

Charity Registration No. 514407

Company Registration No. 01751466 (England and Wales)

**LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST
(OPERATING AS THE DIXIE GRAMMAR SCHOOL)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

Leicestershire Independent Educational Trust

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COMPANY INFORMATION YEAR ENDED 31 AUGUST 2023

DIRECTORS AND ADVISORS

Directors

Mrs J Fenton Parkes (Chair)
Mr M Ashfield (Vice Chair from 30 June 2023)
Mr P J Bowman
Mr S D Boyes
Mr D M Jinks (appointed 8 December 2023)
Mr A S Hall (resigned 7 July 2023)
Dr C H Kendall (resigned 8 December 2023)
Mrs S L Kennedy
Mr J A Marsh (appointed 30 June 2023)
Professor M Mihsein
Ms L M Pittwood
Mrs K McIntyre (appointed 30 June 2023)
Mr I A Smith (Vice Chair) (resigned 8 December 2023)
Mrs A Breadon (Co-opted)

Company Secretary

Group Captain J K Wheeler (resigned 14 July 2023)
Mr M J Frost (appointed 14 July 2023)

Charity No.

514407

Company No.

01751466

Principal address and Registered Office

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

Key Management Personnel

Headmaster	Mr R J Lynn
Head of the Junior School	Mrs E L Billington (to April 2023)
Bursar	Mr M J Frost (from July 2023)
Deputy Head	Mrs C M Young
Head of Sixth Form	Mr J Dixon
Director of Student Care	Mrs H J Banton
Senior Management	Mr R J Thirlwell
Senior Management	Miss V Entwisle (from September 2022)
Assistant Head of the Junior School	Mrs S Baker
Assistant Head of the Junior School	Mrs K MacKenzie
IT & Operations Manager	Mr P Kirk (to September 2022)

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COMPANY INFORMATION YEAR ENDED 31 AUGUST 2023

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

Pattersons Commercial Law
2 Pear Tree Business Park
Desford Lane
Ratby
Leicestershire
LE6 0PG

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

Broomfields
Minerva House
7 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 2023

The Directors, who are also trustees of the charity and governors of the school, present their report and financial statements for the year ended 31 August 2023 and confirm they comply with the requirements of the Charities Act 2011 including the Directors' and Strategic Reports as required under the Companies Act 2006.

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 any gender.

Aims

The Leicestershire Independent Educational Trust (trading as 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. The School produces 'well rounded' individuals who are able to make a positive contribution to society. Our aim is to provide a rounded education to help pupils make their way in adult life.

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 school sites 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.

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- 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.
- 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 in line with Charity Commission guidelines, including via the Heathcote Legacy, thereby allowing 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 Activity

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 popular summer school over 2 weeks in the summer holidays. Pupil numbers at the school at the start of each academic year were as shown below.

	<u>2022/2023</u>	<u>2021/2022</u>	<u>2020/2021</u>
Senior School	303	298	286
Junior School	133	143	140
Nursery (FTE)	17	21	20
Total	453	462	446

Following the dip in pupil numbers in September 2022, pupil numbers increased to 462 in January 2023, and 473 in January 2024.

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 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. Looking further afield, we continue with our relationship with Stafford Grammar School, a not dissimilar independent school to ourselves. Pupils at both schools are working together to respond to

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the challenges of misogyny, consent and related issues highlighted in the Everyone's Invited website and Black Lives Matter, as well as other topical issues. This interaction seeks to highlight the central importance and power of the Student Voice in our respective schools.

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 'Achievements and Performance' below.

Parents of pupils at the school often make significant sacrifices to pay the fees. In educating an average of 459 UK based pupils, parents help considerably in relieving HM Government of the financial burden of paying for their children's education through general taxation. This saved HM Government the sum of £3,424,140 based on the school funding statistics per the government gateway website which state the funding received per pupil for the 2023-24 academic year was £7,460 per pupil per annum.

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 also need to be mindful as to affordability for the Charity as we have had a period of not being able to generate any surplus, albeit this year we generated a small surplus. 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. We are grateful to the NFL Trust, one of the wider educational charities, who continue to provide support to a pupil at the school. Finally, the Dixie Educational Foundation (a registered Charity), historically generously financially supported pupils at the Dixie.

The Governor Bursary Committee meets annually to grant bursarial awards for the forthcoming academic year. It also meets in year as necessary. 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, in concert with the Headmaster, periodically reviews *in place* awards, making adjustments as deemed appropriate. Full details of our bursary policy and how to apply are available on the School's website.

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 assistance is required, awards can be supplemented through a bursary.

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

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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. 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. A Governor Awards Panel (The Bernard Heathcote Foundation Committee) is the authority for all bursaries. The criteria and policies relating to concessions are kept under Governor periodic review.

