' welfare and in which our older students have clear pastoral leadership responsibilities for more junior pupils.
- Making explicit the expectation that all staff will contribute to the extra-curricular programme.
- Encouraging students to show leadership in a variety of ways: through taking assemblies, initiating fundraising ideas, starting extra-curricular clubs and societies, becoming maths leaders, sports leaders, encouraging senior school students to take a lead with those at the junior school during whole school events.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2020

- Running and actively promoting 'student voice' through our student council, senior prefects and the 'Ashworth Board' – a board on which students can voice concerns or request improvements to school life.
- Providing bursary and scholarship funds greater in amount than the Charity Commission guidelines, including via the Heathcote Legacy. This Bursary Fund allows us to widen access to the school.
- Periodically reviewing our management structure and ensuring that we provide clarity to lines of accountability and responsibility.
- The curriculum is kept under continual review and adaptations are made each year to ensure that the children are best supported.

Principal Activities of the Year

The principal activity of the school is the delivery of education to pupils ranging from 3 to 18 years of age. We also run a number of summer school activities and the school is open at other times for use by the local community. Pupil numbers at the school during the year (as at September of each academic year) were as follows:

	2019/2020	2018/2019
Senior school	313	323
Junior school	142	128
Nursery (FTE)	19	19
Total	<u>474</u>	<u>470</u>

As has been well documented elsewhere, the COVID-19 pandemic has impacted hugely on all schools and the Dixie Grammar School has had to, at pace, adapt to a 'new normal' in terms of the delivery of education during the full lockdowns when schools were ordered to close to all, except key/critical worker children, by the Government. During the lockdown, all lessons were delivered remotely and the school's prior investment in its IT platforms made the move to remote teaching much easier than it might otherwise have been. The Leadership Team worked closely with key members of the Governing Body to adapt and reflect guidance/direction from official bodies such as DfE, Public Health England. Our primary focus throughout these challenging times was to continue, to the very best of our ability, to provide our pupils with the most relevant and purposeful education, supporting in particular key groups such as those in examination years and those seeking university admission. Whilst at the same time, seeking to maintain a safe working environment for both our pupils and staff. That the Governors determine these have been met to a very high standard is testament to our key asset, namely our staff, principally teaching but also the invaluable contribution made by the support staff.

Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting, leadership, musical and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community that they are part of.

In the furtherance of these aims the Dixie Grammar School Governors, as charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our school will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our school is a part of a wider community and we are keen that our staff and pupils participate. Our school also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our Governors are committed to developing, where possible, cooperation and joint working with local maintained sector junior and secondary schools. See page 11 for further examples in our outreach section.

The Dixie Grammar School provides significant benefit to the public. It strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below. Of course, COVID-19 has adversely impacted such provision and we look forward to being able to resume *normal* engagement with our local community.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individual is entirely incidental to delivery of the charitable objectives.

Bursaries and Scholarships

Bursaries

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means, we use the methodology promulgated by the Independent Schools' Bursars Association, which takes a comprehensive range of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. We do not enjoy the ownership of any permanent endowments and in funding our awards, we therefore have to be mindful that we must ensure a balance between our fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. We do though have the support of the legacy of the late Bernard Heathcote, a former pupil of the school, to assist with our provision. Finally, we are grateful to the NFL Trust, one of wider educational charities, who provide support to a pupil at the school. The Dixie Educational Foundation have provided support for pupils but none this year.

The Governor Bursary Committee meets annually to grant bursarial awards for the forthcoming academic year. The bursary awards range from 5 % to 100 % remission of fees. Information about fee assistance through bursaries is provided to all applying to the school. The Bursar Consultant and the Headmaster periodically review *in place* awards. Full details of our bursary policy and how to apply are available on the school's website.

This year the value of means tested bursaries in 2020 totalled £307,922 (2019: £345,676)

Scholarships

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of other exceptional abilities, thereby allowing contribution to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor. The availability of scholarship awards is advertised on our website.

Scholarships are awarded with a fixed remission of fees of up to £1,000 per annum. Where further

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31 AUGUST 2020**

assistance is required, such awards can, of course, be supplemented by a bursary award as well.

The school awarded scholarships totalling £70,266 (2019: £63,975).

The progress of pupils receiving scholarships is reviewed at least annually, to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of such reviews.

Review

The school includes details of the various concessions in its prospectuses and on the website. All parents making enquiries about possible entry are provided with a description of the criteria for bursaries and scholarships. In most cases the budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school. All criteria and policies relating to concessions are kept under review and were extensively revised and updated during the year, including the guiding governor bursary policy.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Promotion of Education

During the year we educated an average of 474 children between the ages of 3 and 18. The school provides a very high standard of education and this is validated in review of the academic results, our measurements of added value and through external inspection. The school offers a broad curriculum and educates children with a wide range of ability. Despite losing the summer term in school – a time in which there is a great number of whole school events and individual sporting competition, we can demonstrate excellence across the curriculum and in a wide range of extra-curricular activities, including:

