

THE GRAMMAR SCHOOL AT LEEDS

England & Wales · Charity number 1048304

Details

Other names	LEEDS GRAMMAR SCHOOL, GSAL, LEEDS GIRLS HIGH SCHOOL
Status	Registered
Legal form	Charitable company
Company number	03075826
Registered	1995-07-27
Register	View on the Charity Commission register

Contact

Address	Leeds Grammar School Harrogate Road Leeds LS17 8GS
Phone	01132291552
Email	company.secretary@gsal.org.uk
Website	www.gsal.org.uk

Activities

Objects: THE ADVANCEMENT OF EDUCATION AND TRAINING FOR BOYS AND GIRLS

Activities: Provision of education for boys and girls aged 3 to 18

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Services
- **What:** Education/training
- **Who:** Children/young People

Geography

- Leeds City

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£33,731,636	£32,454,347	£21,510,289	518
2023-08-31	£31,943,941	£30,193,957	£20,232,955	472
2022-08-31	£30,605,549	£29,778,726	£13,907,823	460
2021-08-31	£28,297,624	£27,895,020	£13,080,604	471
2020-08-31	£30,812,514	£28,609,193	£12,676,321	453

Trustees

Name	Role	Appointed
CHARLENE LYONS	Chair	2016-09-01
Anthony John Walsh		2014-09-23
Beverley Ashby		2023-11-17
Claire Vilarrubi		2018-01-18
Dr Almas Khan		2018-11-29
Jacqueline Alethea Harper		2018-03-22
Joanne Semple		2017-09-01
Mark Richard Curle		2018-09-27
PAUL SIMPSON		2025-05-01
Patricia Jacqueline Sowa		2023-03-23
Peter Ahye		2024-09-20
Philip Britton		2022-09-01
Professor Jasjit Singh		2024-09-20
Robert Howse		2023-11-17

Linked charities

- THE GRAMMAR SCHOOL AT LEEDS AWARD FUND (1048304-1)

THE GRAMMAR SCHOOL AT LEEDS

England & Wales - Charity number 1048304

Accounts

Company Registration No.: 03075826

Registered Charity No.: 1048304

THE GRAMMAR SCHOOL AT LEEDS

A Company Limited by Guarantee

Report and Financial Statements

31 August 2024

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

CONTENTS	Page
Governors and charity trustees, officers and advisers	2
Governors' report	2
Reference and administrative information	2
Structure, governance and management	5
Risk management	7
Objects, aims, objectives and activities	9
Review of achievements and performance for the year	11
Financial review and results for the year	13
Governors' responsibilities statement	15
Independent Auditor's report	16
Consolidated statement of financial activities	17
Consolidated and charity balance sheet	18
Consolidated cash flow statement	19
Notes to the financial statements	22
Consolidated statement of financial activities for the prior year	37

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

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISER

GOVERNORS AND CHARITY TRUSTEES

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

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

OFFICERS

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISER

KEY MANAGEMENT PERSONNEL

GSAL Leadership Team as at 31 August 2024

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

ADDRESSES AND CONTACT DETAILS

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

www.gsal.org.uk

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

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISER

ADVISERS

INVESTMENT MANAGERS

CCLA Investment Management Limited
One Angel Lane
London
EC4R 3AB

INSURANCE BROKERS

Bartlett and Company Limited
Broadway Hall
Horsforth
Leeds
LS18 4RS

BANKERS

NatWest Group
8 Park Row
Leeds
LS1 1QS

Close Brothers
10 Crown Place
London
EC2A 4FT

INDEPENDENT AUDITOR

Saffery LLP
10 Wellington Place
Leeds
LS1 4AP
United Kingdom

SOLICITORS

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

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

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

Walker Morris LLP
33 Wellington Street
Leeds
LS1 4DL

Ward Hadaway
5 Wellington Place
Leeds
LS1 4AP

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

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

REFERENCE AND ADMINISTRATIVE INFORMATION

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Governing Body

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

Recruitment and training of Governors

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

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

Governors’ engagement with suppliers, parents and other stakeholders

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

Section 172(1) statement

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

Organisational management

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

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

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

Group Structure and Relationships

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

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

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

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

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

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

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

STRATEGIC REPORT

RISK MANAGEMENT

Principal risks and going concern for the charity and group

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

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

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

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

Going Concern

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

Management of risk

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

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

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

The key controls used by the charity include:

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

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

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

Employment and employee engagement

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

Diversity

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

Remuneration

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

Disabled employees

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

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

Public benefit aims and intended impact

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

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

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

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

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

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

Partnerships with local schools and organisations

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

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

Our partners include, but are not limited to:

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

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

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

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

Principal activities of the year

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

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

Investment powers and policy

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

Grant-making policy

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

Fundraising

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

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

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

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

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

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

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

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

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

Reserves policy

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

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

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

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

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

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

Quantification and reporting methodology

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Intensity measurement

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

Measures taken to improve energy efficiency

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

GOVERNORS' RESPONSIBILITIES STATEMENT

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

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

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

In so far as the Governors are aware:

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

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

AUDITOR

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

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

Signed by:

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A M Martin

Chair

17 December 2024

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

INDEPENDENT AUDITOR'S REPORT

Opinion

We have audited the financial statements of The Grammar School at Leeds (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2024 which comprise the consolidated statement of financial activities (incorporating income and expenditure account), the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 August 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2024

INDEPENDENT AUDITOR'S REPORT

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 15, the Governors (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Identifying and assessing risks related to irregularities:

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

INDEPENDENT AUDITOR’S REPORT

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

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

Audit response to risks identified:

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

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

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

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

Use of our report

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

Saffery LLP

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

Chartered Accountants
Statutory Auditors
10 Wellington Place
Leeds
LS1 4AP

Date: 17 December 2024

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

THE GRAMMAR SCHOOL AT LEEDS

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

Year ended 31 August 2024

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

All income and expenditure derives from continuing operations.

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

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

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 August 2024

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

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

Signed by:

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A M Martin

Chair

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 August 2024

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

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

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

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Company and charitable status

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

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

Basis of accounting

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

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

The principal accounting policies are summarised below.

Preparation of financial statements – going concern basis

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

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

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

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

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

Basis of consolidation

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

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

Income

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

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

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

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

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

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

Expenditure

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

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

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

Fund accounting

The charity maintains the following funds:

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

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

Fixed assets and depreciation

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

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

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

Investments

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

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

Stocks

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

Employee benefits

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

Operating leases

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

Financial instruments

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

With the exception of the interest rate swap described in note 24, the charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

Advanced fee payment (composition) scheme

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

2. OTHER INCOME (UNRESTRICTED)

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

3. TRANSFERS BETWEEN FUNDS

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

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

4. NET MOVEMENT IN FUNDS

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

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

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

5. GOVERNING BODY REMUNERATION AND RELATED PARTY TRANSACTIONS

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

No governors were remunerated during the current or prior years.

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

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

GSAL Transport Limited

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

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

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

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

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

GSAL Enterprises Limited

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

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

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

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

6. INFORMATION REGARDING EMPLOYEES

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

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

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

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

7. ANALYSIS OF EDUCATION AND GRANT MAKING EXPENDITURE

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

2023 Comparatives

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

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

8. FIXED ASSETS

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

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

9. ASSETS UNDER CONSTRUCTION

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

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

10. INVESTMENTS HELD AS FIXED ASSETS

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

11. DEBTORS AND PAYMENTS IN ADVANCE

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

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

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

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

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

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

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

14. TUITION FEE PAYMENTS RECEIVED IN ADVANCE – COMPOSITE FEES

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

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

15. BORROWINGS

The loans are repayable in instalments as follows;

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

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

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

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

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

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

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

16. RESTRICTED FUNDS

The restricted funds of the charity comprise the following:

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

2023 Comparatives

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

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

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

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

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

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

17. UNRESTRICTED FUNDS

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

2023 Comparatives

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

18. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

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

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

19. TAXATION

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

20. EMPLOYEE RETIREMENT BENEFITS

The charity participates in the Teachers’ Pension Scheme (“the TPS”) for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,403k (2023: £2,260k) and at the year-end £224k (2023 - £183k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers’ Pensions Regulations 2010 (as amended) and The Teachers’ Pension Scheme Regulations 2014 (as amended). Members contribute on a “pay as you go” basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary’s Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023.

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

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

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

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

21. INVESTMENT IN SUBSIDIARIES

	2024	2023
	£	£
Investment in subsidiaries at cost	3	3

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

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

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

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

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

22. OPERATING LEASES COMMITMENTS

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

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

23. EXCEPTIONAL INCOME

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

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

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

24. FINANCIAL INSTRUMENTS

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

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

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

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

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

Year ended 31 August 2023

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

THE GRAMMAR SCHOOL AT LEEDS

England & Wales - Charity number 1048304

Accounts

Company Registration No.: 03075826
Registered Charity No.: 1048304

THE GRAMMAR SCHOOL AT LEEDS

A Company Limited by Guarantee

Report and Financial Statements

31 August 2023

**THE GRAMMAR SCHOOL AT LEEDS
REPORT AND FINANCIAL STATEMENTS 2023**

CONTENTS	Page
Governors and charity trustees, officers and advisers	2
Governors' report	5
Reference and administrative information	5
Structure, governance and management	5
Risk management	7
Objects, aims, objectives and activities	9
Review of achievements and performance for the year	12
Financial review and results for the year	13
Governors' responsibilities statement	15
Independent Auditor's report	16
Consolidated statement of financial activities	19
Consolidated and charity balance sheet	20
Consolidated cash flow statement	21
Notes to the financial statements	22
Consolidated statement of financial activities for the prior year	37

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023**

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

GOVERNORS AND CHARITY TRUSTEES

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

Name of Governor	Committees served as at 31/08/23				
	Corporate Governance	Education	External Relations	Audit & Risk	Business & Management
<i>Mrs B Ashby (appointed 21 Sept 2023)</i>					
<i>Mrs E E Bailey (resigned 23 Mar 2023)</i>	X				
<i>Mr P J Britton (appointed 01 Sept 2022)</i>		X			
<i>Sir Stephen Brown (resigned 23 Mar 2023)</i>	X		X		
Mr J Cross				X	X
Mr M R Curle	X			X	
Prof A Harrison Moore		X			
Ms J Harper			X		
<i>Mr R Howse (appointed 23 Sept 2023)</i>					
<i>Mr I M Jones (resigned 19 Jan 2023)</i>					X
<i>Mrs D Kenny (resigned 31 Aug 2023)</i>		X			
Dr A L Khan				X	
Mrs C Lyons (Joint Vice Chair)			X		X
Mr A M Martin (Chair)	X				X
Mrs J Semple			X		
<i>Mrs P Sowa (appointed 23 Mar 2023)</i>		X			
Mrs C Vilarubi	X			X	
Mr T J Walsh					X
<i>Mr J Woodward (Joint Vice Chair) (resigned 23 Mar 2023)</i>			X		X

OFFICERS

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

KEY MANAGEMENT PERSONNEL

GSAL Leadership Team as at 31 August 2023

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

ADDRESSES AND CONTACT DETAILS

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

www.gsal.org.uk

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023**

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

ADVISERS

INVESTMENT MANAGERS

CCLA Investment Management Limited
80 Cheapside
London
EC2V 6DZ

INSURANCE BROKERS

Bartlett and Company Limited
Broadway Hall
Horsforth
Leeds
LS18 4RS

BANKERS

NatWest Group
8 Park Row
Leeds
LS1 1QS

Close Brothers
10 Crown Place
London
EC2A 4FT

INDEPENDENT AUDITOR

Saffery LLP
Mitre House
North Park Road
Harrogate
HG1 5RX
United Kingdom

SOLICITORS

Lupton Fawcett LLP
Yorkshire House
East Parade
Leeds
LS1 5BD

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

Veale Wasbrough Vizards LLP
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Walker Morris LLP
33 Wellington Street
Leeds
LS1 4DL

Ward Hadaway
5 Wellington Place
Leeds
LS1 4AP

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

The Governors of The Grammar School at Leeds (GSAL) present their annual report (including the Strategic Report) for the year ended 31 August 2023 under the Charities Act 2011, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice “Accounting and Reporting by Charities (SORP 2015)” applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Governing Body

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

Recruitment and training of Governors

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

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

Governors’ engagement with suppliers, parents and other stakeholders

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

Section 172(1) statement

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

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023**

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

Organisational management

The Governors, as the charity’s trustees and company directors, are legally responsible for the overall management and control of the school and met 8 times in the year. There are a number of sub-committees which meet on a regular basis and report back to the main Governing Body, as detailed below. Membership of these bodies is noted in the details on page 2.

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

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

Group Structure and Relationships

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

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

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

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

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

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

Whilst not qualifying as related parties, Leeds Girls High School & Leeds Grammar School Foundation and LGS General Charitable Trust (GCT) share similar charitable objectives that support the charity in meeting its own objectives, including provision of bursary funding and provision of buildings facilities for the education of children.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

In November 2022, as part of a restructuring and refinancing exercise, the total assets and liabilities of the GCT were transferred to GSAL and the GCT ceased to operate.

The transfer included the land and buildings at Alwoodley Gates currently occupied by GSAL, as well as the bank loans. The banking facilities with NatWest were renewed at the point of restructure. Further details are included in note 21 below.

STRATEGIC REPORT

RISK MANAGEMENT

Principal risks and going concern for the charity and group

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

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

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

Going Concern

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

Management of risk

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

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

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

The key controls used by the charity include:

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

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

- Formal agendas and minutes for all Committee and Board activity.
- Clearly defined organisational responsibilities and limits of authority.
- Clear authorisation and approval levels.

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

Employment and employee engagement

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

Diversity

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

Remuneration

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

Disabled employees

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

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

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

Public benefit aims and intended impact

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

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

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

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

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

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

Partnerships with local schools and organisations

As one of the oldest institutions in Leeds we take our role in the community seriously. According to research undertaken by the Independent School Council (ISC), we contribute nearly £20m to the local economy and our activities support over 470 jobs in the Leeds area. The success of the school and that of the city are inextricably linked, and thanks to generous philanthropic support throughout our history we are fortunate to enjoy excellent resources and facilities, so we want as many children and young people as possible to benefit from our good fortune.

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

Our partners include:

- Child Friendly Leeds for whom we are an ambassador. We organise seasonal collections, support their annual awards ceremony and they make use of our facilities.
- LEEDS2023 we are key supporter and have run a CPD session for DT teachers, provided the use of facilities and equipment and donated to one of their legacy projects.
- MILIM with whom we have hosted a number of high profile public events including Lord Finkelstein, Tim Marshall and David Conn.
- Leeds Beckett University with whom we are joint funding a PhD to improve young people's participation in sport.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

- Leeds Rhinos to improve netball pathways across the area.
- Leeds City Museum to provide free family fun days during the school holidays to augment the curriculum.
- Otley Science Festival to inspire children about the wonders of science.
- MathsCity which aims to improve the public's understanding of maths by providing high quality hands-on experiences at the country's only dedicated maths discovery centre.
- Zero Waste Leeds by providing preloved items of uniform which are distributed to families in need and also saving tonnes of clothing from going to landfill.
- White Rose and Yorkshire Schools' Teaching Alliances to support teacher training and development and hence teacher recruitment and retention.
- LEAP (Leeds Enterprise and Advisory Programme) to develop student's enterprise skills in conjunction with other secondary schools across the city.
- Kamuzu Academy, Malawi, where we collaborate on a range of projects.

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

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

We are also active supporters of Leeds Community Foundation, Child Friendly Leeds, West and North Yorkshire Chamber of Commerce and LEEDS2023, who like the school are committed to ensuring that Leeds is an economically successful and compassionate city.

Principal activities of the year

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

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

Reserves policy

Notes 14 and 15 to the financial statements show movements on the unrestricted funds and the assets and liabilities attributable to the unrestricted funds respectively.

The Governors have determined that the appropriate minimum level of free revenue reserves held should be one term's expenditure on salaries, approximately £6.2m.

Unrestricted funds amount to £20.2m of which £50.2m is invested in fixed assets. During the year, £43.3m of fixed assets were transferred from GCT, largely comprising of the land and buildings occupied by the School.

Free reserves (total unrestricted reserves less fixed assets) have reduced in the year as a result of the transfer of the assets and liabilities from GCT, including the fixed assets above, and loans of £39m. Expenditure on new fixed assets and repayments on the bank loan following the transfer have also reduced cash in the year, contributing to the decrease in free reserves.

GSAL currently has no free reserves on a calculated basis (i.e. when fixed assets are deducted from unrestricted reserves). However, this is calculated after bank borrowings and other long term loans not due within one year and as such is not reflective of GSAL's liquidity. GSAL is cash generating and well placed to meet its working capital requirements.

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023**

GOVERNORS REPORT (INCLUDING THE STRATEGIC REPORT)

Investment powers and policy

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

Grant-making policy

While authority to provide additional funds to support bursaries rests with the Governing Body, the discretionary distribution of those funds rests with the Principal in accordance with agreed criteria and procedures.

All applicants are assessed according to means and bursary provision awarded according to a common means–tested scale.

THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

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

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

Area	Main objectives	Achievements in the year	Future
Mission and vision	Reinforcement of the school's ethos and values including emphasis on EDI.	Accreditation from the National Centre for Diversity for work on EDI. Investment in staffing for EDI leadership and projects. Diversifying the curriculum.	Continued work with student leaders to further embed EDI across primary and senior schools.
Teaching and learning	A clear and coherent vision across all ages and school sections, inspiring academic excellence and wide pupil involvement.	81% of grades achieved were A* to B at A Level. 91% of students progressed to higher education. At GCSE, in 2023, 51% of the GCSE grades were at an 8 or above (formerly A*), and almost a third given a grade 9 (A**). Ongoing classroom refurbishment and furnishing projects - the greatest of these was the refurbishment of the senior school library (the oldest library in the city). Ongoing classroom IT upgrades for optimal teaching.	Completion of classroom IT replacements with more powerful interactive boards, trialling of new pupil laptops.
Pastoral and co-curricular	Commitment to pupil wellbeing and pastoral care through respect, listening to pupil voice, promotion of EDI and investment in wellbeing support. Range of activities and extensive pupil involvement in the co-curricular programme.	Increased spending on training and support in key safeguarding areas – the RAP project, anti-bullying workshops and others. Increased filtering and monitoring of electronic devices, investment in student support services. Review of Co-curricular allowances to coordinate provision and ensure parity of remuneration.	Continued safeguarding education for pupils, enhanced age and stage filtering/monitoring. Review of trips and visits offering across school sections, year groups and subjects.
Staff	Focus on staff wellbeing and continuing professional development.	Increased benefits through EAP provision and GP helpline, staff fitness classes introduced, counselling and support services, refurbishment of staff common areas, promotion of staff training and offering apprenticeships to existing staff.	Ensure staff remain well informed and supported regarding changes in the TPS, offer support through free specialist pensions' advice.
School culture and external relations	Focus on communications, alumni relations, pupil recruitment/retention, renewed parent activities and school outreach.	Started development of new school website, embedded new parental communications platform and extended access to pupils. Newly reformed PFA introduced evening activities for parent community. School remained full with waiting lists in many year groups.	New external website to be launched in the year.
Capital investments, operational systems and resources	Focus on cyber security, risk management and statutory compliance, driving the green agenda, development of the performing arts centre.	Refurbishment and development of sporting facilities, (athletics track, astrotrurf pitches, sports dome into use), investment in IT infrastructure and commencing work on the performing arts centre. Strengthening cyber security through additional software tools, enhanced staff training and spot tests. Awarded Schools' Green Flag with distinction, 100% LED lighting outside.	The Performing Arts Centre (PAC) will be largely completed over the coming year, due to open 2024/25.

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023**

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Consolidated net income before exceptional income and transfers for the year was **£1,750k** (2022: £828k). The increase in net income for 2022-23 is largely attributable to an increase in trading subsidiary activity, a decrease in the need for financial support for parents and the transfer of buildings to the school, as detailed in note 21, reducing the rent liability in the year.

In line with our charitable objectives, GSAL provided **£1,083k** (2022: £1,276k) of bursary, scholarship and temporary financial hardship support to parents in 2022-23, the equivalent of 3.7% of gross fee income. This included an additional contribution from the school of **£552k** (2022: £764k) to support restricted funds over and above the **£448k** (2022: £434k) transfer required by the Memorandum and Articles, representing 2% of Senior School fees.

After these transfers total funds carried forward were **£20,233k** (2022: £13,909k), split between unrestricted funds **£20,177k** and restricted funds **£56k**.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

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

UK Greenhouse gas emissions and energy use data for the period 1 September to 31 August	2022/23	2021/22 comparative
Energy consumption used to calculate emissions (kWh)	6,291,234	6,362,298
Energy consumption break down (kWh) (optional):		
• gas		
• electricity		
• transport fuel		
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	813	830
Owned transport – mini-buses	8	5
Total Scope 1	821	835
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	375	346
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	1.42	1.29
Total gross emissions in metric tonnes CO2e	1,197	1,182
Intensity ratio Tonnes CO2e per pupil	0.57	0.56

Quantification and reporting methodology

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

Intensity measurement

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

Measures taken to improve energy efficiency

During this year, we have continued with the programme to remove internal fluorescent lights and replaced them with LED fittings which consume approximately 1/3rd of the amount of power required to support the old fittings. All external building lights have been replaced with LED fittings and has individual occupancy time programmes set through the building management system (BMS). Our efforts have been rewarded through an Eco-Schools Green Flag distinction award.

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023**

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors (who are also the trustees and directors of The Grammar School at Leeds for the purposes of charity and company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

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

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

In so far as the Governors are aware:

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

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

AUDITOR

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

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



A M Martin

Chair

10 January 2024

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Opinion

We have audited the financial statements of The Grammar School at Leeds (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the consolidated statement of financial activities (incorporating income and expenditure account), the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 August 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

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

In preparing the financial statements, the Governors are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Identifying and assessing risks related to irregularities:

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2023**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS

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

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

Audit response to risks identified:

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

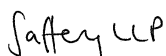
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of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

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

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

Use of our report

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



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

Chartered Accountants, Statutory Auditors
Mitre House
North Park Road
Harrogate
HG1 5RX

Date: 22 February 2024

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

THE GRAMMAR SCHOOL AT LEEDS

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

Year ended 31 August 2023

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2023 £'000	Total funds 2022 £'000
INCOME FROM:					
<u>Charitable activities – education:</u>					
Tuition fees		29,058	-	29,058	28,115
Other income	2	1,818	-	1,818	1,772
		30,876	-	30,876	29,887
Other trading activities - trading income		622	-	622	412
Donations - general		-	103	103	102
Investments		343	-	343	205
Total trading and charitable income		31,841	103	31,944	30,606
Exceptional income – transfer from GCT	21	4,574	-	4,574	-
TOTAL INCOME		36,415	103	36,518	30,606
EXPENDITURE ON:					
Raising funds:					
Trading expenditure		(1,599)	-	(1,599)	(1,408)
Charitable activities - education:					
Education and grant making	7	(27,494)	(1,101)	(28,595)	(28,370)
TOTAL EXPENDITURE		(29,093)	(1,101)	(30,194)	(29,778)
NET INCOME/(EXPENDITURE)		7,322	(998)	6,324	828
Transfers between funds:					
Transfer to Expendable Bursary & Hardship Fund	3	(448)	448	-	-
Additional Transfer to Expendable Bursary & Hardship Fund	3	(552)	552	-	-
NET MOVEMENT IN FUNDS	4	6,322	2	6,324	828
<i>NET MOVEMENT IN FUNDS BEFORE EXCEPTIONAL INCOME</i>		<i>1,748</i>	<i>2</i>	<i>1,750</i>	<i>828</i>
RECONCILIATION OF FUNDS:					
Total funds brought forward		13,855	54	13,909	13,081
Net movement in funds for the year		6,322	2	6,324	828
TOTAL FUNDS CARRIED FORWARD	14,15,16	20,177	56	20,233	13,909

All income and expenditure derives from continuing operations.

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

See note 23 for comparative Consolidated Statement of Financial Activities analysed by fund.

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED AND CHARITY BALANCE SHEETS

At 31 August 2023

		2023	Group 2022	2023	Charity 2022
	Note		£'000		£'000
FIXED ASSETS					
Tangible assets	8	49,366	5,002	49,192	4,974
Assets under construction	9	878	1,506	878	1,506
Investments	10	25	25	25	25
		50,269	6,533	50,095	6,505
CURRENT ASSETS					
Stocks		27	19	20	18
Debtors due within one year	11	758	550	1,050	791
Debtors due after one year	11	5,635	5,632	5,731	5,632
Bank balances and cash		12,724	16,960	12,369	16,641
		19,144	23,161	19,170	23,082
CREDITORS: amounts falling due within one year	12	(19,249)	(15,290)	(19,101)	(15,123)
NET CURRENT (LIABILITIES)/ ASSETS		(105)	7,871	69	7,959
TOTAL ASSETS LESS CURRENT LIABILITIES		50,164	14,404	50,164	14,464
CREDITORS: amounts due after more than one year	13	(29,931)	(495)	(29,931)	(495)
NET ASSETS		20,233	13,909	20,233	13,969
FUNDS					
Restricted funds	14	56	54	56	54
Unrestricted funds	15	20,177	13,855	20,177	13,915
TOTAL FUNDS	16	20,233	13,909	20,233	13,969

These financial statements of The Grammar School at Leeds, Company Registration Number 03075826 were approved by the Governing Body and authorised for issue on 10 January 2024 and signed on their behalf by:



A M Martin
Chair

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 August 2023

	<u>Note</u>	<u>2023</u> <u>£'000</u>	<u>2022</u> <u>£'000</u>
Net cash flows from operating activities	A	2,902	2,521
Cash flows from investing activities:			
Interest received		343	205
Financing activities - repayment of borrowings		(4,781)	-
Interest payable		(532)	-
Purchase of tangible fixed assets		(2,168)	(2,870)
Sale of tangible fixed assets		-	38
		<hr/>	<hr/>
(Decrease) in cash and cash equivalents in year		(4,236)	(106)
Cash and cash equivalents at beginning of year		16,960	17,066
		<hr/>	<hr/>
Cash and cash equivalents at end of year		12,724	16,960
		<hr/> <hr/>	<hr/> <hr/>

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

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

	2023 £'000	2022 £'000
Net incoming resources	6,324	828
Interest receivable	(343)	(205)
(Profit)/Loss on disposal of fixed asset	-	(38)
(Gain)/loss on GCT transfer	(4,574)	-
Depreciation	1,709	737
(Increase) in stocks	(8)	(2)
Increase in creditors <1yr	33	486
(Decrease)/Increase in creditors >1yr	(28)	52
(Increase)/Decrease in debtors	(211)	663
	<hr/>	<hr/>
Net cash inflow from operating activities	2,902	2,521
	<hr/> <hr/>	<hr/> <hr/>

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Company and charitable status

The Grammar School at Leeds, a public benefit entity, is incorporated in England and Wales as a company limited by guarantee not having a share capital. There are currently 12 Governors who are also the members of the company. Each member has undertaken to contribute to the assets in the event of winding up a sum not exceeding £1. If upon winding up or dissolution of the company there remains, after the satisfaction of all debts and liabilities, any assets these should be given or transferred to Leeds Grammar School and Leeds Girls' High School Foundation or to some other charitable body or bodies having objects similar to the objects of the company.

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

Basis of accounting

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

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

The principal accounting policies are summarised below.

Preparation of financial statements – going concern basis

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

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

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

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

Basis of consolidation

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

A separate Statement of Financial Activities (incorporating Income and Expenditure Account) for the charity has not been presented, because the group has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. However, the charity's net income for the year in accordance with the Companies Act 2006 was £6,264k (2022: £802k).

Income

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

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

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

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

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

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

Expenditure

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

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

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

Fund accounting

The charity maintains the following funds:

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

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

Fixed assets and depreciation

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

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

At the start of the financial year, the school buildings at Alwoodley were the property of the LGS General Charitable Trust. In November 2022, ownership of the buildings transferred to the school. The land at Alwoodley is the property of the Leeds Grammar School and Leeds Girls' High School Foundation.

Investments

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

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

Stocks

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

Employee benefits

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

Operating leases

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

Financial instruments

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

With the exception of the interest rate swap described in note 22, the charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

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

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

2. OTHER INCOME (UNRESTRICTED)

	2023	2022
	£’000	£’000
School catering	1,175	1,139
Miscellaneous	123	169
Pupil transport	520	464
	1,818	1,772

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

3. TRANSFERS BETWEEN FUNDS

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

	2023	2022
	£'000	£'000
2% of Senior School Independent fees	448	434
Additional bursary transfer from GSAL unrestricted funds	552	764
	<u>1,000</u>	<u>1,198</u>

4. NET MOVEMENT IN FUNDS

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

	2023	2022
	£'000	£'000
(Profit)/loss on disposal of fixed assets	-	(38)
Depreciation - owned assets	1,709	737
Fees payable to the charitable company's auditor:		
For audit related assurance services	38	22
For other services - taxation & project advice	1	6
Rentals under operating leases - buildings	650	3,431
Rentals under operating leases - vehicles and equipment	158	420

The charity's net income for the year in accordance with the Companies Act 2006 was £6,264k (2022: £802k).

5. GOVERNING BODY REMUNERATION AND RELATED PARTY TRANSACTIONS

During the year, no travel expenses were paid to Governors for attending meetings (2022:£nil).

No governors were remunerated during the current or prior years.

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

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

GSAL Transport Limited

Income to GSAL from GSAL Transport £1k donation under gift aid (2022: £nil).

Income to GSAL from GSAL Transport £10k in respect of support services provided (2022: £10k).

Expenditure paid by GSAL to GSAL Transport £1,216k in respect of transport services and advertising (2022: £1,177k).

A £150k loan from GSAL to GSAL Transport was granted in the year to purchase vehicles. There is an outstanding balance owing of £146k at 31 August 2023. The loan is interest bearing and subject to a repayment plan.

A further balance of £244k was owed to GSAL from GSAL Transport limited at 31 August 2023 (2022: £191k).

GSAL Enterprises Limited

Income to GSAL from GSAL Enterprises £178k donation under gift aid (2022: £156k)

Income to GSAL from GSAL Enterprises £nil in respect of the provision of consumables (food) for events (2022: £nil).

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

Expenditure paid by GSAL to GSAL Enterprises £1k in respect of the provision of consumables (drinks) for events (2022: £1k).

A balance of £178k was owed to GSAL from GSAL Enterprises limited at 31 August 2023 (2022: £156k).

A balance of £1k was owed by GSAL to GSAL Enterprises limited at 31 August 2023 (2022: £nil)

6. INFORMATION REGARDING EMPLOYEES

	Consolidated		Charity	
	2023	2022	2023	2022
	No.	No.	No.	No.
Average headcount of persons employed				
Teachers	214	202	214	202
Support staff	258	258	239	239
	472	460	453	441
Average number of persons employed (full time equivalents)	No.	No.	No.	No.
Charitable activities:				
Teachers	191	179	191	179
Support staff	177	174	158	155
	368	353	349	334
Staff costs during the year:	2023		2022	
	£'000		£'000	
Wages and salaries	14,946		13,876	
Social security costs	1,495		1,380	
Pension costs	2,646		2,467	
	19,087		17,723	

During the year there were redundancy/termination payments made by the charity to two individuals (2022: one) which amounted to £62k (2022: £50k). As at year end, £nil remained outstanding (2022: £50k).

There were 19 staff (FTE) directly employed by the charity's subsidiaries in the year (2022: 19).

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

	2023	2022
	No.	No.
£60,001 - £70,000	43	30
£70,001 - £80,000	4	6
£80,001 - £90,000	4	3
£90,001 - £100,000	2	1
£100,001 - £110,001	-	2
£110,001 - £120,000	3	-
£140,001 - £150,000	-	1
£160,001 - £170,000	1	-
£210,001 - £220,000	-	1
£230,001 - £240,000	1	-

Of the above staff members, 50 (2022: 39) have benefits accruing under defined benefit pension schemes and 8

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

(2022: 5) had benefits accruing under the defined contribution scheme. Employer's contributions for the defined contribution scheme were £68K (2022: £38k).

The key management personnel of the parent charity, The Grammar School at Leeds, are listed on page 2. The total employee benefits, including employer's national insurance and pension contributions, of the key management personnel of GSAL were £1,518k (2022: £1,407k).

The key management personnel of the group comprise those of GSAL and the key management personnel of its wholly owned subsidiaries GSAL Enterprises Ltd and GSAL Transport Ltd. There are not considered to be any key management personnel in either of the subsidiaries. The total employee benefits of key management personnel for the group were therefore £1,518k (2022: £1,407k).