ACHIEVEMENTS AND PERFORMANCE

The Promotion of Education

During the year we educated over 460 children between the ages of 3 and 18. The School provides a very high standard of education and this is validated in a review of the academic results, our measurements of added value and through external inspection. Our most recent ISI Inspection took place in February 2022 and again graded the School as fully compliant with the Independent School Regulations and judged the educational quality as Excellent across all the inspection criteria, maintaining the previous excellent grading of educational quality in 2015. The school offers a broad curriculum and educates children with a range of ability. We are able to demonstrate excellence across the curriculum and in a wide range of extra-curricular activities, including:

- Music and Musical theatre examinations in which 25 students in Years 6 and above achieved awards, 19 at grade 1 and above and 3 at the coveted grade 8 distinction. In addition, students achieved honours through representation in the Warwickshire County Youth orchestra and Wind Band, Birmingham Conservatoire and the Nuneaton Festival of Arts, in which two junior aged pupils were winners. One student performed with the Birmingham Royal Ballet. 20 students achieved school Music Honours.
- Our Equestrian Club, including over 70 students from ages 8-18 represented the Dixie on the local and national stage, winning several prestigious events, including the British Schools National final, NSEA National Championships at Hickstead, The Dixie Challenge event and School Equestrian Games.
- Some 54 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. Of note, three of these awards were at gold level.
- A total of 8 students were awarded bronze, silver and gold medals in the Biology and Physics Olympiads. 31 students were awarded a distinction in the Bebras international computational challenge, with 22 in years 7 and 8 awarded bronze or silver in the digital enterprise award.
- Our photographic competition and Rotary Young chef competitions attracted entries from well over 100 students and our Young Enterprise Company 'Lorem' produced a neuro positive and inclusive 2-person colouring book, winning the Leicestershire County competition for creativity.
- The Duke of Edinburgh Award scheme continues to grow in popularity, as part of our outdoors programme, which runs from a Forest School in the Pippins Nursery to World Challenge in our Sixth Form. Twenty-eight Awards were completed this academic year, with three at Silver level and three at Gold level.
- Our Business and Entrepreneurship Award, generously sponsored by one of our parents, saw a strong field of applicants from five teams. The judging panel posed questions to candidates and came from a variety of industries and specialisms. Product entries included a soy, eco-friendly candle business, a hand knitted baby hat, a newsletter to encourage greater plant consumption, an online fitness website based on military regimes and a hairbrush for those with curly hair.
- A significant number of students achieve major sporting honours through the Independent School Association competitions, at both regional and national level. During 2022/23 three students represented the Dixie on the national swimming stage, two students achieved

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national cross-country honours, with seven achieving national representative honours in athletics, with one of those achieving the qualifying standard for English Schools' Pole Vault final. Three students have county representative honours in football, two in rugby, six in hockey, three in cricket, two in tennis, one in golf, one in gymnastics, one in American Football, two have national representation honours in motorsport - karting, and one in climbing. One student competed on the national stage in sailing, nine qualified for the national finals in equestrianism, six competed on the national stage in ISA skiing, with one student a member of the British National ski squad coming second in the ISA national competition.

Academic Results

Our small group sizes, expert tuition and individual support ensure that every individual realises their own potential. We are proud of our external examination results, and particularly in our record of securing places for individuals at their first-choice university.

GCSE Results Average 2021 - 2023 (%)	
9	19
9/8	34
9/7	54
9/6	69
9/5	84
9/4	91

A Level Results Average 2021 - 2023 (%)	
A*	16
A*/A	34
A*/B	60
A*/C	82
A*/D	92
A*/E	98

We are of course incredibly proud of these impressive results, 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, when compared to all schools nationally, ranking us in the top fifty of all schools for value added.

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 do not 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.

The da Vinci award scheme runs in Years 6-11 and 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.

Improving Facilities

We seek to 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. Planning for a new Sixth Form Centre was paused last year as we negotiate with the landlord of our Senior school site, the Dixie Educational Foundation, to secure a long-term extension to our existing

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lease. This required considerable dilapidation work to the Senior school site, which has dramatically improved the façade. The new lease should be signed imminently. In concert with our contract caterers Holroyd Howe, a substantial refurbishment and improvement to the catering facilities at the Senior school site was also completed. The ongoing refurbishment work programme included new school signage, redecoration of classrooms (including Psychology and Science) and the entrance to the Senior school site, the creation of a SEND room, and building work on the farm house building at the Junior school site.

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, charity fundraisers, the Market Bosworth Festival and other societies, including the Rotary Club
- Our Music facilities are made available to local choirs
- The school has run a programme of Mandarin classes free to members of the local community
- Sports facilities – used by the local community

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.

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

Our Intergenerational care community project in Year 6 which gives Year 6 students the opportunity to visit a local care home on a weekly basis has continued to thrive. Games, information sheets and letters have been written to and from residents of the care home and this continues to be an important part of our community contribution.

The School 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 the use of our impressive sporting facilities.