- Music and Musical theatre examinations in which 30 students in Years 6 and above achieved awards, 10 at grade 5 and above. In addition students achieved honours through representation in the Warwickshire County Youth orchestra and Windband, Birmingham Conservatoire and the Nuneaton Festival of Arts. One student performed with the Birmingham Royal Ballet. 19 students achieved school Music Honours.
- Our Equestrian Club, including over 30 students from ages 8-18 represented the Dixie on the local and national stage, winning several prestigious events.
- 38 students were awarded bronze, silver and gold medals in the Primary, Junior, Intermediate and Senior UK Mathematics trust Maths challenges, with two students qualifying for the next round in the Senior and Intermediate Challenges. 6 awards were at gold level.
- 6 students were awarded bronze, silver and gold medals in the Biology and Physics Olympiads.
- The Duke of Edinburgh Award scheme pleasingly continues to grow in popularity as part of our outdoors programme that runs from Forest school in Pippins Nursery to World Challenge in the Sixth Form. Completed D of E awards include 9 at Bronze level, 7 at Silver and 7 at Gold.
- Our Young Enterprise Company 'Gift 'n' Box' represented the Dixie in the County Competition and focused on the importance of local sourcing and the environment. They developed a gift box containing local honey and school manufactured lavender candles that they titled 'The Bosworth Box'. In developing the product they collaborated with University of Warwick lecturers and a Bosworth beekeeper.
- A significant number of students achieve major sporting honours through the Independent School Association competitions at both regional and national level. During 2019/20 there were many sporting events cancelled as a result of Covid-19. Despite this, four individuals represented the Dixie on the national swimming stage, with one achieving two new national records. Four students achieved major cross country honours, with two achieving County representative honours in football, 7 in rugby, 1 in climbing, 1 in water-polo and one achieving national honours in Ice Hockey. One student competed as part of the national ski squad, and 6 have county representative honours in hockey, one in cricket, two in tennis and one student

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2020

was crowned European junior champion in shooting. Two athletes represented Leicestershire on the national stage.

Parents of pupils at the school often make significant sacrifices to pay the fees. In educating 474 UK based pupils, parents help considerably to relieving HM Government of the financial burden of paying for their children's education through general taxation. This saved HM Government the sum of £3,090,006 taking account of the DfE costs of state education of £6,519 per pupil per annum (DfE data 2018-19).

Academic Results

We are proud of our external examination results, and particularly in our record of securing places for individuals at their first choice university. In 2020, the vast majority of our students went on to their first or second choice universities with, as last year, over 75% of those choosing to go to university taking a place at their first choice institution. Our small group sizes, expert tuition and individual support ensure that every individual realises their own potential. The Dixie is, however, about far more than external exam results. We help create young people with courtesy, confidence and a thirst for life - young people who don't just meet the expectations of society, but individuals with the confidence and self-esteem who, through their belief that anything is possible, can challenge, progress and shape the society in which they live.

In 2019 we launched the da Vinci award scheme in Years 6-11. Taking the 'Renaissance Man' as the ideal, the scheme seeks to measure that which we value – exceptional contribution in one of 6 areas – Leadership, Academic, Performance, Clubs, Sport and Charity. Awards have been given for exceptional acts of courage and kindness as well as smaller acts that have made big contributions to our community. Every student is expected to gain a da Vinci in at least one area in any academic year and the scheme is highlighted weekly in assemblies.

In 2020 our GCSE and A level results were arrived at following robust internal processes. Whilst no examinations were sat, the results realistically reflect the academic strength of both GCSE and A level cohorts. One student progressed to study Economics at Cambridge and two secured places to study Medicine, with one studying Law. Places for Art and Design, French, Chinese, Film and Creative writing, Maths, Physics, Mechanical engineering, Graphic Design, Music, English & French, Linguistics, Chemistry and Geography serves to underline the strength in range of our students' successes. Many deferred their places in light of the pandemic, but one individual through her own determination and ingenuity not only secured a lucrative degree apprenticeship place at Aldi, but also importantly encouraged them to start the scheme.

Academic Results

A Level Results	A*	A*-A	A*-B	A*-C	A*-D	A*-E
2020	30%	57%	86%	97%	99%	100%

GCSE Results	9	9/8	9/7	9/6	9/5	9/4
2020	17%	36%	56%	74%	86%	97%

We are of course proud of these data, but more so of the value added data, which shows that the value added by the Dixie is on average more than one grade for every GCSE taken compared to all schools nationally. Taking individual students' ability alone, their success at GCSE, regardless of gender or need, is more than one grade higher than predicted. Compared with just independent schools, the value added to every GCSE taken is on average one third of a grade.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2020

Improving Facilities

We continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. The Dixie Grammar School continued with its refurbishment programme and during 2019-20 undertook a range of refurbishments at both the Junior and Senior schools including the significant investment, of circa £350K, in a brand new Reception facility at the Junior school. There has also been significant ICT investment. In addition, one of the mini buses will be replaced during the next academic year and the new vehicle appropriately branded, to advertise the school. Similarly, the next academic year has seen further significant ICT investment to allow for remote learning in a COVID-19 restrained environment. Planning has also commenced for a new Sixth Form Centre.

Significant Events

The COVID-19 pandemic forced the cancellation of many events. Through our carefully defined programme of strategic investment in ICT infrastructure, the school was well positioned to cope with the initial period of remote learning. Further investment in classroom technology over throughout Summer 2020 enabled us to accept new students on roll in August 2020 from overseas. Two such students joined all their classes remotely from Africa, and the ease with which our educational provision has been delivered to them is testament to the ingenuity of teaching staff, but also opens up exciting opportunities ahead. The world of work is collaborative, and we have an opportunity to collaborate with other schools in providing an element of remote education for all our students. This will both enrich our provision, but also open up the possibility of new income streams. The size of our classes is no longer limited by bricks and mortar and thus the further expansion of the Dixie no longer needs to necessarily be associated with expensive building projects.