7. ANALYSIS OF EDUCATION AND GRANT MAKING EXPENDITURE

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

2022 Comparatives

	Staff Costs	Other Costs	Depreciation	Total 2022
<u>Direct costs</u>				
Teaching costs	13,872	1,138	-	15,010
Welfare costs	698	707	-	1,405
Premises	850	5,500	370	6,720
Non-teaching support costs	1,764	1,497	355	3,616
Bursaries, prizes and specific fund expenditure	-	1,307	-	1,307
<u>Support costs</u>				
Governance costs	40	211	-	251
Finance and other costs	-	61	-	61
Consolidated total	17,224	10,421	725	28,370

With the exception of the bursaries, prizes and specific fund expenditure, all of the above expenditure is taken from unrestricted funds.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

8. FIXED ASSETS

Consolidated & Company	Vehicles	Plant & Machinery	Office & Computer Equipment	Land & Buildings	Furniture & Fixtures	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 September 2022	29	715	2,403	1,968	3,132	8,247	53	8,300
Additions	-	73	756	1,405	406	2,640	156	2,796
Transfer from GCT	-	-	-	43,221	56	43,277	-	43,277
Disposals	-	-	(102)	-	(18)	(120)	(8)	(128)
At 31 August 2023	29	788	3,057	46,594	3,576	54,044	201	54,245
Accumulated depreciation								
At 1 September 2022	28	478	1,240	151	1,376	3,273	25	3,298
Charge for the year	-	56	504	848	291	1,699	10	1,709
Disposals	-	-	(102)	-	(18)	(120)	(8)	(128)
At 31 August 2023	28	534	1,642	999	1,649	4,852	27	4,879
Net book value								
At 31 August 2023	1	254	1,415	45,595	1,927	49,192	174	49,366
At 31 August 2022	1	237	1,163	1,817	1,756	4,974	28	5,002

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

9. ASSETS UNDER CONSTRUCTION

Consolidated & Company	Sports Dome	Performing Arts Centre	Server Upgrade	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2022	1,383	93	30	1,506	-	1,506
Additions	-	785	-	785	-	785
Transfer to fixed assets	(1,383)	-	(30)	(1,413)	-	(1,413)
At 31 August 2023	-	878	-	878	-	878

The above assets relating to the performing arts centre were under construction at the year end and as such have not been depreciated.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENTS HELD AS FIXED ASSETS

	Consolidated & Charity	
	2023	2022
	£'000	£'000
Market value at 1 September 2022 and 31 August 2023	<u>25</u>	<u>25</u>
Investments comprise the following:		
Investments listed on a UK stock exchange:		
Charity unit trusts	5	5
Cash deposits held as fixed asset investments	<u>20</u>	<u>20</u>
	<u>25</u>	<u>25</u>
Historical cost at 31 August 2023	<u>25</u>	<u>25</u>

11. DEBTORS AND PAYMENTS IN ADVANCE

	Consolidated		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Tuition fee debtors	61	44	61	44
Trade debtors	98	47	-	-
Other debtors	120	41	51	-
Amounts due from trading subsidiaries	-	-	422	347
Loan due from GSAL Transport Limited	-	-	50	-
Prepayments and accrued income	479	418	466	400
	<u>758</u>	<u>550</u>	<u>1,050</u>	<u>791</u>
Amounts falling due after more than one year:				
Amounts due from LGS General Charitable Trust	-	2,990	-	2,990
Amounts due from LGS & LGHS Foundation	2,642	2,642	2,642	2,642
Loan due from GSAL Transport limited	-	-	96	-
SWAP contract	2,993	-	2,993	-
	<u>5,635</u>	<u>5,632</u>	<u>5,731</u>	<u>5,632</u>

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

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Tuition fee payments received in advance	11,879	11,386	11,879	11,386
Trade creditors	761	774	679	670
Amounts owed to LGS General Charitable Trust	-	292	-	292
Other taxes and social security costs	440	375	423	354
Other creditors	860	857	858	854
Acceptance deposits	43	41	43	41
Accruals	1,230	1,565	1,182	1,526
Bank loan	4,036	-	4,036	-
Amounts owing to trading subsidiaries	-	-	1	-
	19,249	15,290	19,101	15,123

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

	Consolidated		Charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Acceptance deposits	467	495	467	495
Amount due to LGS/LGHS Foundation	10,900	-	10,900	-
Bank loan	18,564	-	18,564	-
	29,931	495	29,931	495

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

13A. BORROWINGS

The loans are repayable in instalments as follows;

	Note	2023 £
Due within one year	12	4,036
Due within one to two years	13	3,229
Due within two to five years	13	9,685
Due after more than five years	13	16,550
		33,500

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

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

The loan interest is at a variable rate, and a swap contract is in place to manage the risk of interest rate variations as per note 22.

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

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

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

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

14. RESTRICTED FUNDS

The restricted funds of the charity comprise the following:

	Expendable Bursary & Hardship Fund £'000	Lightwing & Headingley Funds £'000	Chapel Fund £'000	Specific Restricted Donations £'000	Total £'000
Consolidated & Charity					
Balance at 1 September 2022	-	16	5	33	54
Income	83	-	-	20	103
Expenditure	(1,083)	-	-	(18)	(1,101)
Transfer from unrestricted funds	1,000	-	-	-	1,000
Balance at 31 August 2023	-	16	5	35	56

2022 Comparatives

	Expendable Bursary & Hardship Fund £'000	Lightwing & Headingley Funds £'000	Chapel Fund £'000	Specific Restricted Donations £'000	Total £'000
Consolidated & Charity					
Balance at 1 September 2021	-	16	5	40	61
Income	78	-	-	24	102
Expenditure	(1,276)	-	-	(31)	(1,307)
Transfer from unrestricted funds	1,198	-	-	-	1,198
Balance at 31 August 2022	-	16	5	33	54

The balances on the funds are included in the balance sheet under fixed asset investments and bank balances, as analysed in note 16.

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

All bursary transactions are accounted for through the Expendable & Hardship Bursary Funds. Bursaries paid out by GSAL amounted to £1,083k offset by donations from third parties and the Foundation Award Funds of £83k, with the balance being funded by transfers from GSAL unrestricted funds amounting to £1,000k

Total specific restricted donations income of £20k includes monies received from restricted scholarship sources (£1k) and pupils' weekly charity collection (£19k). Specific restricted donations expenditure of £18k includes the donations to various charities from the pupils' weekly collections (£18k). This has resulted in net income for specific restricted donations of £2k.

15. UNRESTRICTED FUNDS

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

2022 Comparatives

	School Reserve	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000
Consolidated & Charity				
Balance at 1 September 2021	13,106	13,106	(86)	13,020
Income	30,092	30,092	412	30,504
Expenditure	(28,241)	(28,241)	(230)	(28,471)
Transfer to restricted funds	(1,198)	(1,198)	-	(1,198)
Transfer from trading companies	156	156	(156)	-
Balance at 31 August 2022	13,915	13,915	(60)	13,855

16. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

	50,244	5,635	13,474	(19,245)	(29,931)	20,177
Consolidated total	50,269	5,635	13,509	(19,249)	(29,931)	20,233

2022 Comparatives	Fixed Assets and investments £'000	Debtors due in more than one year £'000	Current assets £'000	Current liabilities £'000	Long term liabilities £'000	Total £'000
Restricted funds						
Lightwing & Headingley Funds	20	-	-	(4)	-	16
Chapel Fund	5	-	-	-	-	5
Specific Restricted Donations	-	-	33	-	-	33
	25	-	33	(4)	-	54
Unrestricted funds						
School Reserve	6,508	5,632	17,496	(15,286)	(495)	13,855
	6,508	5,632	17,496	(15,286)	(495)	13,855
Consolidated total	6,533	5,632	17,529	(15,290)	(495)	13,909

17. TAXATION

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

18. EMPLOYEE RETIREMENT BENEFITS

The charity participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,260k (2022: £2,117k) and at the year-end £183k (2022 - £176k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June 2021 on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

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

	2023	2022
	£'000	£'000
The total pension costs are broken down as follows:		
Teachers	2,380	2,227
Support staff	238	217
	2,618	2,444

19. INVESTMENT IN SUBSIDIARIES

	2023	2022
	£	£
Investment in subsidiaries at cost	3	3

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

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

	2023	2022
	£'000	£'000
GSAL Enterprises Ltd - financial summary		
Turnover	212	186
Cost of sales	(18)	(11)
Gross profit	194	175
Admin expenses	(16)	(19)
Operating profit	178	156
Donation to GSAL	(178)	(156)
Result for the financial year	-	-

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

Assets	190	186
Liabilities	(190)	(186)
Funds	-	-

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

	2023	2022
GSAL Transport Ltd - financial summary	£'000	£'000
Turnover	1,627	1,405
Cost of sales	(1,523)	(1,335)
Gross profit	104	70
Admin expenses	(43)	(44)
Operating (loss)/profit	61	26
Profit/(loss) before tax	(60)	(86)
Donation to GSAL	(1)	-
Cumulative losses carried forward	-	(60)
Assets	528	269
Liabilities	(528)	(329)
Funds	-	(60)

20. OPERATING LEASES COMMITMENTS

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

	2023		2022	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Group				
- within one year	-	3	3,500	74
- between one and five years	-	-	14,000	-
- after five years	-	-	151,667	-
	<u>-</u>	<u>3</u>	<u>169,167</u>	<u>74</u>
Charity				
- within one year	-	3	3,500	74
- between one and five years	-	-	14,000	-
- after five years	-	-	151,667	-
	<u>-</u>	<u>3</u>	<u>169,167</u>	<u>74</u>

Ownership of the land and buildings transferred to GSAL in November 2022, resulting in the termination of the lease.

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

21. EXCEPTIONAL INCOME

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

The transfer included £43m of fixed assets, largely the land and buildings at Alwoodley Gates currently occupied by school. The banking facilities with NatWest were renewed at the point of restructure, and loan liabilities of £28m and a swap contract (asset) with a value of £3m were transferred to GSAL (see note 22).

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

22. FINANCIAL INSTRUMENTS

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

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

The fair value of the derivative is calculated by discounting the future cash flows to the maturity date and at 31 August 2023 the value was determined by GSAL's bankers to be an asset of £2,993k compared to an asset of £3,042k at 31 October 2022 (when revalued as part of the restructure). The loss of £49k resulting from this revaluation was recognised in the statement of financial activities for the year.

The notional principal value at 31 August 2023 is £22,600k. The contract fixed interest rate is 0.92%. The interest rate swap settles quarterly, on the basis of the difference between the fixed and floating interest rate.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

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

Year ended 31 August 2022

	Unrestricted funds £'000	Restricted funds £'000	Total 2022 £'000
INCOME FROM:			
<u>Charitable activities – education:</u>			
Tuition fees	28,115	-	28,115
Other income	1,772	-	1,772
	29,887	-	29,887
Other trading activities - trading income	412	-	412
Donations - general	-	102	102
Investments	205	-	205
TOTAL INCOME	30,504	102	30,606
EXPENDITURE ON:			
Raising funds:			
Trading expenditure	(1,408)	-	(1,408)
Charitable activities - education:			
Education and grant making	(27,063)	(1,307)	(28,370)
TOTAL EXPENDITURE	(28,471)	(1,307)	(29,778)
NET INCOME/(EXPENDITURE)	2,033	(1,205)	828
Transfers between funds:			
Transfer to Expendable Bursary & Hardship Fund	(434)	434	-
Additional Transfer to Expendable Bursary & Hardship Fund	(764)	764	-
NET MOVEMENT IN FUNDS	835	(7)	828
RECONCILIATION OF FUNDS:			
Total funds brought forward	13,020	61	13,081
Net movement in funds for the year	835	(7)	828
TOTAL FUNDS CARRIED FORWARD	13,855	54	13,909

THE GRAMMAR SCHOOL AT LEEDS

England & Wales - Charity number 1048304

Accounts

Company Registration No.: 03075826
Registered Charity No.: 1048304

THE GRAMMAR SCHOOL AT LEEDS

A Company Limited by Guarantee

Report and Financial Statements

31 August 2022

**THE GRAMMAR SCHOOL AT LEEDS
REPORT AND FINANCIAL STATEMENTS 2022**

CONTENTS	Page
Governors and charity trustees, officers and advisers	1
Governors' report	4
Reference and administrative information	4
Structure, governance and management	4
Risk management	5
Objects, aims, objectives and activities	7
Review of achievements and performance for the year	10
Financial review and results for the year	13
Governors' responsibilities statement	14
Independent Auditor's report	15
Consolidated statement of financial activities	18
Consolidated and charity balance sheet	19
Consolidated cash flow statement	20
Notes to the financial statements	21
Consolidated statement of financial activities for the prior year	35
Schedule of charitable donations paid	37

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

GOVERNORS AND CHARITY TRUSTEES

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

Name of Governor	Date of appointment	Committees served as at 31/08/22					Expiry of Term
		Corporate Governance	Education	External Relations	Audit & Risk	Business & Management	
<i>Mrs E E Bailey</i>	<i>10 November 1995</i>	X					<i>January 2023</i>
<i>Mr P J Britton</i>	<i>1 September 2021</i>		X				<i>September 2027</i>
<i>Sir Stephen Brown</i>	<i>23 September 2013</i>	X		X			<i>January 2023</i>
Mr J Cross	12 December 2012				X		January 2023
Mr M R Curle	28 September 2018	X			X		November 2023
<i>Prof A Harrison Moore</i>	<i>30 November 2017</i>		X				<i>January 2027</i>
Ms J Harper	22 March 2018			X			May 2023
Mr I M Jones	13 December 2006					X	January 2023
Mrs D Kenny	14 October 2010		X				November 2025
Dr A L Khan	28 November 2018				X		November 2023
<i>Mrs C Lyons (Joint Vice Chair)</i>	<i>01 September 2016</i>			X		X	<i>November 2026</i>
Mr A M Martin (Chair)	12 November 2014	X				X	January 2025
Mrs J Semple	01 September 2017			X			November 2022
Mrs C Vilarrubi	18 January 2018	X			X		March 2023
<i>Mr M Waldron</i>	<i>24 September 2019</i>		X				<i>Resigned August 2022</i>
Mr T J Walsh	23 September 2014					X	January 2024
Mr J Woodward (Joint Vice Chair)	10 December 2009			X		X	January 2026

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

OFFICERS

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

KEY MANAGEMENT PERSONNEL

GSAL Leadership Team as at 31 August 2022

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

ADDRESSES AND CONTACT DETAILS

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

www.gsal.org.uk

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

ADVISERS

INVESTMENT MANAGERS

CCLA Investment Management Limited
80 Cheapside
London
EC2V 6DZ

INSURANCE BROKERS

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Broadway Hall
Horsforth
Leeds
LS18 4RS

BANKERS

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Leeds
LS1 1QS

INDEPENDENT AUDITOR

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Mitre House
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HG1 5RX
United Kingdom

SOLICITORS

Lupton Fawcett LLP
Yorkshire House
East Parade
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LS1 5BD

Veale Wasbrough Vizards LLP
Orchard Court
Orchard Lane
Bristol
BS1 5WS

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

Walker Morris LLP
33 Wellington Street
Leeds
LS1 4DL

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

The Governors of The Grammar School at Leeds (GSAL) present their annual report (including the Strategic Report) for the year ended 31 August 2022 under the Charities Act 2011, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Governing Body

The Governing Body, as detailed on page 1, acts as the sole Governing Body for all sections of school, i.e. Primary and Senior.

Recruitment and training of Governors

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

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

Governors' engagement with suppliers, parents and other stakeholders

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

Organisational management

The Governors, as the charity's trustees and company directors, are legally responsible for the overall management and control of the school and met 7 times in the year. There are a number of sub-committees which meet on a regular basis and report back to the main Governing Body, as detailed below. Membership of these bodies is noted in the details on page 1.

Committee	Committee Chair	Meetings in year	Executive officers attending / secretary
Audit and Risk	Mr J Cross	3	Principal Director of Finance & Operations <i>Clerk to the Governors</i>
Education	Mrs D Kenny	3	Principal Vice Principal & Head of Senior School Vice Principal & Head of Primary School <i>Clerk to the Governors</i>
External Relations	Mrs C Lyons	4	Principal Director of External Relations <i>Clerk to the Governors</i>
Business and Management	Mr T J Walsh	8	Principal Vice Principal & Head of Senior School Vice Principal & Head of Primary School Director of Finance & Operations <i>Clerk to the Governors</i>
Corporate Governance	Mr M R Curle	3	Principal <i>Clerk to the Governors</i>

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

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

Group Structure and Relationships

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

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

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

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

Whilst not qualifying as related parties, Leeds Girls High School & Leeds Grammar School Foundation, the Morley House Trust and LGS General Charitable Trust share similar charitable objectives that support the School in meeting its own objectives, including provision of bursary funding for pupils and provision of buildings facilities for the education of children.

STRATEGIC REPORT

RISK MANAGEMENT

Principal risks and going concern for the charity and group

The principal ongoing financial risks facing the charity are adherence to sole and aggregated banking covenants and the guarantees given by the charity in respect of the LGS General Charitable Trust's (the Trust) borrowings. In addition, the Covid-19 pandemic presented a further risk during the reporting period.

a) Adherence to banking covenants

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

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

b) Bank Guarantees

The charity provides guarantees to the Bank as disclosed in note 19 to the financial statements. After making enquiries of the trustees of the Trust, the Governors have a reasonable expectation that the Trust will have adequate resources to make the required capital and interest repayments to its bankers as and when they fall due.

c) Covid-19 pandemic

The Covid-19 pandemic continued to provide operational challenges in 2021-22. Risks relating to Covid-19 persist either directly, through further potential partial or full closures of the school, or indirectly, through the future impact on the wider economy, and could impact fee income, pupil numbers and costs.

Going Concern

The charity has conducted a thorough financial review, including the production of detailed medium and long term forecasts with associated sensitivity analysis, and has concluded that sufficient headroom exists in cash and reserves for the going concern basis to be appropriate.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

After consideration of the charity's own risks, and having received confirmation from the Trust that they are able to meet their financial obligations, the Governors believe that the charity is well placed to operate successfully in the future and that the banking covenants will be met. Accordingly, the Governors have determined that the financial statements should be prepared on a going concern basis.