Charitable Activities

As well as supporting the local community, pupils and staff support schools in Africa and Madagascar through World Challenge and further afield as part of our International Schools Award, which recognises our commitment to global education. 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.

FINANCIAL REVIEW

Results for the Year

The results for the year ended 31 August 2023 are shown in the Statement of Financial Activities on page 20. This, together with the balance sheet on page 21, should be read in conjunction with the related notes which have been prepared in accordance with the Charities SORP 2019 (FRS 102).

Total income for the year amounted to £5,954,958 (2022: £5,472,816). The principal source of funding continued to be tuition fees. Total expenditure for the year amounted to £5,934,380 (2022: £5,785,182). A breakdown of expenditure is set out in the notes to the accounts.

After transfers between funds, there was a surplus on unrestricted funds for the year totalling £55,338 and a deficit on restricted funds totalling £34,760. This has resulted in a total increase in funds for the year of £20,578. The funds for the charity at the year end totalled £2,148,196, which comprise

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restricted funds of £759,696 and unrestricted funds of £1,388,500, of which £37,024 has been designated leaving £1,351,476 of general funds.

This is a considerable achievement following the myriad of challenges presented by the aftermath of COVID-19 and the significant, one off, deficit last year. In order to return the School to a trading surplus, a number of cost saving measures were enacted. Pupil numbers increasing during the academic year also contributed to the improved financial performance.

The wider Independent Schools Sector has continued to face a wide range of challenges resulting from governmental, political and economic strategy. Naturally, Governors remain concerned about the impact this will have on the School, pupils, parents, staff, suppliers and the local community. The Governors continue to closely monitor what the short- and long-term impacts may be. In response to this, a consultation with teaching staff commenced in January 2023 in respect of a possible exit from the Teachers' Pension Scheme and its replacement with a defined contribution scheme. The outcome resulted in the School withdrawing from the Teachers Pension Scheme with effect from the year end. All teaching staff supported the change and acknowledged the benefit it would bring in the short and long term.

The Directors secured a Government backed CBILS loan of £1M (drawn down in August 2020) to support the school's cash flow needs in the short to medium term and to allow navigation of the many challenges presented by COVID-19. Just prior to the first anniversary of drawdown, given the financial performance of the school, it was decided to repay £250K of the borrowed sum immediately with the balance being repaid in equal monthly instalments over the remaining 5 years of the loan. The loan is secured against the assets of the School, alongside our other borrowing, and is charged at 2.42% over the Bank of England Base Rate. A further capital repayment of £100,000 was made in February 2023, funded through a substantial fee in advance payment.

The Directors wish to have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. However, it is the key intention of the Board that the School 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 Policy

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, NatWest Bank, with whom it has a long-standing relationship. The Governors' medium term aim is to make an overall surplus of 5% of net fee income to allow for its continued development. Whilst this aim was not met for the year ended 31 August 2023, the Governors are confident that with the measures enacted for the 2023-24 academic year, together with the current pupil numbers, progress will be made towards achieving this aim in the future.

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 £2,148,196 at the year-end included £1,388,500 of unrestricted funds and £759,696 in restricted funds. Fixed assets held for charity use total £3,317,087. 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.

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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, pension arrangements and other operational budget areas. They also considered factors such as delayed fee payment and increased bad debts. They formally considered this matter within the FFP Committee, informed by a paper from the Bursar.

Taking account of both the remaining CBILS loan, together with the current growth in pupil numbers and adjustments to the cost base of the business (during the 31 August 2023 financial year), cash flow analysis, allied to appropriate sensitivity analysis, show that the cash reserves of the Charity are adequate to meet in full the Charity's financial obligations as they fall due. Our Bank has also indicated its willingness to put in place short-term overdraft arrangements when cash is most under strain. This is principally in the December/January period each year.

Additionally and importantly, interest in the school, principally at the senior level remains healthy both in the current academic year and also for September 2024. This is reflected in pupil recruitment and retention. Accordingly the Directors believe it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

Principal Risks and Uncertainties

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 management team 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 as well as a monitoring device for the Governing Body, with it being reviewed at least annually by the FFP Committee.

The Governors have previously considered 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 and more recently the cost of living crisis resulting from a long-sustained period of high inflation. However, the Governors now also feel that the real prospect of a Labour government, who are threatening to introduce VAT on tuition fees and withdraw charity business rates relief, to be a principal risk.

The School remains vigilant and proactive in monitoring and preparing for potential changes under a Labour Government. We are actively exploring strategies to mitigate any adverse impact any changes might have on our school or parents.

The Governor strategy to grow pupil numbers across the School under the *Dixie 2030* vision, continues to be enacted. This continued confidence in the School bodes well and is credit to the Headmaster and his staff for the strength of the Dixie educational offering. This is well illustrated both in our examination results and the quality of the wider offering, all commented upon earlier in this Director's Report. The threat of a Labour Government may somewhat curtail this strategy.