Wider Education

We are committed to providing opportunities for students at university to gain practical teaching experience as part of their PGCE teacher-training course. During last year, newly qualified teacher completed his NQT year with us and joins the teaching staff fully qualified next academic year.

Community

Through development of, and provision of access to new facilities, the school remains at the heart of the community. Facilities made open to the public include:

- The school hall - used for local groups including choirs, cinema clubs, Market Bosworth Festival and other societies
- Our Music facilities are made available to a local choir
- The school provides a series of community lectures, free to all, which are well attended by members of the community
- The school runs a programme of Mandarin classes free to members of the local community
- The school has been offered out as a vaccination centre and base for community COVID-19 testing.

Outreach

We operate an arrangement with five primary schools in the local area whereby we provide use of our expertise in Mandarin to help enrich their educational provision. Teaching of Mandarin for business classes to employees at MIRA continues.

Our Duke of Edinburgh programme in the senior school requires students to take community based projects. This year students have volunteered to work at a range of businesses and charities.

We have started a community project in Year 6 – intergenerational care, which gives Year 6 students the opportunity to visit a local care home on a weekly basis. This has proved to be mutually very beneficial, although communication has moved to letter writing rather than direct visits, given Covid-19 constraints.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

The charity continues to develop wider community links. In addition to the facilities listed above, we have a programme of widening educational access to our facilities, at fee rates below commercial levels, including use of our impressive sporting facilities, which increasingly are in high demand.

Charitable Activities

As well as supporting the local community, pupils and staff support schools in Africa and Madagascar through World Challenge. We have undertaken specific fundraising for projects and a number of our pupils have been to the countries to help in development of educational projects. The school community takes part in a wide range of sponsored events and other fundraising activities. During the year we managed to raise in excess of £10,000 to help these and other projects.

FINANCIAL REVIEW

Results for the Year

The wider Independent schools Sector has continued to face a wide range of challenges resulting from governmental, political and economic strategy. All this has been further impacted by the myriad of challenges presented by COVID-19 including a lockdown and restrictions on the ability of the school to operate to its conventional model. Governors are naturally concerned about the impact this will have on the school, pupils, parents, staff and suppliers and continue to closely monitor what the short and long term impacts may be.

Accordingly, the Directors, who are also the Governors, arranged with the school's bankers, National Westminster Bank, to secure a Government backed CBILS loan to support the school's cash flow needs in the short to medium term. This is reflected in the increased borrowing and as detailed in notes 15 and 16.

The sum of £1m has been provided by Nat West and arrangements were put in hand to draw this down from August 2020. The sum granted is substantially in excess of immediate cash flow needs but the Directors considered an appropriately prudent approach was sensible, given the continued uncertainty surrounding COVID-19 impacts and a possible second and further waves of infection, and potential national and local lock-downs. The intention of the Governors is to determine before the first anniversary of drawdown, how much should continue to be retained and therefore accrue interest charges.

Certainly, the intention of the Directors is that the loan will be repaid within its duration, which is presently set at 6 years (but could be extended by Government) and they will budget accordingly. A claim was lodged with the school's Insurers, to seek to recover some of the lost fee income, consequent on agreeing substantive fee reductions for the Summer Term 2020, namely 25% for the Senior school and 35% for the Junior school. Insurers have accepted the Claim and whilst negotiations with regard to quantum continue, the Directors are able to report that Insurers have made an interim payment of £125,000 and this is reflected in these accounts. Additionally, and in line with placing a substantial number of staff, both teaching and support on furlough, the school received £234,698 under the Government Coronavirus Job Retention Scheme.

The net incoming resources for the year amounted to £23,508 (2019: £73,223). This fifth year of a positive out-turn is a significant improvement over the deficits in the years prior to this period and whilst not in line with the budget set by the Governors, in the face of a pandemic, is judged a very creditable performance. It also reflects increased investment in the school estate, more of which below. The Governors are now confident to take forward planning for a significant investment at the school, possibly during the next financial year, namely a new 6th Form Centre.

Total net assets have grown again over the period to £2,438,157 (2019: £2,414,649). Non – ancillary trading income understandably fell, as did donation income. Fixed Assets grew, reflecting part of the expenditure on the new Reception Classroom at the Junior school.

In addition to the very substantial benefits our school brings to our pupils, the local community and society through the education we offer, our bursary programme creates a social asset without cost to the Exchequer. However, we planned in 2016 to reduce the overall percentage of funding available, then substantially over 13% of gross fee income across both scholarships and bursaries. This is to allow such funding to be deployed to improve our educational offering and ensure that the school attracts

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

sufficient pupils to ensure its financial viability. A more rigorous bursary assessment and review process was put in place to assist with this aim. Pleasingly, the overall rate of remission is now at 11.75% (2019 12.26%) and the intention remains to seek further reductions over time, with the aim of achieving a level of 11%.

Rigorous processes are in place to address trade debtors, with benefits evident in the relatively small increase in the level of trade debtors at year-end to £47,607 (2019: £33,721) and no sums requiring write off. With regard to bank loans outstanding, these have of course increased significantly, reflecting both the CBILS borrowing, as well as the structured borrowing from National Westminster Bank for the Junior school build. We retain the strongest possible relationship with them and indeed they have already indicated a willingness, in principle, to provide further borrowing, as required, for the planned 6th Form development.

The intention of the Governors is that the charity will continue to invest prudently in its buildings and facilities as well as its staff and the Board will ensure that any future surplus income will be so appropriately deployed.