Management of risk

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

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

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

The key controls used by the charity include:

- Adherence to formal written policies covering all aspects of school operations including keeping children safe in education, health and safety, staff recruitment and financial procedures, including bribery and corruption.
- Comprehensive strategic planning, revenue and capital budgeting, cash flow and management accounting, reporting and monitoring.
- Detailed tracking of pupil number movements weekly as well as annual recruitment forecasts.
- Annual review of key objectives in the Strategic Development Plan, including the results of pupils in public examinations.
- Termly review of strategic and operational risks including cyber threats.
- Compliance with statutory requirements and external guidelines as appropriate.
- Formal agendas and minutes for all Committee and Board activity.
- Clearly defined organisational responsibilities and limits of authority.
- Clear authorisation and approval levels.

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

Employment and employee engagement

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

Diversity

GSAL's commitment to promoting equity and valuing diversity continues to develop and grow. In addition to the statutory commitments within the Staff Employment Manual complying with the Sex Discrimination Act 1975, the Equality Act 2010 and the Disability Discrimination Act 1995, we have also developed vibrant Equity, Diversity and Inclusion (EDI) activities and documents. The school is working towards accreditation by the National Centre for Diversity (NCD), which includes a development plan looking at and embedding best EDI practice in every part of school life, as a business and as a place of education. We have invested in staff training and key appointments to improve our knowledge and understanding and to ensure that we are delivering an inclusive and inspiring curriculum, and that all minority groups feel that they are represented in school life. We are active members of a number of local, regional and national initiatives which aim to effectively embed EDI in schools, and we are increasingly being seen as an example of best practice. We have established a number of EDI groups to lead our work and to support our

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

proactive student EDI group (UpSoc, which stands for 'United People's Society') that ensures that all areas of EDI are promoted and celebrated throughout the year. The school communicates and demonstrates its commitment to EDI in numerous ways using the NCD's FREDIE principles; Fairness, Respect, Equality, Diversity, Inclusion and Engagement.

Remuneration

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

Disabled employees

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

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

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

Public benefit aims and intended impact

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

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

Our pastoral system – widely regarded as a model of excellence and recognised as such by Independent Schools Inspectorate (ISI) inspection – promotes and rewards good social skills and consideration for others. As a result, friendships formed at GSAL often endure for many years and unite nationalities and cultures.

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

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

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

Partnerships with local schools and organisations

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

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

Our partners include:

- Leeds Beckett University with whom we are joint funding a PhD to improve young people's participation in sport.
- Leeds Rhinos to improve netball pathways.
- Leeds City Museum to provide free family fun days during the school holidays.
- Otley Science Festival to inspire children about the wonders of science.
- MathsCity which aims to improve the public's understanding of maths.
- Zero Waste Leeds by providing preloved items of uniform which are distributed to families in need.
- White Rose and Yorkshire Schools' Teaching Alliances to support teacher training and development.
- LEAP (Leeds Enterprise and Advisory Programme) to develop student's enterprise skills.
- Kamuzu Academy, Malawi, where we collaborate on a range of projects.

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

Our facilities are available for use by community groups, charities, educational organisations and businesses.

We are also active supporters of Leeds Community Foundation, Child Friendly Leeds, West and North Yorkshire Chamber of Commerce and LEEDS2023, who like the school are committed to ensuring that Leeds is an economically successful and compassionate city.

Principal activities of the year

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

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

Review of progress in the year against the whole school development plan

Our operational objectives are set to reflect our charitable purpose, our educational mission, and our ethos. 2021-22 saw the adoption of our revised three-year whole school development plan covering 2021-24. The forthcoming academic year aims to build on the results achieved this year.

Key achievements from the 2021-2024 whole school development plan

- **Mission and vision;** progress has continued to be made against our aim of providing the most inspiring and successful educational experience, with a particular focus on individual respect and embedding a new and improved support for EDI. Highlights from the year have included the hosting of talks from Jeffrey Boakye and David Olusoga to senior school pupils on black history in the UK, the unveiling of EDI inspired murals in the tunnels leading into the school and the holding of diversity week in the spring term, which celebrated all aspects of EDI. Meanwhile, in primary school the curriculum has been revised to ensure there is greater diversity in topics and texts whilst PSHE now specifically incorporates EDI related issues.
- **Teaching and learning;** focus has been given to ensuring a stimulating academic experience for all students within and beyond the classroom. A combination of public examination results, external value added measures and university application success, continue to show that GSAL students are meeting with significant success in their academic work. The re-introduction of trips and visits post Covid across the whole school, alongside innovative initiatives such as the development of the outside "forest classroom" in primary, has helped to supplement "in classroom" learning. Work continues on the development of a consistent whole school approach to assessment and monitoring.
- **Pastoral and co-curricular;** following the pandemic, the school undertook a review of the pastoral and wellbeing support available for pupils. This has resulted in the creation of a new role of Head of Student

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

Health and Wellbeing and an increase in the capacity of the nursing team whilst the role of Deputy Head - Pastoral and Co-curricular will be split into two roles from September 2022 to allow a greater focus on pastoral and wellbeing issues. Regular pupil voice meetings are held in both senior and primary school to ensure effective, on-going dialogue and feedback to make a positive change for students. From a co-curricular perspective, work has continued on developing the range and breadth of activities and opportunities available to all pupils, helped by the appointment of a new Whole School Director of Sport from September 2021, whilst additional focus has been given to increasing participation in sixth form games.

- **Staff;** staff wellbeing has been prioritised during the year, especially following the pandemic. The Employee Assistance Programme (EAP) has been embedded, which provides 24/7 confidential advice to employees on a range of issues, a staff exercise programme has been introduced alongside mental health first aiders and new sabbatical and menopause policies. A further area of focus has been on personal development with the launch of a new performance & development process to support meaningful development orientated discussions and the introduction of a revised pay progression process specifically for support staff.
- **School culture and external relations;** a new system has been implemented for communicating to parents so they are better informed and more engaged with the school, whilst improving the school's efficiency and effectiveness. The PFA has been successfully relaunched, which is helping to increase parents' affinity with the school. A record level of pupil retention was achieved which contributed to the school being full for much of the academic year. Capacity has been increased in alumni relations and fundraising to support the school's strategic objectives.
- **Capital investments, operational resources and investments;** the sports dome, which greatly increases the covered sports area available, was completed in time for the start of the 2022/23 academic year and it was officially opened on 28th September 2022 by Tracey Neville MBE. Further investments have also been made during the year in both the physical estate, including the refurbishment of classrooms and pupil common rooms, and IT infrastructure, with the wifi and servers being upgraded and devices being replaced on a rolling basis, whilst work has continued on improving cyber security. Menus have been revised during the course of the year, taking into account pupil feedback and with a focus on promoting healthier eating options and the environment, resulting in an increased proportion of fresh, homemade food and the removal of aluminium cans. The school was delighted to be awarded the Eco-Schools Green Flag, with reduced waste, enhanced biodiversity onsite and the excellent commitment of pupils and staff being particularly highlighted.

Objectives for the coming year

The key objectives from the 2021-24 development plan for 2022-23 are summarised below:

Mission & Vision

- To embed a new and improved support for equality, diversity and inclusion (EDI) where everyone feels valued and respected.
- To review the operating model at GSAL to understand its purpose and value 15 years on from merger.

Teaching & Learning

- To ensure the coherence and consistency of the vertical curriculum to support the progression of student learning & experience from 3-18.
- To review 6th form structure and provision to maximise quality and appeal of GSAL offer and impact of sixth formers as role models, with impact across the whole school and wider community.

Pastoral & Co-Curricular

- Pupil voice: to make best use of student leadership and representatives across the school to ensure effective, on-going dialogue and feedback to make a positive change for students.
- To ensure that GSAL is a kind and respectful school from age 3-18 with the highest standards of behaviour and care for all, evident at all times.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

Staff

- To maintain strong and positive staff morale and sense of belonging through turbulent times from external threats facing the sector, e.g. cost of Teachers' Pension Scheme, review of Business Rates and other political pressures with budgetary implications.

School Culture & External Relations

- To promote development strategy to include improved alumni relations and increased fundraising capacity to meet objectives of the strategic review.
- To ensure that GSAL has a clear outreach plan to build and protect its reputation and brand among key stakeholders in the region and beyond to respect the importance of its charitable status.

Capital Investments, Operational Systems and Resources

- To continue to improve e-processes and systems across the school.
- To embed GSAL's green credentials, ensuring the resources available to us are used in a socially responsible manner.
- To ensure that security, health, safety, data protection and risk management issues and statutory guidelines are clearly prioritised and followed.

Grant-making policy

While authority to provide additional funds to support bursaries rests with the Governing Body, the discretionary distribution of those funds rests with the Principal in accordance with agreed criteria and procedures.

All applicants are assessed according to means and bursary provision awarded according to a common means-tested scale.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Section 172(1) statement

The Governors recognise the importance of their governance structure in supporting the operational performance and long term success and sustainability of the school. Details of the training and governance structure are included within section 'structure, governance and management', the details of which can be found on page 3, and details of how the school engages with other key stakeholders is included within the relevant section of the Governors' Report.

Operational performance

The academic year 2021-22 saw some normality resume following the prior two years COVID-19 related lockdowns and included many successes.

Inspection and awards

- In July, GSAL was accredited with a coveted international environmental award. The Eco-Schools Green Flag recognises a school's outstanding efforts to reduce its impact on the planet. The students on GSAL's Eco-Committee used their free time to tackle some of the most pressing environmental issues at the school including; stopping the sale of plastic bottles, plastic cups and single use drinks cans at the school and planting 250 trees in the school grounds and securing funding to plant 14 hectares of native woodland on grazed land.

Exam performance

Exam results in the year reflect the efforts of our hardworking pupils and dedicated staff. Out of an A-Level student cohort of 200, 83% of grades achieved were A* to B. 92% of students progressed to higher education and 55% of students achieved places at Russell Group universities with ten students obtaining Oxbridge places. 16 students secured places on highly selective courses for medicine, dentistry or veterinary sciences.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

From a cohort of 215 GCSE students, thirty seven students achieved grade 8 (formerly grade A*) or above in every subject, including eleven who secured the highest possible grade in every subject. Individually, in 2022, 52% of the GCSE grades were at an 8 or above, significantly higher than the national average.

Co-curricular, sporting and academic achievements

2021-22 saw another year of individual and team successes across many areas, both within and outside GSAL. Highlights included:

- GSAL marked the centenary of scouting at the school and its predecessor, Leeds Grammar School.
- A Year 13 pupil won the first Association for Heritage Interpretation *Young Interpreter Award* as part of the bi-annual Engaging People Awards.
- Four students scooped silver at the English Schools Swimming Association (ESSA) secondary schools' team relay championships in London.
- A year 8 pupil broke the English Schools record for 200 metre freestyle at the Inter Divisional English Schools Swimming Championships.
- 44 Year 13 students were awarded full colours; the highest accolade for achievement and service.
- A Year 12 student read his poem at the unveiling of a blue plaque next to the River Aire for David Oluwale.

Co-curricular, sporting and academic achievements are celebrated regularly within school and at the annual speech days and prize giving ceremonies. Further details can be obtained from the school's website www.gsal.org.uk and in GSAL Life and Memento publications.

Bursary support

During the year, we provided some form of financial assistance to 139 pupils amounting to £1,276k, equivalent to 4.5% of fees receivable (see note 14). Of this, 95 means-tested fee bursaries, at an average value of 82% of the senior school fee, were awarded totalling £1,151k, analysed as follows:

- 37 at 100% of the fee
- 33 between 75% and 99% of the fee
- 15 between 50% and 74% of the fee
- 8 between 25% and 49% of the fee
- 2 between 15% and 24% of the fee

Of the total £1,276k of assistance, £14k of temporary financial support grants were awarded to 3 pupils and scholarships and music awards totalling £111k were awarded to 41 pupils.

Fundraising Performance

Members of GSAL's staff and student body organise various fundraising events and co-ordinate a variety of activities both within the school and the wider community to raise funds for an array of charitable cases throughout each year. The school does not use any professional fundraisers or involve commercial participators in its fundraising efforts. GSAL is registered with the Fundraising Regulator and, as a result, has signed up to the Code of Fundraising Practice. No complaints have arisen this year with regards to the school's fundraising activity. All marketing/advertisement of events and activities is overseen by the External Relations department to ensure that it is not unreasonably intrusive or persistent.

It is appropriate to record appreciation for many individual and corporate donations that the school has received during the year. Donations towards the bursary provision have been received from the three Leeds Grammar School and Leeds Girls' High School Foundation Award funds (£53k in total) and an individual family donation (£25k).

Other restricted funds include weekly donations and collections from pupils (Seniors £13k; Primary £3k), for local and national charities, and £3k was raised through sales and fundraising events in the year for Malawi.

Over £19k was raised for charity by pupils through a wide variety of fundraising events. Details of the donations made during the year are included in the additional information section at the end of these financial statements.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

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

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2022**

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022	2021/22
Energy consumption used to calculate emissions (kWh)	6,362,298
Energy consumption break down (kWh):	
<ul style="list-style-type: none"> • gas • electricity • transport fuel 	
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	830
Owned transport – mini-buses	5
Total Scope 1	835
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	346
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	1.29
Total gross emissions in metric tonnes CO ₂ e	1,182
Intensity ratio Tonnes CO ₂ e per pupil	0.56

2021 Comparatives

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	2020/21
Energy consumption used to calculate emissions (kWh)	6,822,606
Energy consumption break down (kWh):	
<ul style="list-style-type: none"> • gas • electricity • transport fuel 	
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	945
Owned transport – mini-buses	1
Total Scope 1	946
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	391
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	0.47
Total gross emissions in metric tonnes CO ₂ e	1,337
Intensity ratio Tonnes CO ₂ e per pupil	0.64

Quantification and reporting methodology

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

Intensity measurement

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

Measures taken to improve energy efficiency

During this year, we have continued with the programme to remove internal fluorescent lights and replaced them with LED fittings which consume approximately 1/3rd of the amount of power required to support the old fittings. Approximately 90% of external building lights have been replaced with LED fittings as well as individual occupancy time programmes for the external lighting which is programmed through the building management system (BMS).

Various heating and vent pumps have been required throughout the year and have been replaced with energy efficient equivalents that comply with modern standards.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Consolidated net income before transfers for the year was **£828k** (2021: £403k). The increase in net income for 2021-22 is largely attributable to an increase in activity and a decrease in the need for financial support for parents.

In 2020-21, COVID-19 restrictions were prevalent and some parents needed additional financial support, but this was not the case in 2021-22. As a result of this, the school did not have to operate any closures thus no COVID-related fee remissions were granted, and transport and catering income was generated through the whole year.

In 2021-22, the school provided additional support to parents of **£14k** through temporary financial support.

In line with our charitable objectives, GSAL provided **£1,276k** (2021: £1,629k) of bursary, scholarship and temporary financial hardship support to parents in 2021-22, the equivalent of 4.5% of gross fee income. This included an additional contribution from the school of **£764k** (2021: £902k) to support restricted funds over and above the **£434k** (2021: £415k) transfer required by the Memorandum and Articles, representing 2% of Senior School fees.

After these transfers total funds carried forward were **£13,909k** (2021: £13,081k), split between unrestricted funds **£13,855k** and restricted funds **£54k**.

Reserves policy

Notes 14 and 15 to the financial statements show movements on the unrestricted funds and the assets and liabilities attributable to the unrestricted funds respectively.

Unrestricted funds amount to £13,855k of which £6,508k is invested in fixed assets.

£7,347k is uncommitted reserves, though this is funded through long-term debtors of £5,632k. These debts are considered to be recoverable, but do not represent liquid reserves available to spend.

The Governors have determined that the appropriate minimum level of free revenue reserves held should be one terms' expenditure on salaries, approximately £5.9m. Total free reserves currently exceed this level, at £7.3m (2021: £8.6m) and thus have met the requirement, though only £2m represent liquid funds that are readily available to spend.