The Governing Body carefully considers the level of fee increase, taking due account of what competitor schools are charging and the cost of 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. This growing burden is well illustrated by note 10 to the accounts. In response to this, and following a successful consultation with the teaching staff, the school withdrew from the Teachers' Pension Scheme and entered a defined contribution scheme, with lower employer contributions, from the year end.

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.

Other 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 include:

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- 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 are 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;
- a comprehensive Risk Register;
- terms of reference for all committees, all periodically 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;
- 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 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. All loans are underwritten by charges on assets so as to deliver the competitive borrowing costs.

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FUTURE PLANS

The key objectives of the current Strategic Plan are contained in the Dixie 2030 Vision document, which contains both short and medium term actions to be implemented, all with responsible owners. This document was reviewed at the Strategy Development Committee in February and May 2023. Key extracts from the subject document are detailed below.

Our *Core Purpose* is defined as – To provide an excellent education for all students at the Dixie Grammar School.

Our *Mission Statement* is defined as – To provide excellent growth opportunities for all members of the whole Dixie Community.

- 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, taking account of local demographic and other changes.
- Construction of the new Sixth Form Centre/facilities.
- Place the School as the school of *first choice* in the catchment area.
- Be recognised in the local community as core to the long-term success of Market Bosworth.
- Fully exploit the educational and financial benefits of collaboration, building on the initial work with Stafford Grammar School.
- Surpluses of 5% of net fee income in the medium term, whilst in the short term a surplus of 2.5% of net fee income.
- The School to be able to continue to attract and retain high quality teaching and support staff.

Overall, the Directors seek to ensure the medium-term viability and success of the School.

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. They 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. Since COVID-19, the Board has met both in person and remotely via Video Conference and the Board and Committees have also evolved an effective hybrid approach to meetings, as circumstances of the Board and individuals dictate. In order to further strengthen governance, one person is co-opted onto the FFP Committee. The Governing Body has recently undertaken a recruitment exercise both to further strengthen the Board but also to provide replacements for longer serving governors who have elected to stand down since the year end.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2023

The company holds trustees' and officers' insurance on behalf of the Directors. None of the directors have any beneficial interest in the company.

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. Following a Board skills audit in 2020, a number of new appointments to the Board were made.

Governors are provided with induction training from the Head, 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 (and indeed do) 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.
- A balance of gender and ethnicity
- A Governor residing in the catchment area of the School.
- A number of parent governors.

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

Volunteers

Governors are volunteers, providing their time on a pro bono basis to support the effective 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 give their time in assisting our programme of tree-planting as part of our outdoors programme. This is greatly appreciated. Finally, from time to time, other local people offer their time to the school in support of school activities, which underscores the place of the School in the centre of the local community, something we take pride in.

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 meet a minimum of once per term, with the Finance, Facilities and Personnel Committee meeting a minimum of twice each term. The Directors determine the general policy of the company. The Governors' Manual (introduced in 2020) is based upon an AGBIS template and has been utilised to improve Board effectiveness and to allow the better and timely induction of new governors.

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

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2023

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 and has a key focus on safeguarding and pupil well-being. The Chair of the Committee works closely with the School Safeguarding Lead.

Strategy Development Committee – the Strategy Development Committee 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. Away Days were held in January 2020 and 2021 to debate and determine the school's medium-term strategy. This delivered some very useful outcomes, the latter looking to the impact of Covid. It includes members of the School's Senior Leadership Team. The latter event importantly developed a Dixie 2030 Vision and the associated short and medium terms action plans to develop this vision. The Board owns the Strategy and will monitor implementation of these plans.

Marketing and Communications Committee – this Committee is responsible for external and internal communications, complaints and compliments, marketing and advertising, the School website and public relations. It makes recommendations to the Governing Body for approval. It also reviews relevant school policies.

The daily management of the company is delegated to the Headmaster and his Senior Leadership Team, assisted by the Bursar, 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 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 and the Bursar Consultant were invited to attend all governors' meetings, with the Headmaster attending all committee meetings and 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 Remunerations Committee (a sub-committee of FFP), 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 Committee 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. In the context of pensions, following a successful consultation with teaching staff, the School has withdrawn from the Teachers' Pension Scheme (TPS) to a defined contribution arrangement with effect from the year end. Many other Independent schools have already left TPS and others are either considering or in consultation to do so.

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 ISC/ISA/ISBA/AGBIS and through networking with peer groups, we ensure that we are able to attain the highest standards of quality and performance. 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

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2023

understanding. We retain the aim of developing an alumni group, to support the School in the years ahead. We also cooperate with other 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. We provide full and fair consideration of applications for employment of disabled persons, continuing employment and training of persons who become disabled, training, career development and promotion of disabled persons employed by the company.

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 for 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, encourages donations from alumni as well as the wider community.

OTHER MATTERS

AUDITORS

Cooper Parry Group Limited, having expressed its 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.