Reserves Level and Policy, and Financial Viability

It has been the school's policy to utilise funds to ensure that high quality, up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the school without the requirement to have recourse to sales of tangible fixed assets. Dixie Grammar School plans to fund longer-term capital expenditure and meet long-term liabilities through careful management of resources and investments and through building reserves through operations and trading. It will also seek to avail itself of further borrowing from its bankers, National Westminster Bank. Indeed, discussions are presently on going with regard to the funding of a further school improvement. The governors' aim is to make an overall surplus of 5% of net fee income to allow for its continued development. This year, understandably given COVID-19, the surplus amounts to only 0.5% of net fee income but this is after planned increased investment in the site, including IT, with substantial teaching premises and administration expenditure, plus significant additions to fixed assets.

The governors have invested substantial sums into new school buildings in recent years, principally the facilities at the Barton Road site and more latterly the purchase of the freehold of the Junior school site. This year, the main investment at the Junior school is for a new Reception Classroom, after earlier work to provide a new music facility. They have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils and as already indicated, are now considering what further capital investment is appropriate. This is likely to be at the Senior school site and involve facilities for the 6th Form. In common with most independent schools, and due to having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total net assets of £2,438,157 at the year-end included £1,549,494 of unrestricted funds and £888,633 in restricted funds. Fixed assets held for charity use total £3,376,115. The school's financial viability does not depend on income reserves but in its ability to continue to operate at a surplus on an annual basis, together with its portfolio of fixed assets held for operational use.

The company's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for its direct charitable activities.

GOING CONCERN

Governors have prepared a number of scenarios relating to sources and levels of income, pupil numbers going forward, levels of remissions, staff pay and other operational budget areas. They also considered factors such as delayed fee payment, increased bad debts and COVID-19 mitigation expenditure together with receipts from Government funded COVID-19 support measures.

Taking account of both the CBILS loan and also the successful lost fees claim, together with growth in pupil numbers, in the current academic year, cash flow analysis allied to appropriate sensitivity analysis, show that the cash reserves of the Charity are entirely adequate to meet in full the Charity's financial obligations as they fall due. Accordingly, the Directors believe it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31 AUGUST 2020**

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school, which of course has been exacerbated by the COVID-19 pandemic. Whilst the school is not currently full, given the not unexpected reduction in pupils during this reporting year and at the start of the 2020/21 academic year, all COVID-19 related. Happily recruitment in-year, during the year 2020/21, is such that we expect to start the Summer Term 2021 with overall pupil numbers broadly similar to those pre Covid-19. Accordingly, Governor strategy to grow pupil numbers across the school, continues to be progressed and we are optimistic for pupil numbers for the academic year 2021/22. This confidence in the school, without pressure on bursary remissions, bodes well and is credit to the Headmaster and his staff for the strength of the educational offering, including remotely.

The Governing Body carefully considers the level of fee increase, taking careful account of what competitors are charging and the cost inflation the school faces, in particular that of staff costs, more latterly also the significant burden of increased employer contributions to the Teachers' Pension Scheme, in which the school currently participates. This growing burden is well illustrated by note 10 to the accounts, where the considerable growth in pension costs is largely attributable to the increased Teachers Pension Scheme employer contributions payable. Accordingly, the Governing Body will be giving consideration to the affordability of continued participation in this scheme as many other independent schools are doing.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The Governing Body is responsible for the identification and management of risks. The major risks, to which the Charity is exposed, as identified by the Governors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the Executive Officers and is overseen by the FFP Committee of the Governing Body. A comprehensive Risk Register is in place and this is used as both a management tool for the school's Executive as well as a monitoring device for the Governing Body, with it being reviewed formally by the FFP Committee twice per year.

The principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the market in which the school operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our school.
- we strive to ensure that all staff is able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the school meets expectations.
- the school operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools' Council also ensure that we have access to up to date information and support.
- the school operates in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges.
- all organisations face difficult economic conditions and directors and senior managers in the school keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues.

The key controls used by the school include:

- formal agendas and minutes for all meetings of the Governing Body and committees;

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

- terms of reference for all committees, currently being reviewed;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines which are regularly reviewed;
- comprehensive formal written policies;
- clear authorisation limits; and
- vetting procedures, as required by law, for protection of the vulnerable.

Financial risk management objectives and policies

The school uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the school's operations.

The main issues arising from the school's financial instruments are liquidity risk and interest rate risk.

The school's Governors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks and other lenders
- Interest rate risk – the school finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities and re-negotiating the terms of any loan, when necessary or thought sensible

FUTURE PLANS

The key objectives of the current Governing Body's strategic plan are:

- Academic excellence – continuing to exceed expectations for all pupils.
- Active engagement of pupils in Sport, Music, Adventure and the Student/school Council.
- Provide opportunities for appreciation of international perspectives and travel.
- For pupils, experience of charitable work in the local community and overseas.
- Continued growth in pupil numbers at both the Senior and Junior schools, taking account of local demographic and other changes.
- A surplus of 5% of net fee income.
- The school to continue to attract and retain high quality teaching and support staff.
- To determine investment opportunities at both the Senior and Junior school sites, supported as necessary by structured bank borrowing.
- The development of a whole school IT investment plan.

During the forthcoming year, the Governors plan a Strategy Day, in company with the school's key executive staff. From this day, it is intended to develop a revised strategic plan and one that will seek to ensure the medium term viability and health of the school, underpinned by growing a pupil base and strong financial performance. The Governors will of course pay due regard to Charity Commission guidance in determining which activities to undertake.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

OTHER MATTERS

The directors who served during the year are detailed at the front of this document. None has any beneficial interest in the company.