Investment powers and policy

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2022

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the trustees and directors of The Grammar School at Leeds for the purposes of charity and company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

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

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

In so far as the Governors are aware:

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

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

AUDITOR

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

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



A M Martin

Chairman

16 December 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL AT LEEDS

Opinion

We have audited the financial statements of The Grammar School at Leeds (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise the consolidated statement of financial activities (incorporating income and expenditure account), the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the group and the parent charitable company as at 31 August 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL AT LEEDS

- the Governors' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

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

In preparing the financial statements, the Governors are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Identifying and assessing risks related to irregularities:

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

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

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charitable company's records

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL AT LEEDS

of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charitable company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

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

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

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

Use of our report

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

Saffery Champness LLP

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

Chartered Accountants
Mitre House
North Park Road
Harrogate
HG1 5RX

Statutory Auditors

Date: 13 February 2023

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

THE GRAMMAR SCHOOL AT LEEDS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)
Year ended 31 August 2022

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2022 £'000	Total funds 2021 £'000
INCOME FROM:					
<u>Charitable activities – education:</u>					
Tuition fees		28,115	-	28,115	26,291
Other income	2	1,772	-	1,772	1,425
		29,887	-	29,887	27,716
Other trading activities - trading income		412	-	412	68
Donations - general		-	102	102	324
Investments		205	-	205	189
TOTAL INCOME		30,504	102	30,606	28,297
EXPENDITURE ON:					
Raising funds:					
Trading expenditure		(1,408)	-	(1,408)	(1,095)
Charitable activities - education:					
Education and grant making	7	(27,063)	(1,307)	(28,370)	(26,799)
TOTAL EXPENDITURE		(28,471)	(1,307)	(29,778)	(27,894)
NET INCOME/(EXPENDITURE)		2,033	(1,205)	828	403
Transfers between funds:					
Transfer to Expendable Bursary & Hardship Fund	3	(434)	434	-	-
Additional Transfer to Expendable Bursary & Hardship Fund	3	(764)	764	-	-
NET MOVEMENT IN FUNDS	4	835	(7)	828	403
RECONCILIATION OF FUNDS:					
Total funds brought forward		13,020	61	13,081	12,678
Net movement in funds for the year		835	(7)	828	403
TOTAL FUNDS CARRIED FORWARD	14,15,16	13,855	54	13,909	13,081

All income and expenditure derives from continuing operations.

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

See note 22 for comparative Consolidated Statement of Financial Activities analysed by fund.

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED AND CHARITY BALANCE SHEET Year ended 31 August 2022

		2022	Group 2021	2022	Charity 2021
	Note		£'000		£'000
FIXED ASSETS					
Tangible assets	8	5,002	4,284	4,974	4,254
Assets under construction	9	1,506	91	1,506	91
Investments	10	25	25	25	25
		6,533	4,400	6,505	4,370
CURRENT ASSETS					
Stocks		19	17	18	16
Debtors due within one year	11	550	1,213	791	1,325
Debtors due after one year	11	5,632	5,632	5,632	5,632
Bank balances and cash		16,960	17,066	16,641	16,958
		23,161	23,928	23,082	23,931
CREDITORS: amounts falling due within one year	12	(15,290)	(14,804)	(15,123)	(14,691)
NET CURRENT ASSETS		7,871	9,124	7,959	9,240
TOTAL ASSETS LESS CURRENT LIABILITIES		14,404	13,524	14,464	13,610
CREDITORS: amounts due after more than one year	13	(495)	(443)	(495)	(443)
NET ASSETS		13,909	13,081	13,969	13,167
FUNDS					
Restricted funds	14	54	61	54	61
Unrestricted funds	15	13,855	13,020	13,915	13,106
TOTAL FUNDS	16	13,909	13,081	13,969	13,167

These financial statements of The Grammar School at Leeds, Company Registration Number 03075826 were approved by the Governing Body and authorised for issue on 16 December 2022 and signed on their behalf by:



A M Martin
Chairman

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED CASH FLOW STATEMENT Year ended 31 August 2022

	<u>Note</u>	<u>2022</u> <u>£'000</u>	<u>2021</u> <u>£'000</u>
Net cash flows from operating activities	A	2,521	2,688
Cash flows from investing activities:			
Interest Received		205	189
Purchase of tangible fixed assets		(2,870)	(613)
Sale of tangible fixed assets		38	12
		<hr/>	<hr/>
(Decrease)/Increase in cash and cash equivalents in year		(106)	2,276
Cash and cash equivalents at beginning of year		17,066	14,790
		<hr/>	<hr/>
Cash and cash equivalents at end of year		<u>16,960</u>	<u>17,066</u>

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

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

	<u>2022</u> <u>£'000</u>	2021 £'000
Net incoming resources	828	403
Interest receivable	(205)	(189)
(Profit)/Loss on disposal of fixed asset	(38)	3
Depreciation	737	663
(Increase)/Decrease in stocks	(2)	1
Increase in creditors <1yr	486	1,064
Increase/(Decrease) in creditors >1yr	52	(18)
Decrease in debtors	663	761
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>2,521</u>	<u>2,688</u>

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Company and charitable status

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

The charity is a registered charity. The registered office is given on page 2.

Basis of accounting

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

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

The principal accounting policies are summarised below.

Preparation of financial statements – going concern basis

- a) The principal financial risk facing the charity is a reduction in income if there were to be a reduction in pupil numbers.

This risk is being addressed through preparation of detailed financial forecasts and sensitivity analyses, which demonstrate that the charity will continue to generate acceptable levels of cash. Pupil numbers are monitored closely throughout the year, including the mix of pupils between school sections, forecasts of future numbers and analysis of demographic trends in the local population. The charity actively markets the school to new pupils in order to generate interest and potential applications, thus helping to preserve and grow pupil numbers, as well as identifying potential leavers and addressing any concerns these may have in order to increase retention of pupils, particularly at potential break points in the school.

After consideration of the charity's business risks, the Governors believe that the charity is well placed to operate successfully in the future.

- b) Bank Guarantees given in respect of third parties

The charity has provided guarantees under a Senior Facility Agreement and a Bridging Loan Agreement between the Royal Bank of Scotland (the Bank) and the LGS General Charitable Trust (the Trust) as disclosed in note 19 to the financial statements. The facility agreements embody covenants both for the charity and the Trust.

After making enquiries of the trustees of the Trust, the Governors have a reasonable expectation that the Trust will have adequate resources to make the required capital and interest repayments to its bankers as they fall due and that the associated covenants will be met.

- c) Covid-19 pandemic

The Covid-19 pandemic continued to provide operational challenges in 2021-22. Risks relating to Covid-19 persist either directly, through further partial or full closures of the school, or indirectly, through the future impact on the wider economy, and could result in consequences for fee income, pupil numbers and costs.

The charity has conducted a thorough financial review, including the production of detailed medium and long term forecasts with associated sensitivity analysis, and has concluded that sufficient headroom exists in cash and reserves for the going concern basis to be appropriate.

In accordance with the above considerations, the Governors have determined that the financial statements should be prepared on a going concern basis.

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

Basis of consolidation

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

A separate Statement of Financial Activities (incorporating Income and Expenditure Account) for the charity has not been presented, because the group has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. However, the charity's net income for the year in accordance with the Companies Act 2006 was £802k (2021: £489k).

Income

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

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

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

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

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

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

Expenditure

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

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

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

Fund accounting

The charity maintains the following funds:

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

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

Fixed assets and depreciation

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

Vehicles	4 years
Plant and machinery	7 years
Office and computer equipment	3 years
Furniture and fixtures	10 years
Land and buildings	25 years

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

The school buildings at Alwoodley were the property of the LGS General Charitable Trust in the year. The land at Alwoodley is the property of the Leeds Grammar School and Leeds Girls' High School Foundation. The Governors are required to maintain the fabric of the buildings under the terms of the leases.

Investments

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

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

Stocks

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

Employee benefits

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

Operating leases

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

Financial instruments

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

The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

2. OTHER INCOME (UNRESTRICTED)

	2022	2021
	£'000	£'000
School catering	1,139	835
Miscellaneous	169	118
Coronavirus Job Retention Scheme grant	-	133
Pupil transport	464	308
GSAL Transport Limited other income	-	31
	1,772	1,425

Included within unrestricted income is £nil (2021: £133k) received under the Coronavirus Job Retention Scheme, which has been fully expended in the year on the wages and salaries of furloughed staff. The equivalent costs have been included within unrestricted expenditure.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

3. TRANSFERS BETWEEN FUNDS

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

	2022	2021
	£'000	£'000
2% of Senior School Independent fees	434	415
Additional bursary transfer from GSAL unrestricted funds	764	902
	<u>1,198</u>	<u>1,317</u>

4. NET MOVEMENT IN FUNDS

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

	2022	2021
	£'000	£'000
(Profit)/loss on disposal of fixed assets	(38)	3
Depreciation - owned assets	737	663
Fees payable to the charitable company's auditor:		
For audit related assurance services	22	17
For other services - taxation & project advice	6	15
Rentals under operating leases - buildings	3,431	3,361
Rentals under operating leases - vehicles and equipment	420	436

The charity's net income for the year in accordance with the Companies Act 2006 was £828k (2021: £489k).

5. GOVERNING BODY REMUNERATION AND RELATED PARTY TRANSACTIONS

During the year, no travel expenses were paid to Governors for attending meetings (2021:£nil).

No governors were remunerated during the current or prior years.

The children of governors and staff that attend the school do so under normal commercial terms.

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

GSAL Transport Limited

Under gift aid, no donation is required from GSAL Transport to GSAL (2021: £nil).

Income to GSAL from GSAL Transport £10k in respect of support services provided (2021: £10k).

Expenditure paid by GSAL to GSAL Transport £1,177k in respect of transport services and advertising (2021: £932k).

A balance of £191k was owed to GSAL from GSAL Transport limited at 31 August 2022 (2021: £143k).

GSAL Enterprises Limited

Income to GSAL from GSAL Enterprises £156k donation under gift aid (2021: £24k)

Income to GSAL from GSAL Enterprises £nil in respect of the provision of consumables (food) for events (2021: £nil).

Expenditure paid by GSAL to GSAL Enterprises £1k in respect of the provision of consumables (drinks) for events (2021: £2k).

A balance of £156k was owed to GSAL from GSAL Enterprises limited at 31 August 2022 (2021: £24k).

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

6. INFORMATION REGARDING EMPLOYEES

	Consolidated		Charity	
	2022	2021	2022	2021
	No.	No.	No.	No.
Average headcount of persons employed				
Teachers	202	222	202	222
Support staff	258	249	239	229
	460	471	441	451
Average number of persons employed (full time equivalents)				
	No.	No.	No.	No.
<u>Charitable activities:</u>				
Teachers	179	186	179	186
Support staff	174	167	155	151
	353	353	334	337
Staff costs during the year:				
	£'000		£'000	
Wages and salaries	13,876		12,721	
Social security costs	1,380		1,227	
Pension costs	2,467		2,291	
	17,723		16,239	

During the year there were redundancy/termination payments made by the charity to one individual (2021: two) which amounted to £50k (2021: £41k). As at year end, £50k remained outstanding (2021: £nil). The balance has not yet been paid to the recipient.

There were 19 staff (FTE) directly employed by the charity's subsidiaries in the year (2021: 20).

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

	2022	2021
	No.	No.
£60,001 - £70,000	30	28
£70,001 - £80,000	6	3
£80,001 - £90,000	3	4
£90,001 - £100,000	1	-
£100,001 - £110,001	2	-
£110,001 - £120,000	-	2
£140,001 - £150,000	1	-
£150,001 - £160,000	-	1
£210,001 - £220,000	1	-
£230,001 - £240,000	-	1

Of the above staff members, 39 (2021: 36) have benefits accruing under defined benefit pension schemes and 5 (2021: 3) had benefits accruing under the defined contribution scheme. Employer's contributions for the defined contribution scheme were £38k (2021: £25k).

The key management personnel of the parent charity, The Grammar School at Leeds, are listed on page 2. The total employee benefits, including employer's national insurance and pension contributions, of the key management personnel of GSAL were £1,407k (2021: £1,405k).

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

The key management personnel of the group comprise those of GSAL and the key management personnel of its wholly owned subsidiaries GSAL Enterprises Ltd and GSAL Transport Ltd. There are not considered to be any key management personnel in either of the subsidiaries. The total employee benefits of key management personnel for the group were therefore £1,407k (2021: £1,405k).

7. ANALYSIS OF EDUCATION AND GRANT MAKING EXPENDITURE

	Staff Costs	Other Costs	Depreciation	Total 2022
<u>Direct costs</u>				
Teaching costs	13,872	1,138	-	15,010
Welfare costs	698	707	-	1,405
Premises	850	5,500	370	6,720
Non-teaching support costs	1,764	1,485	367	3,616
Bursaries, prizes and specific fund expenditure	-	1,307	-	1,307
<u>Support costs</u>				
Governance costs	40	211	-	251
Finance and other costs	-	61	-	61
Consolidated total	17,224	10,409	737	28,370

2021 Comparatives

	Staff Costs	Other Costs	Depreciation	Total 2021
<u>Direct costs</u>				
Teaching costs	13,058	888	-	13,946
Welfare costs	629	569	-	1,198
Premises	766	5,344	406	6,516
Non-teaching support costs	1,341	1,582	249	3,172
Bursaries, prizes and specific fund expenditure	-	1,648	-	1,648
<u>Support costs</u>				
Governance costs	39	234	-	273
Finance and other costs	-	46	-	46
Consolidated total	15,833	10,311	655	26,799

With the exception of the bursaries, prizes and specific fund expenditure, all of the above expenditure is taken from unrestricted funds.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

8. FIXED ASSETS

Consolidated & Company	Vehicles	Plant & Machinery	Office & Computer Equipment	Land & Buildings	Furniture & Fixtures	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 September 2021	29	613	1,889	1,968	2,777	7,276	43	7,319
Additions	-	102	988	-	355	1,445	10	1,455
Disposals	-	-	(474)	-	-	(474)	-	(474)
At 31 August 2022	29	715	2,403	1,968	3,132	8,247	53	8,300
Accumulated depreciation								
At 1 September 2021	27	435	1,360	72	1,128	3,022	13	3,035
Charge for the year	1	43	354	79	248	725	12	737
Disposals	-	-	(474)	-	-	(474)	-	(474)
At 31 August 2022	28	478	1,240	151	1,376	3,273	25	3,298
Net book value								
At 31 August 2022	1	237	1,163	1,817	1,756	4,974	28	5,002
At 31 August 2021	2	178	529	1,896	1,649	4,254	30	4,284

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

9. ASSETS UNDER CONSTRUCTION

Consolidated & Company	Sports Dome	Performing Arts Centre	Server Upgrade	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
At 1 September 2021	91	-	-	91	-	91
Additions	1,292	93	30	1,415	-	1,415
Transfer to fixed assets	-	-	-	-	-	-
At 31 August 2022	1,383	93	30	1,506	-	1,506

The above assets relating to the sports dome, performing arts centre and server upgrade were under construction at the year end and as such have not been depreciated.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENTS HELD AS FIXED ASSETS

	Consolidated & Charity	
	2022	2021
	£'000	£'000
Market value at 1 September 2021 and 31 August 2022	<u>25</u>	<u>25</u>
Investments comprise the following:		
Investments listed on a UK stock exchange:		
Charity unit trusts	5	5
Cash deposits held as fixed asset investments	<u>20</u>	<u>20</u>
	<u>25</u>	<u>25</u>
Historical cost at 31 August 2022	<u>25</u>	<u>25</u>

11. DEBTORS AND PAYMENTS IN ADVANCE

	Consolidated		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Tuition fee debtors	44	74	44	74
Trade debtors	47	13	-	-
Other debtors	41	62	-	29
Amounts due from trading subsidiaries	-	-	347	167
Prepayments and accrued income	<u>418</u>	<u>1,064</u>	<u>400</u>	<u>1,055</u>
	<u>550</u>	<u>1,213</u>	<u>791</u>	<u>1,325</u>
Amounts falling due after more than one year:				
Amounts due from LGS General Charitable Trust	2,990	2,990	2,990	2,990
Amounts due from LGS & LGHS Foundation	<u>2,642</u>	<u>2,642</u>	<u>2,642</u>	<u>2,642</u>
	<u>5,632</u>	<u>5,632</u>	<u>5,632</u>	<u>5,632</u>

The loan due from LGS General Charitable carries a fixed rate of interest, is unsecured and is due for repayment no later than 31 December 2033 or by instalments commencing on 31 December 2021.

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Tuition fee payments received in advance	11,386	10,755	11,386	10,755
Trade creditors	774	457	670	387
Amounts owed to LGS General Charitable Trust	292	1,167	292	1,167
Other taxes and social security costs	375	334	354	320
Other creditors	857	682	854	677
Acceptance deposits	41	34	41	34
Accruals	<u>1,565</u>	<u>1,375</u>	<u>1,526</u>	<u>1,351</u>
	<u>15,290</u>	<u>14,804</u>	<u>15,123</u>	<u>14,691</u>

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

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

	Consolidated & Charity	
	2022	2021
	£'000	£'000
Acceptance deposits	495	443
	495	443

14. RESTRICTED FUNDS

In accordance with Statement of Recommended Practice "Accounting by Charities", the restricted funds of the charity comprise the following:

	Expendable Bursary & Hardship Fund £'000	Lightwing & Headingley Funds £'000	Chapel Fund £'000	Specific Restricted Donations £'000	Total £'000
Consolidated & Charity					
Balance at 1 September 2021	-	16	5	40	61
Income	78	-	-	24	102
Expenditure	(1,276)	-	-	(31)	(1,307)
Transfer from unrestricted funds	1,198	-	-	-	1,198
Balance at 31 August 2022	-	16	5	33	54

2021 Comparatives

	Expendable Bursary & Hardship Fund £'000	Lightwing & Headingley Funds £'000	Chapel Fund £'000	Specific Restricted Donations £'000	Total £'000
Consolidated & Charity					
Balance at 1 September 2020	-	16	5	47	68
Income	312	-	-	12	324
Expenditure	(1,629)	-	-	(19)	(1,648)
Transfer from unrestricted funds	1,317	-	-	-	1,317
Balance at 31 August 2021	-	16	5	40	61

The balances on the funds are included in the balance sheet under fixed asset investments and bank balances, as analysed in note 16.