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 2019 (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

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2023

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.

DocuSigned by:

...3374ECF37E34492...
Mrs J Fenton Parkes
Chair

25 March 2024

Approved by the Board of Trustees on

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of Leicestershire Independent Educational Trust (the 'charitable company') for the year ended 31 August 2023 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 2023 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2023

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 directors' 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 by the charitable company, or returns adequate for our audit have not been received from branches not visited by us; 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 directors

As explained more fully in the directors' responsibilities statement set out on page 16, the directors (who are also the directors of the charitable company for the purpose of charity 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 directors 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 directors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2023

Our assessment focussed on key laws and regulations the charitable company has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws and regulations included but were not limited to compliance with the Companies Act 2006, Charities Act 2011, taxation legislation, data protection, anti-bribery and employment legislation.

We are not responsible for preventing irregularities, including fraud. Our approach to detecting irregularities, including fraud, included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the charitable company and how the charitable company is complying with that framework, including agreement of financial statement disclosures to underlying documentation and other evidence;
- obtaining an understanding of the charitable company's control environment and how the charitable company has applied relevant control procedures, through discussions with management and by performing walkthrough testing over key areas;
- obtaining an understanding of the charitable company's risk assessment process, including the risk of fraud;
- reviewing meeting minutes of those charged with governance throughout the year; and
- performing audit testing to address the risk of management override of controls, including testing journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

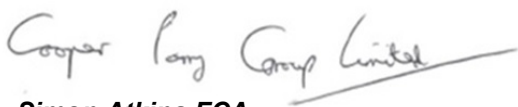
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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.



Simon Atkins FCA
Senior Statutory Auditor for and on behalf of Cooper Parry Group Limited
Chartered Accountant
Statutory Auditor
Sky View, Argosy Road, Castle Donnington, Derby DE74 2SA

Date: 28 March 2024

Leicestershire Independent Educational Trust

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Income from:					
Charitable activities					
School fees receivable	2	5,387,478	-	5,387,478	5,028,777
Ancillary trading income	3	501,143	-	501,143	408,562
Other trading activities					
Non-ancillary trading income	4	17,392	-	17,392	15,970
Other activities	4	7,311	-	7,311	3,192
Investments					
Bank and other interest	5	12,250	-	12,250	7,054
Donations and legacies					
Grants and donations	6	1,878	25,240	27,118	4,421
Other incoming resources					
Government grants receivable – Coronavirus Job Retention Scheme		-	-	-	2,844
Insurance claim		2,266	-	2,266	1,996
TOTAL INCOMING RESOURCES		<u>5,929,718</u>	<u>25,240</u>	<u>5,954,958</u>	<u>5,472,816</u>
Expenditure on:					
Raising funds					
Financing costs	7	70,681	-	70,681	41,221
Fundraising and development	7	830	-	830	355
Charitable Activities					
Education and grant making	7	5,802,869	60,000	5,862,869	5,743,606
TOTAL EXPENDITURE		<u>5,874,380</u>	<u>60,000</u>	<u>5,934,380</u>	<u>5,785,182</u>
NET (EXPENDITURE)/INCOME before transfers		55,338	(34,760)	20,578	(312,366)
Transfers between funds	19	-	-	-	-
NET (EXPENDITURE) / INCOME after transfers		55,338	(34,760)	20,578	(312,366)
Fund balances at 1 September 2022		1,333,162	794,456	2,127,618	2,439,984
FUND BALANCES AS AT 31 AUGUST 2023		<u>1,388,500</u>	<u>759,696</u>	<u>2,148,196</u>	<u>2,127,618</u>

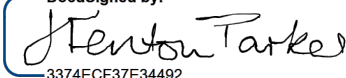
The notes on pages 23 to 37 form part of these financial statements.

Leicestershire Independent Educational Trust

BALANCE SHEET AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	13	3,317,087	3,176,994
CURRENT ASSETS			
Stock		7,756	8,994
Debtors	14	258,275	272,950
Cash at bank and in hand		1,225,154	1,181,248
		<u>1,491,185</u>	<u>1,463,192</u>
CREDITORS: amounts falling due within one year	15	<u>(1,914,215)</u>	<u>(1,468,387)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(423,030)</u>	<u>(5,195)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,894,057</u>	<u>3,171,799</u>
CREDITORS: amounts falling due after one year	16	<u>(745,861)</u>	<u>(1,044,181)</u>
TOTAL NET ASSETS		<u>2,148,196</u>	<u>2,127,618</u>
REPRESENTED BY:			
RESTRICTED FUNDS	19	759,696	794,456
UNRESTRICTED FUNDS	19	1,388,500	1,333,162
		<u>2,148,196</u>	<u>2,127,618</u>

The financial statements were approved and authorised for issue by the Board on 15 March 2024 and signed on its behalf by

DocuSigned by:

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Mrs J Fenton Parkes
Chair

Company registration number 01751466

The notes on pages 23 to 37 form part of these financial statements

Leicestershire Independent Educational Trust

STATEMENT OF CASH FLOWS AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	23	766,013	81,707
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	12,250	7,054
Purchase of property, plant and equipment	13	(446,479)	(171,618)
Sale of property, plant and equipment		2,508	-
Net cash used in investing activities		(431,721)	(164,564)
Cash flows from financing activities:			
New bank loans		-	-
Repayments of borrowing		(290,386)	(201,568)
Net cash (used)/generated in financing activities		(290,386)	(201,568)
Change in cash and cash equivalents in the reporting period		43,906	(284,425)
Cash and cash equivalents at the beginning of the reporting period		1,181,248	1,465,673
Cash and cash equivalents at the end of the reporting period		1,225,154	1,181,248
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,225,154	1,181,248

Analysis of changes in net debt

	At 1 August 2022	Cashflows	Other changes	At 31 August 2023
	£	£	£	£
Cash at bank and in hand	1,181,248	43,906	-	1,225,154
Debt due < 1 year	(227,708)	290,386	(383,805)	(321,127)
Debt due > 1 year	(897,741)	-	383,805	(513,936)
	55,799	334,292	-	390,091

The notes on pages 23 to 37 form part of these financial statements.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

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).

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

The Governors have undertaken a full Going Concern Assessment. In doing so, they took full account of all external finance factors, future cash flows, dependencies on key counterparties, as well as both current and future pupil numbers. Key suppliers were also considered, as well as utility costs, and Contingent Liabilities and Guarantees.

They also scrutinised the Management Plans developed by the Executive and noted the strength of the on-going support for the School by its bankers and their continued willingness to support the existing borrowing, all of which is being repaid to commitments.

On this basis, the Governors are confident that the charitable company 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 Statement of Financial Activities 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.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

For legacies, entitlement is the earlier of the charitable company being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies, will be notified to the charitable company 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 charitable company 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 charitable company. 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 charitable 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 charitable company, although the charitable company'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 charitable company also contributes to defined contribution pension schemes for non-teaching staff. See note 24 for further details.

i) **Tangible Fixed Assets and Depreciation**

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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 2023

j) **Financial Instruments**

Leicestershire Independent Educational Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Bank loans are a financial liability and are initially recognised at transaction value and 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 Statement of Financial Activities 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 Statement of Financial Activities 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**

Redundancy payments are recognised within the year the redundancy is announced.

p) **Judgments and key sources of estimation uncertainty**

The charity makes estimates and assumptions concerning the future. The Directors are also required to exercise judgement in the process of applying the charitable company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of the future events that are believed to be reasonable under the circumstances.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

In preparing these financial statements, the directors have made the following judgements:

Depreciation and residual values

Management have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded that asset lives and residual values are appropriate.

The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

2. CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

	2023 £	2022 £
The school fees income comprises:		
Gross fees	5,931,008	5,637,631
Less: scholarships, bursaries, etc	(543,530)	(608,854)
	5,387,478	5,028,777
	5,387,478	5,028,777

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

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2023 £	2022 £
Extras	351,967	296,717
Entrance fees and registration fees	44,157	17,414
Summer play scheme	37,398	39,618
Commissions and other income	67,621	54,813
	501,143	408,562
	501,143	408,562

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

4. OTHER TRADING ACTIVITIES

	2023 £	2022 £
Non-ancillary trading income		
Lettings and hire	17,392	15,970
	17,392	15,970
	17,392	15,970
Other activities		
Interest on overdue fees	2,372	1,024
Other	4,939	2,168
	7,311	3,192
	7,311	3,192

In both the current and 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 2023

5. INVESTMENTS – BANK INTEREST

	2023 £	2022 £
Bank interest	12,250	7,054
	<u>12,250</u>	<u>7,054</u>

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

6. VOLUNTARY SOURCES – GRANTS AND DONATIONS

	Unrestricted £	Restricted £	2023 £	2022 £
Other donations	1,878	25,240	27,118	4,421
	<u>1,878</u>	<u>25,240</u>	<u>27,118</u>	<u>4,421</u>

In the prior year there was £2,003 of restricted income and £2,418 of unrestricted income.

7. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Depreciation (note 13) £	Support Costs £	Total 2023 £	Total 2022 £
Costs of raising funds					
Financing cost (note 9)	-	-	70,681	70,681	41,221
Fundraising and development	-	-	830	830	355
Total cost of generating funds	<u>-</u>	<u>-</u>	<u>71,511</u>	<u>71,511</u>	<u>41,576</u>
Charitable expenditure					
Teaching	3,236,191	-	148,891	3,385,082	3,403,343
Welfare	-	-	21,917	21,917	29,220
Premises	150,758	192,770	424,836	768,364	691,583
School administration and governance	683,273	111,871	871,016	1,666,160	1,599,588
Grants awards and prizes	-	-	21,346	21,346	19,872
Total charitable expenditure	<u>4,070,222</u>	<u>304,641</u>	<u>1,488,006</u>	<u>5,862,869</u>	<u>5,743,606</u>
Total Expenditure	<u>4,070,222</u>	<u>304,641</u>	<u>1,559,517</u>	<u>5,934,380</u>	<u>5,785,182</u>

Total expenditure comprised £60,000 (2022: £60,000) in respect of bursaries funded from restricted funds and unrestricted expenditure of £5,874,380 (2022: £5,725,182).