The company holds trustees' and officers' insurance on behalf of the directors.

AUDITORS

Cooper Parry Group Limited, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors 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 directors 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 directors 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 directors 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors 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 directors 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 Directors of the Leicestershire Independent Educational Trust on 19 March 2021 including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:

DocuSigned by:
Joanna Fenton Parkes
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Ms J Fenton Parkes
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST *YEAR ENDED 31 AUGUST 2020*

Opinion

We have audited the financial statements of Leicestershire Independent Educational Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows and the 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 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2020

We have nothing to report in this regard.

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 (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purpose 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 directors 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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2020

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.

DocuSigned by:

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Simon Atkins FCA

Senior Statutory Auditor for and on behalf of Cooper Parry Group Limited

Chartered Accounts

Statutory Auditor

Sky View, Argosy Road, Castle Donington, Derby DE74 2SA

Date: 24 March 2021

Leicestershire Independent Educational Trust

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
Income from:					
Charitable activities					
School fees receivable	2	4,295,639	-	4,295,639	4,693,599
Ancillary trading income	3	261,600	-	261,600	312,724
Other trading activities					
Non-ancillary trading income	4	12,709	-	12,709	12,325
Other activities	4	12,962	-	12,962	7,830
Investments					
Bank and other interest	5	-	-	-	1,174
Donations and legacies					
Grants and donations	6	350	-	350	21,399
Other incoming resources					
Government grants receivable – Coronavirus Job Retention Scheme		234,698	-	234,698	-
Insurance claim		125,000	-	125,000	-
TOTAL INCOMING RESOURCES		4,942,958	-	4,942,958	5,049,051
Expenditure on:					
Raising funds					
Financing costs	7	14,351	-	14,351	21,020
Fundraising and development	7	336	-	336	712
Charitable Activities					
Education and grant making	7	4,844,763	60,000	4,904,763	4,954,096
TOTAL EXPENDITURE		4,859,450	60,000	4,919,450	4,975,828
NET (EXPENDITURE)/INCOME before transfers		83,508	(60,000)	23,508	73,223
Transfers between funds	19	(27,886)	27,886	-	-
NET (EXPENDITURE) / INCOME after transfers		55,622	(32,114)	23,508	73,233
Fund balances at 1 September 2019		1,493,872	920,777	2,414,649	2,341,426
FUND BALANCES AS AT 31 AUGUST 2020		1,549,494	888,663	2,438,157	2,414,649

Leicestershire Independent Educational Trust

BALANCE SHEET AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	3,376,115	3,116,698
CURRENT ASSETS			
Stock		5,255	2,000
Debtors	14	308,900	153,134
Cash at bank and in hand		1,243,293	628,940
		<u>1,557,448</u>	<u>784,074</u>
CREDITORS: amounts falling due within one year	15	(807,383)	(1,042,669)
NET CURRENT ASSETS /(LIABILITIES)		750,065	(258,595)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,126,180	2,858,103
CREDITORS: amounts falling due after one year	16	(1,688,023)	(443,454)
TOTAL NET ASSETS		2,438,157	2,414,649
REPRESENTED BY: RESTRICTED FUNDS	19	888,663	920,777
UNRESTRICTED FUNDS	19	1,549,494	1,493,872
		<u>2,438,157</u>	<u>2,414,649</u>

The financial statements were approved and authorised for issue by the Board on 19 March 2021 and signed on its behalf by

DocuSigned by:
Joanna Fenton Parkes
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Ms J Fenton Parkes
Chair

Company registration number 01751466

The notes on pages 24 to 38 form part of these financial statements

Leicestershire Independent Educational Trust

STATEMENT OF CASH FLOWS AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	24	(121,590)	257,961
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	-	1,174
Purchase of property, plant and equipment	13	(514,649)	(164,782)
Sale of property, plant and equipment		1,250	-
Net cash used in investing activities		(513,399)	(163,608)
Cash flows from financing activities:			
New bank loans		1,284,024	-
Repayments of borrowing		(34,682)	(35,545)
Net cash generated/(used) in financing activities		1,249,342	(35,545)
Change in cash and cash equivalents in the reporting period		614,353	58,808
Cash and cash equivalents at the beginning of the reporting period		628,940	570,132
Cash and cash equivalents at the end of the reporting period		1,243,293	628,940
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,243,293	628,940

Analysis of changes in net debt

	At 1 August 2019 £	Cashflows £	Other changes £	At 31 July 2020 £
Cash at bank and in hand	628,940	614,353	-	1,243,293
	628,940	614,353	-	1,243,293

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

a) General information and basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. They are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

They comply with the requirements of the Companies Act 2006 and the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014.

Leicestershire Independent Educational Trust meets the definition of a public benefit entity under FRS102.

The significant accounting policies applied in the preparation of these financial statements is set out below. These policies have been consistently applied to all years unless otherwise stated.

b) Going Concern

At the time of signing these financial statements, it is still relatively early days regarding an assessment of the medium term impact of the virus on the global economy, but it is possible that there will be a significant level of uncertainty in all economies around the world for a sustained period of time. However, the governors consider that the charity is well placed to continue operating through the uncertain times caused by the COVID 19 pandemic due to its strong cash position as a result of £1m of CBILS funding which has been drawn down from its bankers and the continued support from the schools' existing parent body. Indeed, it is noteworthy that the school is now witnessing increased interest in its product. On this basis the governors are confident that the charity has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

c) 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, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are held as cash at bank and in hand until either taken to income to match liabilities in the term when used, or else refunded. Estimating amounts to provide against recovery of debts is a matter of judgement.

d) Ancillary and Non-Ancillary Trading Income

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop 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 out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

e) Voluntary sources, Grants and Donations

Voluntary incoming resources are 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.