All bursary transactions are accounted for through the Expendable & Hardship Bursary Funds. Bursaries paid out by GSAL amounted to £1,276k offset by donations from third parties and the Foundation Award Funds of £78k, with the balance being funded by transfers from GSAL unrestricted funds amounting to £1,198k

Total specific restricted donations income of £24k includes monies received from the Malawi charity (£3k), donations for prizes (£5k) and pupils' weekly charity collection (£16k). Specific restricted donations expenditure of £31k includes the donations to various charities from the pupils' weekly collections (£23k), prizes (£5k), plus other specific expenditure. This has resulted in net expenditure for specific restricted donations of £7k.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

15. UNRESTRICTED FUNDS

	School Reserve	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000
Consolidated & Charity				
Balance at 1 September 2021	13,106	13,106	(86)	13,020
Income	30,092	30,092	412	30,504
Expenditure	(28,241)	(28,241)	(230)	(28,471)
Transfer to restricted funds	(1,198)	(1,198)	-	(1,198)
Transfer from trading companies	156	156	(156)	-
Balance at 31 August 2022	13,915	13,915	(60)	13,855

Included within unrestricted income is £nil (2021: £133k) received under the Coronavirus Job Retention Scheme, which has been fully expended in the year on the wages and salaries of furloughed staff. The equivalent costs have been included within unrestricted expenditure.

2021 Comparatives

	School Reserve	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000
Consolidated & Charity				
Balance at 1 September 2020	12,610	12,610	-	12,610
Income	27,874	27,874	99	27,973
Expenditure	(26,085)	(26,085)	(161)	(26,246)
Transfer to restricted funds	(1,317)	(1,317)	-	(1,317)
Transfer from trading companies	24	24	(24)	-
Balance at 31 August 2021	13,106	13,106	(86)	13,020

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

16. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Fixed Assets and investments £'000	Debtors due in more than one year £'000	Current assets £'000	Current liabilities £'000	Long term liabilities £'000	Total £'000
Restricted funds						
Lightwing & Headingley Funds	20	-	-	(4)	-	16
Chapel Fund	5	-	-	-	-	5
Specific Restricted Donations	-	-	33	-	-	33
	<u>25</u>	<u>-</u>	<u>33</u>	<u>(4)</u>	<u>-</u>	<u>54</u>
Unrestricted funds						
School Reserve	6,508	5,632	17,496	(15,286)	(495)	13,855
	<u>6,508</u>	<u>5,632</u>	<u>17,496</u>	<u>(15,286)</u>	<u>(495)</u>	<u>13,855</u>
Consolidated total	<u>6,533</u>	<u>5,632</u>	<u>17,529</u>	<u>(15,290)</u>	<u>(495)</u>	<u>13,909</u>

2021 Comparatives	Fixed Assets and investments £'000	Debtors due in more than one year £'000	Current assets £'000	Current liabilities £'000	Long term liabilities £'000	Total £'000
Restricted funds						
Expendable Bursary & Hardship Fund	-	-	-	(1)	-	(1)
Lightwing & Headingley Funds	20	-	-	(4)	-	16
Chapel Fund	5	-	-	-	-	5
Specific Restricted Donations	-	-	41	-	-	41
	<u>25</u>	<u>-</u>	<u>41</u>	<u>(5)</u>	<u>-</u>	<u>61</u>
Unrestricted funds						
School Reserve	4,375	5,632	18,255	(14,799)	(443)	13,020
	<u>4,375</u>	<u>5,632</u>	<u>18,255</u>	<u>(14,799)</u>	<u>(443)</u>	<u>13,020</u>
Consolidated total	<u>4,400</u>	<u>5,632</u>	<u>18,296</u>	<u>(14,804)</u>	<u>(443)</u>	<u>13,081</u>

17. TAXATION

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

18. EMPLOYEE RETIREMENT BENEFITS

The charity participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,117k (2021: £1,977k) and at the year-end £176k (2021 - £204k) was accrued in respect of contributions to this scheme.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers’ Pensions Regulations 2010 (as amended) and The Teachers’ Pension Scheme Regulations 2014 (as amended). Members contribute on a “pay as you go” basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary’s Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the ‘McCloud/Sargeant case’. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers’ Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal’s judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court’s decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal’s ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June 2021 on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The charity also contributes to two group personal pension plans for support staff, the costs of which are also charged directly to the statement of financial activities.

The total pension costs are broken down as follows:

	2022	2021
	£’000	£’000
Teachers	2,227	2,079
Support staff	217	192
	<u>2,444</u>	<u>2,271</u>

19. CONTINGENT LIABILITIES

Under a loan agreement entered into in July 2016 between the Royal Bank of Scotland plc (the Bank) and the LGS General Charitable Trust (the Trust) the charity has provided the following securities: -

- a guarantee in respect of all liabilities without limit from time to time due and owing to the Bank by the Trust

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

- a debenture containing fixed and floating charges over all of its assets as security for all liabilities without limit from time to time due and owing to the Bank
- a first-party first legal charge in respect of the Alwoodley sublease
- a deed of sub-ordination subordinating the loan to the Trust to the indebtedness of the Bank.

At 31 August 2022, the liabilities of the Trust to the bank amounted to **£26,259,160** (2021: £32,174,602).

20. INVESTMENT IN SUBSIDIARIES

	2022 £	2021 £
Investment in subsidiaries at cost	3	3

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

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

GSAL Enterprises Ltd - financial summary	2022 £'000	2021 £'000
Turnover	186	46
Cost of sales	(11)	(2)
Gross profit	175	44
Admin expenses	(19)	(20)
Operating profit	156	24
Donation to GSAL	(156)	(24)
Result for the financial year	-	-
Assets	186	38
Liabilities	(186)	(38)
Funds	-	-

GSAL Transport Ltd - financial summary	2022 £'000	2021 £'000
Turnover	1,405	987
Cost of sales	(1,335)	(1,031)
Gross profit	70	(44)
Admin expenses	(44)	(42)
Operating (loss)/profit	26	(86)
Reserves brought forward	(86)	-
Donation to GSAL	-	-
Cumulative losses carried forward	(60)	(86)
Assets	269	157
Liabilities	(329)	(243)
Funds	(60)	(86)

21. OPERATING LEASES COMMITMENTS

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

2022	2021
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THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Group				
- within one year	3,500	74	3,500	112
- between one and five years	14,000	-	14,000	76
- after five years	151,667	-	155,167	-
	<u>169,167</u>	<u>74</u>	<u>172,667</u>	<u>188</u>
Charity				
- within one year	3,500	74	3,500	112
- between one and five years	14,000	-	14,000	76
- after five years	151,667	-	155,167	-
	<u>169,167</u>	<u>74</u>	<u>172,667</u>	<u>188</u>

The lease of land and buildings relate to a long term rental commitment that expires in 2070.

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

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

Year ended 31 August 2021

	Unrestricted funds £'000	Restricted funds £'000	Total 2021 £'000
INCOME FROM:			
<u>Charitable activities – education:</u>			
Tuition fees	26,291	-	26,291
Other income	1,425	-	1,425
	<u>27,716</u>	<u>-</u>	<u>27,716</u>
Other trading activities - trading income	68	-	68
Donations - general	-	324	324
Investments	189	-	189
TOTAL INCOME	<u>27,973</u>	<u>324</u>	<u>28,297</u>
EXPENDITURE ON:			
Raising funds:			
Trading expenditure	(1,095)	-	(1,095)
Charitable activities - education:			
Education and grant making	(25,151)	(1,648)	(26,799)
TOTAL EXPENDITURE	<u>(26,246)</u>	<u>(1,648)</u>	<u>(27,894)</u>
NET INCOME/(EXPENDITURE)	1,727	(1,324)	403
Transfers between funds:			
Transfer to Expendable Bursary & Hardship Fund	(415)	415	-
Additional Transfer to Expendable Bursary & Hardship Fund	(902)	902	-
NET MOVEMENT IN FUNDS	<u>410</u>	<u>(7)</u>	<u>403</u>
RECONCILIATION OF FUNDS:			
Total funds brought forward	12,610	68	12,678
Net movement in funds for the year	410	(7)	403
TOTAL FUNDS CARRIED FORWARD	<u><u>13,020</u></u>	<u><u>61</u></u>	<u><u>13,081</u></u>

23. POST BALANCE SHEET EVENTS

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

The transfer included the underlease relating to the land and buildings at Alwoodley Gates currently occupied by GSAL, as well as the bank loans referred to in note 19. The banking facilities with Royal Bank of Scotland were renewed at the point of restructure.

THE GRAMMAR SCHOOL AT LEEDS

ADDITIONAL INFORMATION NOT FORMING PART OF THE FINANCIAL STATEMENTS

The additional information, which comprises charitable donations paid by The Grammar School at Leeds for 2020/21 and 21/22 has been prepared from the accounting records of the charity. While it is unaudited and does not form part of the statutory financial statements, it should be read in conjunction with them and the independent auditor's report thereon.

This schedule shows donations paid during the year and so includes funds raised in 2020/21 but not paid until 2021/22 and excludes funds raised in 2021/22 not paid by the year end, which are held within restricted funds pending payment in 2022/23.

THE GRAMMAR SCHOOL AT LEEDS

ADDITIONAL INFORMATION NOT FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE OF CHARITABLE DONATIONS PAID DURING THE YEAR

	<u>2022</u>	<u>2021</u>
	£	£
SENIOR SCHOOL		
Anti-bullying Alliance	338	-
Centrepont	419	-
Comic Relief	-	330
Duke of Edinburgh	-	105
Educate the Kids	2,559	-
Kidz in Kampz	1,597	-
Leeds Cares	132	-
Malala Fund	134	-
Malawi	-	1,137
Mummys Star	-	314
PAFRAS	4,306	-
Place2Be	-	828
Rain Reforest	453	-
RETAS	975	-
Royal British Legion	139	476
St George's Crypt	-	1,500
Unicef	230	-
Zarach	1,717	1,542
	<hr/> 12,999	<hr/> 6,232
JUNIOR SCHOOL		
Bone Cancer Research Trust	-	1,570
Candlelighters	47	-
Children in Need	1,737	1,928
Comic Relief	1,566	-
Dogs for Good	363	-
Hope Pastures	47	-
Jeans for Genes	289	-
Lord Mayor's Charity Appeal	131	-
Macmillan Cancer Care	549	-
Malawi	2,420	-
Marie Curie	185	-
Royal British Legion	99	176
Save the Children	536	-
St George's Crypt	129	-
WWF	712	-
Yorkshire Air Ambulance	243	-
Yorkshire Wildlife Trust	47	-
Zarach	-	511
	<hr/> 9,100	<hr/> 4,185
ROSE COURT		
Candlelighters	140	376
Children in Need	994	536
Comic Relief	-	408
Hope Pastures	-	377
Macmillan Cancer Support	309	-
Malawi	121	-
Sport Relief	1,196	-
Yorkshire Air Ambulance	-	376
Yorkshire Wildlife Trust	-	377
	<hr/> 2,760	<hr/> 2,450
TOTAL	<hr/> 24,859	<hr/> 12,867

THE GRAMMAR SCHOOL AT LEEDS

England & Wales - Charity number 1048304

Accounts

Company Registration No.: 03075826
Registered Charity No.: 1048304

THE GRAMMAR SCHOOL AT LEEDS

A Company Limited by Guarantee

Report and Financial Statements

31 August 2021

**THE GRAMMAR SCHOOL AT LEEDS
REPORT AND FINANCIAL STATEMENTS 2021**

CONTENTS	Page
Governors and charity trustees, officers and advisers	1
Governors' report	4
Reference and administrative information	4
Structure, governance and management	4
Risk management	5
Objects, aims, objectives and activities	7
Review of achievements and performance for the year	10
Independent Auditors' Report	16
Consolidated statement of financial activities	19
Consolidated cash flow statement	21
Notes to the financial statements	22
Consolidated statement of financial activities	36
Schedule of charitable donations paid	38

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021**

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

GOVERNORS AND CHARITY TRUSTEES

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

Name of Governor	Date of appointment	Committees served as at 31/08/21					Expiry of Term
		Corporate Governance	Education	External Relations	Audit & Risk	Business & Management	
<i>Mrs E E Bailey</i>	<i>10 November 1995</i>	X					<i>January 2022</i>
<i>Sir Stephen Brown</i>	<i>23 September 2013</i>	X		X			<i>January 2022</i>
Mr J Cross	12 December 2012				X		January 2023
Mr M R Curle	28 September 2018	X			X		November 2023
<i>Prof A Harrison Moore</i>	<i>30 November 2017</i>		X				<i>January 2022</i>
Ms J Harper	22 March 2018			X			May 2023
Mr I M Jones	13 December 2006					X	January 2023
<i>Mrs D Kenny</i>	<i>14 October 2010</i>		X				<i>November 2025</i>
Dr A L Khan	28 November 2018				X		November 2023
Mrs C Lyons (Joint Vice Chair)	01 September 2016			X		X	November 2021
Mr A M Martin (Chair)	12 November 2014	X				X	January 2025
Mrs J Semple	01 September 2017			X			November 2022
Mrs C Vilarrubi	18 January 2018	X			X		March 2023
Mr M Waldron	24 September 2019		X				September 2024
Mr T J Walsh	23 September 2014					X	January 2024
<i>Mr J Woodward (Joint Vice Chair)</i>	<i>10 December 2009</i>			X		X	<i>January 2026</i>

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021**

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

OFFICERS

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

KEY MANAGEMENT PERSONNEL

The GSAL Leadership Team as at 31 August 2021

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

ADDRESSES AND CONTACT DETAILS

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Senior and Primary Schools
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Harrogate Road
Leeds
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www.gsal.org.uk

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021**

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

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THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

The Governors of The Grammar School at Leeds (GSAL) present their annual report (including the Strategic Report) for the year ended 31 August 2021 under the Charities Act 2011, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Governing Body

The Governing Body, as detailed on page 1, acts as the sole Governing Body for all sections of school, i.e. Primary and Senior.

Recruitment and training of Governors

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

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

Governors' engagement with suppliers, parents and other stakeholders

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

Organisational management

The Governors, as the charity's trustees, are legally responsible for the overall management and control of the school and met 5 times in the year. There are a number of sub-committees which meet on a regular basis and report back to the main Governing Body, as detailed below. Membership of these bodies is noted in the details on page 1.

Committee	Committee Chair	Number of meetings in year	Executive officers attending / secretary
Audit and Risk	Mr J Cross	3	Principal Director of Finance & Operations <i>Clerk to the Governors</i>
Education	Mrs D Kenny	4	Principal Vice Principal & Head of Senior School Vice Principal & Head of Primary School <i>Clerk to the Governors</i>
External Relations	Mrs C Lyons	4	Principal Director of External Relations <i>Clerk to the Governors</i>
Business and Management	Mr T J Walsh	5	Principal Vice Principal & Head of Senior School Vice Principal & Head of Primary School Director of Finance & Operations <i>Clerk to the Governors</i>
Corporate Governance	Mrs E E Bailey	3	Principal <i>Clerk to the Governors</i>

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

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

Group Structure and Relationships

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

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

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

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

Whilst not qualifying as related parties, Leeds Girls High School & Leeds Grammar School Foundation, the Morley House Trust and LGS General Charitable Trust share similar charitable objectives that support the School in meeting its own objectives, including provision of bursary funding for pupils and provision of buildings facilities for the education of children.

STRATEGIC REPORT

RISK MANAGEMENT

Principal risks and going concern for the charity and group

The principal ongoing financial risks facing the charity are adherence to sole and aggregated banking covenants and the guarantees given by the charity in respect of the LGS General Charitable Trust's (the Trust) borrowings. In addition, the Covid-19 pandemic presents a further risk in the current circumstances.

a) Adherence to banking covenants

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

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

b) Bank Guarantees

The charity provides guarantees to the Bank as disclosed in note 19 to the financial statements. After making enquiries of the trustees of the Trust, the Governors have a reasonable expectation that the Trust will have adequate resources to make the required capital and interest repayments to its bankers as and when they fall due.

c) Covid-19 pandemic

The Covid-19 pandemic resulted in the closure of the school to all pupils, with the exception of key worker children, for a period in 2020-21 and continues to provide operational challenges in 2021-22. Risks relating to Covid-19 persist either directly, through further partial or full closures of the school, or indirectly, through the future impact on the wider economy, and could result in consequences for fee income, pupil numbers and costs.

The charity has conducted a thorough financial review, including the production of detailed medium and long term forecasts with associated sensitivity analysis, and has concluded that sufficient headroom exists in cash and reserves for the going concern basis to be appropriate.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

After consideration of the charity's own risks, and having received confirmation from the Trust that they are able to meet their financial obligations, the Governors believe that the charity is well placed to operate successfully in the future and that the banking covenants will be met. Accordingly, the Governors have determined that the financial statements should be prepared on a going concern basis.