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

8. NET (OUTGOING)/INCOMING RESOURCES

	2023 £	2022 £
Net (outgoing)/incoming resources is stated after charging:		
Auditor's remuneration	12,500	9,500
Non-audit fees	2,000	1,500
Depreciation	304,642	284,409
Operating leases – land and buildings	87,905	87,405
Operating leases – other	10,814	9,507
	<u>10,814</u>	<u>9,507</u>

9. FINANCING COSTS

	2023 £	2022 £
Bad debts	7,532	7
Bank interest	63,025	40,863
Lease finance costs	124	351
	<u>70,681</u>	<u>41,221</u>

10. STAFF COSTS

	2023 £	2022 £
The aggregate payroll costs for the year were:		
Wages and salaries	3,192,254	3,277,577
Social security costs	318,259	330,708
Other pension costs	559,709	577,252
	<u>4,070,222</u>	<u>4,185,537</u>

Included in the total staff costs above were redundancy payments of £13,554 (2022: £4,283).

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>678,029</u>	<u>680,694</u>
Number of employees classed as key management personnel	<u>11</u>	<u>9</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

10. STAFF COSTS (continued)

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

	2023	2022
	No	No
£60,000 - £70,000	1	1
£101,000 - £110,000	1	1

The average number of employees during the year was:

	2023	2022
		No
Teaching	63	64
Office and non-teaching	41	44
	104	108

The average number of employees during the year calculated on a full-time equivalent basis, was 88 (2022: 99).

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. During the year seven directors had between them eleven children attending the school (2022: six directors and eleven children). Directors do not receive any preferential fee rates. Scholarships totalling £2,500 were awarded to children of directors attending the school (2022: £3,000) in accordance with the school's usual criteria and processes.

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. No trustees (2022: 3 trustees) were reimbursed during the year for expenses totalling £nil (2022: £751).

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 2023

13. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Furniture & Office Equipment £	Books & Teaching Equipment £	Plant & Motor Vehicles £	Total £
Cost						
At 31 August 2022	3,757,337	982,773	541,226	191,811	101,327	5,574,474
Additions	6,502	397,940	37,895	4,142	-	446,479
Disposals	-	-	(14,346)	-	(22,267)	(36,613)
At 31 August 2023	3,763,839	1,380,713	564,775	195,953	79,060	5,984,340
Depreciation						
At 31 August 2022	1,272,450	539,269	324,698	176,236	84,827	2,397,480
Charge for the year	137,631	74,495	71,261	10,047	11,208	304,642
Disposals	-	-	(12,602)	-	(22,267)	(34,869)
At 31 August 2023	1,410,081	613,764	383,357	186,283	73,768	2,667,253
Net book value at 31 August 2023	2,353,758	766,949	181,418	9,670	5,292	3,317,087
Net book value at 31 August 2022	2,484,887	443,504	216,528	15,575	16,500	3,176,994

All assets are used for charitable purposes.

The value of the playing fields and Temple Hall land, which are not depreciated was £503,500 (2022: £503,500).

In the prior year, included in fixtures and fittings and motor vehicles were assets held under finance leases which had net book values of £13,143. Depreciation of £2,629 was charged during the prior year. There were no assets held under finance leases at the balance sheet date.

14. DEBTORS

	2023	2022
	£	£
Trade debtors	31,722	62,720
Other debtors	43,372	20,414
Prepayments and accrued income	183,181	189,816
	258,275	272,950

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

15. CREDITORS: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts	321,127	227,708
Net obligations under finance leases	-	845
Trade creditors	271,244	269,933
Taxation and social security	79,745	83,600
Other creditors	228,793	185,433
Fees in advance scheme	43,471	39,828
Fees received from parents in advance of term	674,769	574,158
Accruals	276,401	49,667
Deposits from parents	18,665	37,215
	1,914,215	1,468,387

National Westminster Bank Plc holds a first legal charge over assets owned by the charitable company. There are currently four bank 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 bank loan is repayable by 111 monthly instalments of £1,400 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 60 monthly instalments of £12,500 from 1 September 2021. There were capital repayments of £250,000 in August 2021 and £100,000 in February 2023. The loan is secured on the freehold land and buildings.