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.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

or the legacy being received. At this point income is recognised. On occasion legacies, will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

f) **Government grants receivable – Coronavirus Job Retention Scheme**

Grants receivable relates to government funding received via the Coronavirus Job retention Scheme. It is designed to protect jobs in the wake of the economic impact of the COVID-19 pandemic and to support employers. It is accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

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.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to a particular heading they have been allocated on a basis consistent with the use of the resources.

h) **Pension Costs**

The school company participates in the Teachers' Pensions scheme, which is an unfunded government scheme which provide benefits based on final pensionable pay. The funds of the scheme are separate from the charity, although the charity's share of the scheme cannot be identified as the scheme is a multi-employer scheme, and so the pension costs are accounted for as defined contribution schemes. The company also contributes to defined contribution pension schemes for non-teaching staff. See note 25 for further details.

i) **Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less depreciation

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.

Depreciation is provided at rates calculated to write off the cost over its expected useful life, as follows:

Freehold land	- Not depreciated
Playing fields drainage	- 4%-25% per annum on cost
Playing fields garage store	- 4% per annum on cost
Freehold buildings	
- permanent	- 4% per annum on cost
- temporary	- 25% per annum on cost
Leasehold improvements	- Over period of the lease
Furniture and equipment	- 10% - 20% per annum on cost
Plant and equipment	- 10% per annum on cost
Books and teaching equipment	- 20% per annum on cost
Motor vehicles	- 25% per annum on cost

Leicestershire Independent Educational Trust exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

j) **Financial Instruments**

Leicestershire Independent Educational 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) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

l) **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.

m) **Fund Accounts**

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 at the discretion of the directors to further the school's objects or to benefit the school itself. Where the directors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to a designated fund.

Designated funds comprise funds which have been set aside at the discretion of the trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

See note 19 for further details of all funds.

n) **Taxation**

Leicestershire Independent Educational 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. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

o) **Redundancy payments**

All redundancy payments are recognised within the year.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

2. CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

	2020 £	2019 £
The school fees income comprises		
Gross fees	4,868,041	5,346,787
Less: scholarships, bursaries, etc	(572,402)	(653,188)
	4,295,639	4,693,599
	4,295,639	4,693,599

In the prior year all income in relation to school fees receivable was unrestricted.

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2020 £	2019 £
Extras	202,051	264,437
Entrance fees and registration fees	20,722	18,517
Commissions and other income	38,827	29,770
	261,600	312,724
	261,600	312,724

In the prior year all income in relation to ancillary trading income was unrestricted.

4. OTHER TRADING ACTIVITIES

	2020 £	2019 £
Non-ancillary trading income		
Lettings and hire	12,709	12,325
	12,709	12,325
	12,709	12,325
Other activities		
Interest on overdue fees	1,329	480
Other	11,633	7,350
	12,962	7,830
	12,962	7,830

In the prior year all income in relation to other trading activities was unrestricted.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

5. INVESTMENTS – BANK INTEREST

	2020 £	2019 £
Bank interest	-	1,174
	-	1,174

In the prior year all income in relation to bank and other interest was unrestricted.

6. VOLUNTARY SOURCES – GRANTS AND DONATIONS

	Unrestricted	Restricted	Total 2020 £	Total 2019 £
Heathcote Legacy	-	-	-	1,388
Other donations	350	-	350	20,011
	350	-	350	21,399

In the prior year £1,388 of grants and donations related to restricted funds. All other income was unrestricted.

7. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Depreciation (note 13) £	Support Costs £	Total 2020 £	Total 2019 £
Costs of raising funds					
Financing cost (note 9)	-	-	14,351	14,351	21,020
Fundraising and development	-	-	336	336	712
Total cost of generating funds	-	-	14,687	14,687	21,732
Charitable expenditure					
Teaching	2,938,176	-	95,273	3,033,449	2,869,394
Welfare	-	-	7,496	7,496	26,841
Premises	172,670	253,982	245,348	672,000	777,773
School administration and governance	648,048	-	541,167	1,189,215	1,261,043
Grants awards and prizes	-	-	2,603	2,603	19,045
Total charitable expenditure	3,758,894	253,982	891,887	4,904,763	4,954,096
Total Expenditure	3,758,894	253,982	906,574	4,919,450	4,975,828

Total expenditure in 2019 comprised restricted expenditure of £60,000 and unrestricted expenditure of £4,915,828.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

7. ANALYSIS OF EXPENDITURE (Continued)

b) Governance included in support costs

Leicestershire Independent Educational Trust reimburses governors for out of pocket expenses including travel, subsistence and accommodation, where a claim is made. 1 trustee (2019: 1 trustee) was reimbursed during the year for expenses totalling £1,546 (2019: £4,162) the decrease due to a trustee with large travel and accommodation expenses has left the board,

8. NET INCOMING RESOURCES

	2020 £	2019 £
Net incoming resources is stated after charging Auditor's remuneration	<u>10,000</u>	<u>10,000</u>

9. FINANCING COSTS

	2020 £	2019 £
Bad debts	-	7,439
Bank interest	14,000	13,086
Lease finance costs	351	495
	<u>14,351</u>	<u>21,020</u>

10. STAFF COSTS

	2020 £	2019 £
The aggregate payroll costs for the year were:		
Wages and salaries	2,990,247	2,940,663
Social security costs	276,597	276,415
Other pension costs	492,050	337,006
	<u>3,758,894</u>	<u>3,554,084</u>

None of the governors received remuneration or other benefits from the Leicestershire Independent Educational Trust or from any connected body.