Management of risk

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

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

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

The key controls used by the charity include:

- Formal written policies covering all aspects of school operations including keeping children safe in education, health and safety, staff recruitment and financial procedures, including bribery and corruption.
- Comprehensive strategic planning, revenue and capital budgeting, cash flow and management accounting, reporting and monitoring.
- Detailed tracking of pupil number movements weekly as well as annual recruitment forecasts.
- Annual review of key objectives in the Strategic Development Plan, including the results of pupils in public examinations.
- Termly review of strategic and operational risks including cyber threats.
- Compliance with statutory requirements and external guidelines as appropriate.
- Formal agendas and minutes for all Committee and Board activity.
- Clearly defined organisational responsibilities and limits of authority.
- Clear authorisation and approval levels.

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

Employment and employee engagement

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

Diversity

The GSAL's commitment to promoting equality and valuing diversity has expanded considerably recently. In addition to the statutory commitments within the Staff Employment Manual complying with race relations legislation, the Sex Discrimination Act 1975, the Equality Act 2010 and the Disability Discrimination Act 1995, we have also developed vibrant Equality, Diversity and Inclusion (EDI) activities and documents. The school is seeking accreditation with the National Centre for Diversity (NCD), which includes a development plan looking at and embedding best EDI practice in every part of the school life, as a business and as a place of education. An EDI fellow with extensive experience in this field over 30 years has been appointed as an advisor to this work, alongside a positive and proactive student EDI group (UpSoc, which stands for 'United People's Society') that ensures that all areas of EDI are promoted and celebrated throughout the year. Extensive staff training is ongoing and this work has included decolonising the curriculum. The school publishes in many ways and places that it runs on the NCD's FREDIE principles; Fairness, Respect, Equality, Diversity, Inclusion and Engagement.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

Remuneration

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

Disabled employees

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

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

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

Public benefit aims and intended impact

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

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

Our pastoral system – widely regarded as a model of excellence and recognised as such by Independent Schools Inspectorate (ISI) inspection – promotes and rewards good social skills and consideration for others. As a result, friendships formed at the GSAL often endure for many years and unite nationalities and cultures.

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

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

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

Partnerships with local schools and organisations

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

Our partners include:

- Ilkley Literature and Milim Literature Festivals to increase access to leading literature festivals.
- Leeds City Museum to provide free family fun days during the school holidays.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

- Otley Science Festival to inspire children about the wonders of science.
- Leeds Catholic Schools' Partnership and the White Rose Academy chain to raise aspirations and provide opportunities for young people.
- A joint Combined Cadet Force with Bishop Young Community Academy.
- White Rose and Yorkshire Schools' Teaching Alliances to support teacher training and development.
- LEAP (Leeds Enterprise and Advisory Programme) to develop student's enterprise skills.
- Kamuzu Academy, Malawi whereby we collaborate on a range of projects.

These partnerships and our school outreach programme enable the school to deliver activities to over 2,000 children and young people a year drawn from across Leeds, West and North Yorkshire take part in high quality cross-curricular activities. Events include maths and science workshops, arts performances and access to our higher education and careers support. We have also established a Young Scholars Network to raise aspirations and help to build the 'cultural capital' of over 100 year 10 gifted and talented pupils who are in receipt of free school meals. We also provide specific support and assistance through our student volunteers.

Our facilities are available for use by community groups, charities, educational organisations and businesses. Recent activities have included a live broadcast of Marty Jopson's 'Zap' science show to over 2,000 primary pupils across Yorkshire, a live virtual workshop attended by over three thousand pupils aged 3 to 6 from more than 40 primary schools to mark the launch of a children's literacy charity and a virtual careers event for students at the GSAL and two partner schools; Leeds East Academy and Mount St Mary High School. The GSAL Futures Conference, included more than 30 alumni of Leeds Grammar School, Leeds Girls' High School and GSAL, all at different stages of their careers, who were on hand to share their experiences, offer advice and answer students' questions.

We are also active supporters of Leeds Community Foundation, Child Friendly Leeds, West and North Yorkshire Chamber of Commerce, who like the school are committed to ensuring that Leeds is an economically successful and compassionate city.

Principal activities of the year

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

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

Review of progress in the year against the whole school development plan

Our operational objectives are set to reflect our charitable purpose, our educational mission, and our ethos. 2020-21 saw the commencement of the second year of our three-year whole school development plan alongside the development of a revised three year plan covering 2021-24. The forthcoming academic year aims to build on the results achieved this year.

Key achievements from the 2019-2022 whole school development plan

- **Mission and vision;** progress has continued to be made against our aim of providing the most inspiring and successful educational experience. The relocation of Rose Court to the Alwoodley Gates site has created an age 3-18 all through school on one campus. We received the highest possible rating of 'excellent' following a full inspection by the Independent Schools Inspectorate (ISI) in November 2019 and we were also named The Sunday Times North Independent Secondary School of the Year for 2020 in the same week. The following year, in November 2020, we passed another, short ISI inspection that was then followed by being named as The Sunday Times North Independent Secondary School of the Decade.
- **Teaching and learning;** with the new age 3 – 11 Primary School on one site, the curriculum was completely redesigned to ensure a coherent development of skills and knowledge through the primary phase and provide greater opportunities to develop higher order thinking and questioning. With the final roll-out of 1-1 devices in Senior School in autumn 2019, further developments to enhance the use of technology were introduced, all of which proved essential during the lockdowns that followed so that no teaching and learning time was

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

lost. Furthermore, no attainment gap has been found in post-lockdown monitoring and public examination results have been outstanding.

- **Pastoral and co-curricular;** the school successfully rolled out its new pastoral approaches to students based on the concept of THINK (when you want to say or do something, is it **T**True, **H**Helpful, **I**Inspiring, **N**Necessary, **K**Kind). The Student Support Services area and use of school counsellors continued to develop and provided a huge resource to parents and pupils, with an additional nurse appointed to further improve the coverage on site and at weekends. Pastoral support moved online during the lockdowns so that all pupils were well-supported in remote 1-1 meetings and lessons as well as online resources. Webinars were also provided to support parents to do the same.

Although the co-curricular programme was disrupted by COVID-19, work has continued on developing the range and breadth of activities and opportunities, helped by a new structure in the Music department and the new 3G pitch for sport. From September 2020, a full co-curricular programme was established, some online and some face to face, including innovative Saturday sport events, even though school fixtures were not allowed by the government.

- **Staff;** the Executive Leadership Team has been embedded with the two new Vice Principals (each one Head of their own school, primary or senior) having started in September 2019. The Primary School has been restructured following the relocation of Rose Court in summer 2020. The staffing structure in Primary School has been completely redesigned, including a new Senior Leadership Team. Our staff wellbeing and professional development initiatives have continued to develop and expand during the year.
- **School culture and external relations;** initial scoping work has taken place to review and streamline both internal and external communications and we are finalising the plans for a new parent portal. Significant progress has been made on recruitment and retention of pupils, driven partly by the quality of our new Primary School and our single site offer, together with the strength of our online teaching provision which received a huge amount of word of mouth advertising to spread this news.
- **Capital investments, operational resources and investments;** we successfully relocated Rose Court to the Alwoodley Gates site, completing all of the required redevelopment work as planned in time for the start of the 2020-21 academic year after selling the Headingley Rose Court site for full market value to Leeds City Council to be used for a special needs school from September 2022. The challenges of COVID-19 cut short some excellent progress on the green agenda and, beyond that, necessitated continual updates to our financial and operational scenario planning. Despite this, progress continued to be made with our IT systems and infrastructure during the year.

Objectives for the coming year

The key objectives from the 2021-24 development plan for 2021-22 are summarised below:

Mission & Vision

- Uphold the aims of the school's strategic review, ethos and values, providing the most inspiring and successful educational experience with a particular focus on individual respect following the international emphasis on Black Lives Matter and Me Too issues.
- To embed a new and improved support for equality, diversity and inclusion (EDI) where everyone feels valued and respected.

Teaching & Learning

- To ensure a stimulating academic experience for all students within and beyond the classroom.
- To ensure that assessment and monitoring is used coherently, clearly and consistently across the school to inform and improve teaching & learning and enable staff, students and parents to better measure and monitor student progress.
- To develop a new, whole school approach to sport and wellbeing.

Pastoral & Co-Curricular

- To review pastoral and wellbeing support following the pandemic to maximise new structure, with particular focus on safeguarding and online safety, wellbeing, EDI, counselling and suicide prevention.
- To continue to develop a broad range of quality, inspiring co-curricular activities and opportunities, coherently offered from Primary school to Senior school to respond to pupil interests and extend them.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

- Pupil voice: to make best use of student leadership and representatives across the school to ensure effective, on-going dialogue and feedback to make a positive change for students.
- To ensure that the GSAL is a kind and respectful school from age 3-18 with the highest standards of behaviour and care for all, evident at all times.

Staff

- To continue to develop the programme for staff wellbeing so that the GSAL is known to be a positive and edifying environment to work and grow professionally. To build a sense of team that sees staff as a part of the whole, support and teaching staff working together and equally valued.
- To maintain strong and positive staff morale and sense of belonging through turbulent times from external threats facing the sector, e.g. cost of Teachers' Pension Scheme, review of Business Rates and other political pressures with budgetary implications.

School Culture & External Relations

- To ensure that communications are streamlined and of the highest quality, internally and externally, through all media.
- To reset the PFA to grow the parental community's engagement and involvement at school.
- To promote the development strategy to include improved alumni relations and increased fundraising capacity to meet objectives of strategic review.
- To improve recruitment and retention of pupils.
- To streamline and improve parent communications via a parent app.

Capital Investments, Operational Systems and Resources

- To continue to improve the IT infrastructure of the estate, including cyber security.
- To improve the healthy eating options in school for staff and pupil wellbeing.
- To embed the GSAL's green credentials, ensuring the resources available to us are used in a socially responsible manner.
- To complete the sports barn project that will extend covered sports areas available for pupil use in all weathers.

Grant-making policy

While authority to provide additional funds to support bursaries rests with the Governing Body, the discretionary distribution of those funds rests with the Principal in accordance with agreed criteria and procedures.

All applicants are assessed according to means and bursary provision awarded according to a common means-tested scale.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Section 172(1) statement

The Governors recognise the importance of their governance structure in supporting the operational performance and long term success and sustainability of the school. Details of the training and governance structure are included within section 'structure, governance and management', the details of which can be found on page 4, and details of how the school engages with other key stakeholders is included within the relevant section of the Governors' Report.

Operational performance

The academic year 2020-21 was a challenging year, which included many successes, but one which was ultimately overshadowed by the COVID-19 pandemic for a second year running.

COVID-19 pandemic

In line with Government policy, the school closed on 6 January 2021 to all pupils with the exception of key worker children. The GSAL responded by switching to remote learning to enable pupils to continue their education virtually, with timetabled lessons via video link, bespoke video content, remote work setting and marking and scheduled form

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

times to provide pastoral as well as academic support. The provision was especially strong in the senior school where all pupils are provided with a 1-2-1 laptop as standard.

As of 8 March 2021, the GSAL welcomed back all students in line with government advice for the remainder of the spring term.

COVID-19 has presented significant operational challenges during the year. This has included running a physical school for key worker children whilst simultaneously running a virtual school for all other pupils along with having to implement the additional health and safety measures required to keep our staff and pupils safe. All of these factors have had a financial impact on the year, which is covered in the financial review and results for the year section.

We recognise that this has again been a very difficult and testing time for our parents and we are extremely grateful for the support that they have continued to show the school.

Inspection and awards

In November, the GSAL was named The Sunday Times North Independent Secondary School of the Decade, where it was said "with around 2,000 children across all ages from three to 18, the school has the critical mass to offer a range of extra-curricular activities to rival any school and children are encouraged to develop their interests inside the classroom and out. Committed and inspirational teaching is backed up by supportive pastoral care to allow the children to be the best they can be."

Exam performance

Although awarded under different circumstances this year, exam results still reflect the efforts of our hardworking pupils and dedicated staff. Out of an A-Level student cohort of 193, 88% of grades achieved were A* to B. 92% of students progressed to higher education and 65% of students achieved places at Russell Group universities with seven students obtaining Oxbridge places. 21 students secured places on highly selective courses for medicine, dentistry or veterinary sciences.

From a cohort of 202 GCSE students, 57% of students achieved grades of 7 (formerly grade A) or above in every subject, including thirteen who secured the highest possible grade in every subject. Individually, in 2021, 61% of the GCSE grades were at an 8 or above, significantly higher than the national average.

Co-curricular, sporting and academic achievements

Despite opportunities being reduced again by COVID-19, 2020-21 still saw another year of individual and team successes across many areas, both within and outside the GSAL. Highlights included:

- A Year 13 pupil qualified for the highly regarded British Informatics Olympiad finals. The competition is open to all students in pre-university education in mainland Britain, and involves solving problems against the clock, using nothing more than a pen, paper and a computer.
- Two Year 13 pupils who have been debating together since Year 10 competed in 2 national competitions, including; qualifying for the finals of the prestigious 'Oxford Union's Schools' Debating Competition' and lifting the coveted title at the 'Manchester University Schools' Debating Competition' – the UK's largest one day schools' debating competition.
- A Year 12 pupil achieving a hat trick of successes in a number of national competitions including; a finalist in the BBC young reporter completion, a prize winner at the inaugural Louise Rennison National Funny Awards and the award of a bursary by New Writing North which enables attendance at a professional writing course.

Co-curricular, sporting and academic achievements are celebrated regularly within school and at the annual speech days and prize giving ceremonies. Further details can be obtained from the school's website www.gsal.org.uk and in the GSAL Life and Memento publications.

Bursary support

During the year, we provided some form of financial assistance to 200 pupils amounting to £1,629k, equivalent to 6.2% of fees receivable (see note 14). Of this, 115 means-tested fee bursaries, at an average value of 84% of the senior school fee, were awarded totalling £1,392k, analysed as follows:

- 47 at 100% of the fee
- 37 between 75% and 99% of the fee
- 20 between 50% and 74% of the fee

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021**

GOVERNORS’ REPORT (INCLUDING THE STRATEGIC REPORT)

- 11 between 25% and 49% of the fee

Of the total £1,629k of assistance, £145k of temporary financial support grants were awarded to 56 pupils and scholarships and music awards totalling £92k were awarded to 29 pupils.

Fundraising Performance

Members of the GSAL’s staff and student body organise various fundraising events and co-ordinate a variety of activities both within the school and the wider community to raise funds for an array of charitable cases throughout each year. The school does not use any professional fundraisers or involve commercial participators in its fundraising efforts. The GSAL is registered with the Fundraising Regulator and, as a result, has signed up to the Code of Fundraising Practice. No complaints have arisen this year with regards to the school’s fundraising activity. All marketing/advertisement of events and activities is overseen by the External Relations department to ensure that it is not unreasonably intrusive or persistent.

It is appropriate to record appreciation for many individual and corporate donations that the school has received during the year. Donations towards the bursary provision have been received from the three Leeds Grammar School and Leeds Girls’ High School Foundation Award funds (£294k in total) and an individual family donation (£17k).

Other restricted funds include weekly donations and collections from pupils (Seniors £4k; Primary £7k), for local and national charities, and £1k was raised through sales and fundraising events in the year for Malawi.

Over £12k was raised for charity by pupils through a wide variety of fundraising events. Details of the donations made during the year are included in the additional information section at the end of these financial statements.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

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

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021	2020/21
Energy consumption used to calculate emissions (kWh)	6,822,606
Energy consumption break down (kWh):	
• gas	
• electricity	
• transport fuel	
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	945
Owned transport – mini-buses	1
Total Scope 1	946
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	391
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	0.47
Total gross emissions in metric tonnes CO ₂ e	1,337
Intensity ratio Tonnes CO ₂ e per pupil	0.64

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2021**

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

2020 Comparatives

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	2019/20
Energy consumption used to calculate emissions (kWh)	6,601,327
Energy consumption break down (kWh):	
<ul style="list-style-type: none"> • gas • electricity • transport fuel 	
Scope 1 emissions in metric tonnes CO ₂ e	
Gas consumption	868
Owned transport – mini-buses	5
Total Scope 1	874
Scope 2 emissions in metric tonnes CO ₂ e	
Purchased electricity	432
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	1.44
Total gross emissions in metric tonnes CO ₂ e	1307
Intensity ratio Tonnes CO ₂ e per pupil	0.64

Quantification and reporting methodology

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

Intensity measurement

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

Measures taken to improve energy efficiency

During the year we have made improvements to the building management system (BMS) which allows us to control the temperature in areas of the school on an individual basis versus supporting a continuous temperature throughout. We have continued with the programme to remove fluorescent lights and replaced them with LED fittings which consume approximately 1/3rd of the amount of power required to support the old fittings. Heating and vent pumps have been replaced with more energy efficient equivalents that comply with modern standards.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Similar to 2019-20, the underlying financial performance in 2020-21 was impacted by the Covid-19 pandemic.