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

16. CREDITORS: amounts falling due after one year

	2023 £	2022 £
Bank loans	513,936	897,741
Deposits from parents	150,770	146,440
Net obligations under finance leases	-	-
Fees in advance scheme	81,155	-
	745,861	1,044,181

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

17. BANK LOAN

	2023 £	2022 £
The bank loans are repayable in instalments:		
Due after 5 years	-	225,623
Due within 2 to 5 years	122,093	444,410
Due within 1 to 2 years	391,843	227,708
Due after more than one year	513,936	897,741
Due within 1 year	321,127	227,708
	835,063	1,125,449

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:

	2023 £	2022 £
Within 2 to 5 years	61,417	-
Within 1 to 2 years	19,738	-
	81,155	-
Within 1 year	43,471	39,828
	124,626	39,828
Summary of movements in liability		£
Balance at 1 September 2022		39,828
New contracts		124,626
Amounts used to pay fees		(39,828)
Balance at 31 August 2023		124,626

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

19. FUNDS

RESTRICTED FUNDS	At 1 September 2022 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2023 £
Bursary Fund	2,886	-	-	(2,886)	-
The Bernard Heathcote Foundation	785,070	25,240	(60,000)	2,886	753,196
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>794,456</u>	<u>25,240</u>	<u>(60,000)</u>	<u>-</u>	<u>759,696</u>

RESTRICTED FUNDS PREVIOUS YEAR	At 1 September 2021 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2022 £
Bursary Fund	2,886	-	-	-	2,886
The Bernard Heathcote Foundation	843,067	2,003	(60,000)	-	785,070
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>852,453</u>	<u>2,003</u>	<u>(60,000)</u>	<u>-</u>	<u>794,456</u>

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 2023

19. FUNDS (continued)

UNRESTRICTED FUNDS	At 1 September 2022 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2023 £
General	1,296,138	5,929,718	(5,874,380)	-	1,351,476
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,333,162</u>	<u>5,929,718</u>	<u>(5,874,380)</u>	<u>-</u>	<u>1,388,500</u>

UNRESTRICTED FUNDS	At 1 September 2021 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2022 £
General	1,550,507	5,470,813	(5,725,182)	-	1,296,138
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,587,531</u>	<u>5,470,813</u>	<u>(5,725,182)</u>	<u>-</u>	<u>1,333,162</u>

Myra Pedley Fund

These funds were donated to the charitable company 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 £	2023 £
Tangible fixed assets	3,317,087	-	3,317,087
Interfund loan	(753,196)	753,196	-
Net current liabilities/assets	(429,530)	6,500	(423,030)
Long term liabilities	(745,861)	-	(745,861)
	<u>1,388,500</u>	<u>759,696</u>	<u>2,148,196</u>

The interfund loan represents the cash used by the school to support its unrestricted activities. An element of interest has been transferred into the restricted fund to represent the amount that would have been paid had an external loan been taken out by the school.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted £	Restricted £	2022 £
Tangible fixed assets	3,176,994	-	3,176,994
Interfund loan	(794,456)	794,456	-
Net current assets	(5,195)	-	(5,195)
Long term liabilities	(1,044,181)	-	(1,044,181)
	<u>1,333,162</u>	<u>794,456</u>	<u>2,127,618</u>

21. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2023 the charitable company has total minimum lease payments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2023 £	2022 £	2023 £	2022 £
Expiry date:				
Within 1 year	95,596	87,905	12,893	11,308
Between 2 and 5 years	297,788	351,622	27,420	38,248
After 5 years	34,100	45,100	-	2,064
	<u>427,484</u>	<u>484,627</u>	<u>40,313</u>	<u>51,621</u>

22. CAPITAL COMMITMENTS

At 31 August 2023 the charitable company has capital commitments of £nil (2022: £239,103).

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

	2023 £	2022 £
Net income for the reporting period	20,578	(312,366)
Depreciation charges	304,642	284,409
Dividends, interest and rents from investments	(12,250)	(7,054)
Loss/(profit) on the sale of fixed assets	(764)	-
(Increase) / decrease in stock	1,238	(1,634)
(Increase) / decrease in debtors	14,675	(137,560)
Increase / (decrease) in creditors	437,894	255,912
Net cash provided by operating activities	<u>766,013</u>	<u>81,707</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

24. PENSION SCHEMES

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £538,762 (2022: £541,918) and at the year-end £62,282 (2022: £60,858) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. The School has accounted for its contributions to the scheme as if it were a defined contribution 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 2023 published by HM Treasury. 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 most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023, confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date are £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) are £222,200 million, giving a notional past service deficit of £39,800 million. The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Following a successful consultation with the teaching staff, the school withdrew from the Teachers' Pension Scheme and entered a defined contribution scheme.

Defined Contribution Scheme

The charitable company 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 £20,947 (2022: £27,423). At the year end £4,375 (Restated 2022: £4,634) was accrued in respect of these schemes.

25. 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.

26. RELATED PARTIES

There were no other related party transactions during the year (2022: none), except for those directors' transactions included in note 11.