Aggregate employee benefits of key management personnel	<u>601,802</u>	<u>619,822</u>
Number of employees classed as key management personnel	<u>8</u>	<u>9</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

10. STAFF COSTS (continued)

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

	2020	2019
	No	No
£60,000 - £70,000	1	-
£101,000 - £110,000	1	1

The number with retirement benefits accruing:
- in defined benefit schemes was

2	1
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of which the contributions amounted to

£39,887	£17,298
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The average number of employees during the year was:

	2020	2019
	No	No
Teaching	63	61
Office and non-teaching	36	44
Directors	11	9
	110	114

The average number of employees during the year calculated on a full-time equivalent basis, was 84 (2019: 86).

There were 5 redundancy payments during the year totalling £13,793 (2019: £Nil).

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £1,200 were awarded to children of directors attending the school (2019: £2,700).

12. TAXATION

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

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

13. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Furniture & Office Equipment £	Books & Teaching Equipment £	Plant & Motor Vehicles £	Total £
Cost						
At 1 September 2019	3,388,137	753,868	378,770	189,007	175,204	4,884,986
Additions	315,923	51,634	110,197	13,228	23,667	514,649
Disposals	-	-	-	(12,675)	(15,909)	(28,584)
Transfer between classes	-	-	46,494	47,448	(93,942)	-
At 31 August 2020	3,704,060	805,502	535,461	237,008	89,020	5,371,051
Depreciation						
At 1 September 2019	876,759	421,995	271,278	82,022	116,234	1,768,288
Charge for the year	122,197	31,959	65,369	28,541	5,916	253,982
Disposals	-	-	-	(12,675)	(14,659)	(27,334)
Transfer between classes	-	-	(47,663)	83,885	(36,222)	-
At 31 August 2020	998,956	453,954	288,984	181,773	71,269	1,994,936
Net book value at 31 August 2020	2,705,104	351,548	246,477	55,235	17,751	3,376,115
Net book value at 31 August 2019	2,511,378	331,873	107,492	106,985	58,970	3,116,698

All assets are used for charitable purposes.

The value of the playing fields and Temple Hall land, which are not depreciated at the end of the year was £503,500 (2019: £503,500).

Included in fixtures and fittings and motor vehicles are assets held under finance leases which have net book values of £18,401 (2019: £21,030) respectively. Depreciation of £2,629 (2019: £6,613) was charged during the year.

14. DEBTORS

	2020	2019
	£	£
Trade debtors	47,607	33,721
Other debtors	131,363	109
Prepayments and accrued income	129,930	119,304
	308,900	153,134

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

15. CREDITORS: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	61,522	46,805
Net obligations under finance leases	3,382	3,381
Trade creditors	57,932	224,771
Taxation and social security	67,130	69,207
Other creditors	183,481	172,628
Fees in advance scheme	39,327	28,069
Fees received from parents in advance of term	300,953	351,640
Accruals	79,761	113,638
Deposits from parents	13,895	32,530
	807,383	1,042,669

National Westminster Bank Plc holds a first legal charge over assets owned by the charity. There are currently 4 banks loans.

The first bank loan is repayable by annual instalments of £30,000 (£10,000 per school term). The final balance is repayable on the last day of the loan term of 1 October 2024. Interest is charged at 1.5% above base rate. The loan is secured on the freehold land and buildings.

The second loan is repayable by 111 monthly instalments followed by a final instalment in March 2024. Interest is charged at 5.03% above base rate. The loan is secured on the freehold land and buildings.

The third bank loan is repayable by monthly instalments of £2,102 and a final instalment of an amount sufficient to repay the loan and interest in full, the first instalment is due 11 months after the loan commencement date of 1 February 2020 and the full loan repayable within 60 months. The loan is secured on the freehold land and buildings.

The fourth bank loan is a CBILs loan repayable by 71 monthly instalments of £16,666 followed by a final instalment of £16,667. The first instalment is due 13 months after the date on which the loan was drawn down upon which was 28 August 2020. The loan is secured on the freehold land and buildings.

Obligations under finance leases and hire purchase contracts are secured on the related plant and motor vehicles.

16. CREDITORS: amounts falling due after one year

	2020 £	2019 £
Bank loans	1,498,621	263,996
Deposits from parents	156,247	123,697
Net obligations under finance leases	4,226	7,608
Fees in advance scheme	28,929	48,153
	1,688,023	443,454

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

17. BANK LOAN

	2020 £	2019 £
The bank loans are repayable in instalments		
Due after 5 years	368,389	76,776
Due within 2 to 5 years	858,194	140,415
Due within 1 to 2 years	<u>272,038</u>	<u>46,805</u>
Due after more than one year	1,498,621	263,996
Due within 1 year	<u>61,522</u>	<u>46,805</u>
	<u><u>1,560,143</u></u>	<u><u>310,801</u></u>

18. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. Contributions may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2020 £	2019 £
Within 2 to 5 years	9,705	19,224
Within 1 to 2 years	<u>19,224</u>	<u>28,929</u>
	<u>28,929</u>	<u>48,153</u>
Within 1 year	<u>39,327</u>	<u>28,069</u>
	<u><u>68,256</u></u>	<u><u>76,222</u></u>
Summary of movements in liability		£
Balance at 1 September 2019		76,222
New contracts		-
Amounts used to pay fees		(7,966)
		<u><u>68,256</u></u>
Balance at 31 August 2020		68,256

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

19. FUNDS

RESTRICTED FUNDS	At 1 September 2019 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2020 £
Bursary Fund	2,886	-	-	-	2,886
The Bernard Heathcote Foundation	911,391	-	(60,000)	27,886	879,277
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>920,777</u>	<u>-</u>	<u>(60,000)</u>	<u>27,886</u>	<u>888,663</u>

RESTRICTED FUNDS PREVIOUS YEAR	At 1 September 2018 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2019 £
Bursary Fund	2,886	-	-	-	2,886
The Bernard Heathcote Foundation	938,227	1,388	(60,000)	31,776	911,391
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>947,613</u>	<u>1,388</u>	<u>(60,000)</u>	<u>31,776</u>	<u>920,777</u>

Transfers between funds represent a notional interest charge (£27,886) from unrestricted to restricted income in relation to the use of the Bernard Heathcote funds.

The Bursary Fund has been established in order to assist with financing future bursaries awarded by the school.

The Bernard Heathcote Foundation has been formed as a result of the generous donation from the late Bernard Heathcote, a former Head Boy of the School. It is to be used for the provision of bursaries to support children who would benefit from a Dixie Grammar School education.

Station Road development is a scheme to consider the redevelopment of the main school campus site at Station Road, Market Bosworth.

Staff welfare fund – a donation to be used for the benefit of the staff.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

19. FUNDS (continued)

UNRESTRICTED FUNDS	At 1 September 2019 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2020 £
General	1,456,848	4,942,958	(4,859,450)	(27,886)	1,512,470
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,493,872</u>	<u>4,942,958</u>	<u>(4,859,450)</u>	<u>(27,886)</u>	<u>1,549,494</u>

UNRESTRICTED FUNDS	At 1 September 2018 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2019 £
General	1,356,789	5,047,663	(4,915,828)	(31,776)	1,456,848
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,393,813</u>	<u>5,047,663</u>	<u>(4,915,828)</u>	<u>(31,776)</u>	<u>1,493,872</u>

Myra Pedley Fund

These funds were donated to the charity to be utilised by the trustees at their absolute discretion, but with the hope that they would be used for the refurbishment of the school library. The trustees therefore designated these funds for the refurbishment of the library.

Sports Facility Fund

The Trustees have allocated these funds for the maintenance of the sports facilities of the school.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	2020 £
Tangible fixed assets	3,376,115	-	3,376,115
Interfund loan	(888,663)	888,663	-
Net current assets	750,065	-	750,065
Long term liabilities	(1,688,023)	-	(1,688,023)
	<u>1,549,494</u>	<u>888,663</u>	<u>2,438,157</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted £	Restricted £	2019 £
Tangible fixed assets	3,116,698	-	3,116,698
Interfund loan	(920,521)	920,521	-
Net current (liabilities)/assets	(258,851)	256	(258,595)
Long term liabilities	(443,454)	-	(443,454)
	<u>1,493,872</u>	<u>920,777</u>	<u>2,414,649</u>

21. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2020 the charity has total minimum lease payments under non cancellable operating leases as follows

	Land and buildings		Other	
	2020 £	2019 £	2020 £	2019 £
Expiry date:				
Within 1 year	63,500	64,400	11,341	16,023
Between 2 and 5 years	254,000	257,600	18,230	29,571
After 5 years	113,500	179,700	-	-
	<u>431,000</u>	<u>501,700</u>	<u>29,571</u>	<u>45,594</u>

22. CAPITAL COMMITMENTS

At 31 August 2020 the charity has capital commitments of £19,558 (2019: £nil).

23. CONTINGENT ASSET

A claim has been made with the insurance company in relation to loss of school fees for the summer term. At the date of signing the accounts the claim has not been approved in full but the trustees are of the opinion that the results of recent communications with the insurance company have given strong indications that this claim is probable to be met in full in the near future. Currently £125,000 has been received and recognised in the accounts within other income.

24. RECONCILIATION OF NET (EXPENDITURE)/ INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period	23,508	73,223
Depreciation charges	253,982	233,200
Dividends, interest and rents from investments	-	(1,174)
Increase in stock	(3,255)	-
(Increase) /decrease in debtors	(155,766)	7,796
Decrease in creditors	(240,059)	(55,084)
Net cash provided by operating activities	<u>(121,590)</u>	<u>257,961</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

25. PENSION SCHEMES

Teachers' Pension Scheme

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in schools. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £467,859 (2019: £312,826) and at the year end £50,965 (2019 £41,984) was accrued in respect of contributions to this scheme.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme.

The school has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out above the information available on the scheme.

Defined Contribution Scheme

The charity also contributes to schemes for its non-teaching staff, which are defined contribution schemes. The legacy scheme is with Royal London and following auto enrollment legislation, the School is now enrolling all new support staff into the NEST scheme. The cost for the year represents the Trust's contributions to the schemes of £24,191(2019: £24,180). At the year end £4,425 (2019: £2,861) was accrued in respect of these schemes.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

26. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and without share capital, incorporated in the United Kingdom. The liability of the members is limited to £1 in the unlikely event of the charity being “wound up.” The charity’s registered office is noted on page 1.

27. RELATED PARTIES

During the year 4 directors had between them 9 children attending the school (2019: 5 directors and 10 children).

No bursaries were granted in respect of these children. Two children (2019 – Three children) received a small scholarship.

There were no other related party transactions during the year (2019: none).