Consolidated net income before transfers for the year was **£403k** (2020: £2,205k). The decrease in net income is directly attributable to the 2019-20 financial year containing a one-off receipt in respect of the Rose Court property sale which was not replicated in 2020-21.

Some of the key items contributing to the net position were:

- Fee remissions provided to parents of **£560k** (included within tuition fees on page 18)
- Temporary support grants awarded to assist parents experiencing temporary financial hardship of **£145k**
- Support received as a result of furloughing appropriate staff via the Government's Coronavirus Job Retention Scheme of **£133k**

In 2020-21, the school provided additional support to parents of **£705k** through fee remissions and temporary financial support. This additional support was in excess of the cost savings generated during the school closure period and represented a net cost in the financial year.

In line with our charitable objectives, the GSAL provided **£1,629k** (2020: £1,799k) of bursary, scholarship and temporary financial hardship support to parents in 2020-21, the equivalent of 6.2% of gross fee income. This included an additional contribution from the school of **£902k** (2020: £985k) to support restricted funds over and above the **£415k** (2020: £402k) transfer required by the Memorandum and Articles, representing 2% of Senior School fees. In total, the school provided support to parents of **£2,188k** through a combination of fee remissions, bursaries, scholarships and temporary financial assistance in the academic year 2020-21.

After these transfers total funds carried forward were **£13,081k** (2020: £12,678k), split between unrestricted funds **£13,020k** and restricted funds **£61k**.

Reserves policy

Notes 15 and 16 to the financial statements show movements on the unrestricted funds and the assets and liabilities attributable to the unrestricted funds respectively.

Unrestricted funds amount to £13,020k of which £4,375k is invested in fixed assets.

£8,645k is uncommitted reserves, though this is funded through long-term debtors of £5,632k. These debts are considered to be recoverable, but do not represent liquid reserves available to spend.

The Governors have determined that the appropriate minimum level of free revenue reserves held should be one terms' expenditure on salaries, approximately £5.3m. Total free reserves currently exceed this level, at £8.6m (2020: £7.4m) and thus have met the requirement, though only £3m represent liquid funds that are readily available to spend. Excess free reserves above the minimum are currently being held due to the ongoing uncertainty surrounding the Covid-19 pandemic.

Investment powers and policy

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2021

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the trustees and directors of The Grammar School at Leeds for the purposes of charity and company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

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

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

In so far as the Governors are aware:

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

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

AUDITOR

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

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



A M Martin

Chairman

17 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL AT LEEDS

Opinion

We have audited the financial statements of The Grammar School at Leeds (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the consolidated statement of financial activities (incorporating income and expenditure account), the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL AT LEEDS

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 15, the Governors (who are also the directors of the parent charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the group and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Identifying and assessing risks related to irregularities:

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

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

Audit response to risks identified:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL AT LEEDS

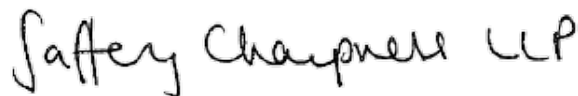
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of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

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

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

Use of our report

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



Sally Appleton LLP

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

Chartered Accountants
Mitre House
North Park Road
Harrogate
HG1 5RX

Statutory Auditors

Date: 21 December 2021

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

THE GRAMMAR SCHOOL AT LEEDS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)
Year ended 31 August 2021

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2021 £'000	Total funds 2020 £'000
INCOME FROM:					
<u>Charitable activities – education:</u>					
Tuition fees		26,291	-	26,291	24,726
Other income	2	1,425	-	1,425	2,219
		27,716	-	27,716	26,945
Other trading activities - trading income		68	-	68	228
Donations - general		-	324	324	445
Donations – Rose Court sale proceeds		-	-	-	2,240
Investments		189	-	189	195
Other income – surplus on sale of Rose Court		-	-	-	760
TOTAL INCOME		27,973	324	28,297	30,813
EXPENDITURE ON:					
Raising funds:					
Trading expenditure		(1,095)	-	(1,095)	(1,173)
Charitable activities - education:					
Education and grant making	7	(25,151)	(1,648)	(26,799)	(27,435)
TOTAL EXPENDITURE		(26,246)	(1,648)	(27,894)	(28,608)
NET INCOME/(EXPENDITURE)		1,727	(1,324)	403	2,205
Transfers between funds:					
Transfer to Expendable Bursary & Hardship Fund	3	(415)	415	-	-
Additional Transfer to Expendable Bursary & Hardship Fund	3	(902)	902	-	-
NET MOVEMENT IN FUNDS	4	410	(7)	403	2,205
RECONCILIATION OF FUNDS:					
Total funds brought forward		12,610	68	12,678	10,473
Net movement in funds for the year		410	(7)	403	2,205
TOTAL FUNDS CARRIED FORWARD	14,15,16	13,020	61	13,081	12,678

All income and expenditure derives from continuing operations.

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

See note 22 for comparative Consolidated Statement of Financial Activities analysed by fund.

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED AND CHARITY BALANCE SHEETS

At 31 August 2021

		Group		Charity	
		2021	2020	2021	2020
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8	4,284	2,479	4,254	2,459
Assets under construction	9	91	1,961	91	1,961
Investments	10	25	25	25	25
		4,400	4,465	4,370	4,445
CURRENT ASSETS					
Stocks		17	18	16	16
Debtors due within one year	11	1,213	1,974	1,325	2,190
Debtors due after one year	11	5,632	5,632	5,632	5,632
Bank balances and cash		17,066	14,790	16,958	14,470
		23,928	22,414	23,931	22,308
CREDITORS: amounts falling due within one year	12	(14,804)	(13,740)	(14,691)	(13,614)
NET CURRENT ASSETS		9,124	8,674	9,240	8,694
TOTAL ASSETS LESS CURRENT LIABILITIES		13,524	13,139	13,610	13,139
CREDITORS: amounts due after more than one year	13	(443)	(461)	(443)	(461)
NET ASSETS		13,081	12,678	13,167	12,678
FUNDS					
Restricted funds	14	61	68	61	68
Unrestricted funds	15	13,020	12,610	13,106	12,610
TOTAL FUNDS	16	13,081	12,678	13,167	12,678

These financial statements of The Grammar School at Leeds, Company Registration Number 03075826 were approved by the Governing Body and authorised for issue on 17 December 2021 and signed on their behalf by:



A M Martin
Chairman

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED CASH FLOW STATEMENT Year ended 31 August 2021

	<u>Note</u>	<u>2021</u> <u>£'000</u>	<u>2020</u> <u>£'000</u>
Net cash flows from operating activities	A	2,688	2,784
Cash flows from investing activities:			
Interest Received		189	195
Purchase of tangible fixed assets		(613)	(1,667)
Sale of tangible fixed assets		12	760
		<hr/>	<hr/>
Increase in cash and cash equivalents in year		2,276	2,072
Cash and cash equivalents at beginning of year		14,790	12,718
		<hr/>	<hr/>
Cash and cash equivalents at end of year		17,066	14,790

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

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

	<u>2021</u> <u>£'000</u>	2020 £'000
Net incoming resources	403	2,205
Interest receivable	(189)	(195)
Loss/(Profit) on disposal of fixed asset	3	(706)
Depreciation	663	527
Decrease/(Increase) in stocks	1	(5)
Increase in creditors <1yr	1,064	1,128
(Decrease)/Increase in creditors >1yr	(18)	64
Decrease/(Increase) in debtors	761	(234)
	<hr/>	<hr/>
Net cash inflow from operating activities	2,688	2,784

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Company and charitable status

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

The charity is a registered charity. The registered office is given on page 2.

Basis of accounting

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

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

The principal accounting policies are summarised below.

Preparation of financial statements – going concern basis

- a) The principal financial risk facing the charity is a reduction in income if there were to be a reduction in pupil numbers.

This risk is being addressed through preparation of detailed financial forecasts and sensitivity analyses, which demonstrate that the charity will continue to generate acceptable levels of cash. Pupil numbers are monitored closely throughout the year, including the mix of pupils between school sections, forecasts of future numbers and analysis of demographic trends in the local population. The charity actively markets the school to new pupils in order to generate interest and potential applications, thus helping to preserve and grow pupil numbers, as well as identifying potential leavers and addressing any concerns these may have in order to increase retention of pupils, particularly at potential break points in the school.

After consideration of the charity's business risks, the Governors believe that the charity is well placed to operate successfully in the future.

- b) Bank Guarantees given in respect of third parties

The charity has provided guarantees under a Senior Facility Agreement and a Bridging Loan Agreement between the Royal Bank of Scotland (the Bank) and the LGS General Charitable Trust (the Trust) as disclosed in note 19 to the financial statements. The facility agreements embody covenants both for the charity and the Trust.

After making enquiries of the trustees of the Trust, the Governors have a reasonable expectation that the Trust will have adequate resources to make the required capital and interest repayments to its bankers as they fall due and that the associated covenants will be met.

- c) Covid-19 pandemic

The Covid-19 pandemic resulted in the closure of the school to all pupils, with the exception of key worker children, for a period in 2020-21 and continues to provide operational challenges in 2021-22. Risks relating to Covid-19 persist either directly, through further partial or full closures of the school, or indirectly, through the future impact on the wider economy, and could result in consequences for fee income, pupil numbers and costs.

The charity has conducted a thorough financial review, including the production of detailed medium and long term forecasts with associated sensitivity analysis, and has concluded that sufficient headroom exists in cash and reserves for the going concern basis to be appropriate.

In accordance with the above considerations, the Governors have determined that the financial statements should be prepared on a going concern basis.

Basis of consolidation

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

A separate Statement of Financial Activities (incorporating Income and Expenditure Account) for the charity has not been presented, because the group has taken advantage of the exemption afforded by section 408 of the Companies Act 2006. However, the charity's net income for the year in accordance with the Companies Act 2006 was £489k (2020: £2,205k).

Income

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

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

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

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

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

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

Expenditure

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

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

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

Fund accounting

The charity maintains the following funds:

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

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

Fixed assets and depreciation

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

Vehicles	4 years
Plant and machinery	7 years
Office and computer equipment	3 years
Furniture and fixtures	10 years
Land and buildings	25 years

The school buildings at Alwoodley are the property of the LGS General Charitable Trust. The land at Alwoodley is the property of the Leeds Grammar School and Leeds Girls' High School Foundation. The Governors are required to maintain the fabric of the buildings under the terms of the leases.

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

Investments

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

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

Stocks

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

Employee benefits

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

Operating leases

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

Financial instruments

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

The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

2. OTHER INCOME (UNRESTRICTED)

	2021	2020
	£'000	£'000
School catering	835	787
Miscellaneous	118	123
Coronavirus Job Retention Scheme grant	133	925
Pupil transport	308	284
GSAL Transport Limited other income	31	100
	1,425	2,219

Included within unrestricted income is £133k (2020: £925k) received under the Coronavirus Job Retention Scheme, which has been fully expended in the year on the wages and salaries of furloughed staff. The equivalent costs have been included within unrestricted expenditure.

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

3. TRANSFERS BETWEEN FUNDS

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

	2021	2020
	£'000	£'000
2% of Senior School Independent fees	415	402
Additional bursary transfer from the GSAL unrestricted funds	902	985
Net proceeds of donation from sale of Rose Court transfer to unrestricted funds	-	(2,044)
	1,317	(657)

4. NET MOVEMENT IN FUNDS

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

	2021	2020
	£'000	£'000
(Profit)/loss on disposal of fixed assets	3	(706)
Depreciation - owned assets	663	527
Fees payable to the charitable company's auditor:		
For audit related assurance services	17	23
For other services - taxation & project advice	15	-
Rentals under operating leases - buildings	3,361	3,540
Rentals under operating leases - vehicles and equipment	436	475

The charity's net income for the year in accordance with the Companies Act 2006 was £489k (2020: £2,205k).

5. GOVERNING BODY REMUNERATION AND RELATED PARTY TRANSACTIONS

During the year, no travel expenses were paid to Governors for attending meetings (2020: £1,430 paid to 5 Governors).

No governors were remunerated during the current or prior years.

The children of governors and staff that attend the school do so under normal commercial terms.

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

GSAL Transport Limited

Under gift aid, no donation is required from GSAL Transport to the GSAL (2020: £51k).

Income to the GSAL from GSAL Transport £10k in respect of support services provided (2020: £10k).

Expenditure paid by the GSAL to GSAL Transport £932k in respect of transport services and advertising (2020: £986k).

A balance of £143k was owed to the GSAL from GSAL Transport limited at 31 August 2021 (2020: £173k).

GSAL Enterprises Limited

Income to the GSAL from GSAL Enterprises £24k donation under gift aid (2020: £101k)

Income to the GSAL from GSAL Enterprises £nil in respect of the provision of consumables (food) for events (2020: £1k).

Expenditure paid by the GSAL to GSAL Enterprises £2k in respect of the provision of consumables (drinks) for events (2020: £10k).

A balance of £24k was owed to the GSAL from GSAL Enterprises limited at 31 August 2021 (2020: £101k).

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

6. INFORMATION REGARDING EMPLOYEES

	Consolidated		Charity	
	2021	2020	2021	2020
	No.	No.	No.	No.
Average headcount of persons employed				
Teachers	222	212	222	212
Support staff	249	241	229	223
	471	453	451	435
Average number of persons employed (full time equivalents)				
	No.	No.	No.	No.
<u>Charitable activities:</u>				
Teachers	186	185	186	185
Support staff	167	168	151	154
	353	353	337	339
Staff costs during the year:				
	£'000		£'000	
Wages and salaries	12,721		13,198	
Social security costs	1,227		1,288	
Pension costs	2,291		2,335	
	16,239		16,821	

During the year there were redundancy/termination payments made by the charity to two individuals (2020: nil) which amounted to £41k (2020: £nil). No amounts were outstanding at the year-end (2020: £nil).

There were 20 staff (FTE) directly employed by the charity's subsidiaries in the year (2020: 14).

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

	No.	No.
£60,001 - £70,000	28	14
£70,001 - £80,000	3	4
£80,001 - £90,000	4	3
£110,001 - £120,000	2	2
£140,001 - £150,000	-	1
£150,001 - £160,000	1	-
£220,001 - £230,000	-	1
£230,001 - £240,000	1	-

Of the above staff members, 36 (2020: 21) have benefits accruing under defined benefit pension schemes and 3 (2020: 4) had benefits accruing under the defined contribution scheme. Employer's contributions for the defined contribution scheme were £25k (2020: £30k).

The key management personnel of the parent charity, The Grammar School at Leeds, are listed on page 2. The total employee benefits, including employer's national insurance and pension contributions, of the key management personnel of the GSAL were £1,405k (2020: £1,328k).

The key management personnel of the group comprise those of the GSAL and the key management personnel of its wholly owned subsidiaries GSAL Enterprises Ltd and GSAL Transport Ltd. There are not considered to be any key management personnel in either of the subsidiaries. The total employee benefits of key management personnel for the group were therefore £1,405k (2020: £1,328k).

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

7. ANALYSIS OF EDUCATION AND GRANT MAKING EXPENDITURE

	Staff Costs	Other Costs	Depreciation	Total 2021
<u>Direct costs</u>				
Teaching costs	13,058	888	-	13,946
Welfare costs	629	569	-	1,198
Premises	766	5,344	406	6,516
Non-teaching support costs	1,341	1,582	249	3,172
Bursaries, prizes and specific fund expenditure	-	1,648	-	1,648
<u>Support costs</u>				
Governance costs	39	234	-	273
Finance and other costs	-	46	-	46
Consolidated total	15,833	10,311	655	26,799

2020 Comparatives

	Staff Costs	Other Costs	Depreciation	Total 2020
	£'000	£'000	£'000	£'000
<u>Direct costs</u>				
Teaching costs	13,551	895	-	14,446
Welfare costs	658	506	-	1,164
Premises	780	5,260	294	6,334
Non-teaching support costs	1,329	1,457	233	3,019
Bursaries, prizes and specific fund expenditure	-	2,026	-	2,026
<u>Support costs</u>				
Governance costs	46	193	-	239
Finance and other costs	-	207	-	207
Consolidated total	16,364	10,544	527	27,435

With the exception of the bursaries, prizes and specific fund expenditure, all of the above expenditure is taken from unrestricted funds.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

8. FIXED ASSETS

Consolidated & Company	Vehicles	Plant & Machinery	Office & Computer Equipment	Land & Buildings	Furniture & Fixtures	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost								
At 1 September 2020	55	686	2,083	-	2,799	5,623	25	5,648
Additions	-	32	282	1,968	183	2,465	18	2,483
Disposals	(26)	(105)	(476)	-	(205)	(812)	-	(812)
At 31 August 2021	29	613	1,889	1,968	2,777	7,276	43	7,319
Accumulated depreciation								
At 1 September 2020	52	497	1,589	-	1,026	3,164	5	3,169
Charge for the year	1	38	247	72	297	655	8	663
Disposals	(26)	(100)	(476)	-	(195)	(797)	-	(797)
At 31 August 2021	27	435	1,360	72	1,128	3,022	13	3,035
Net book value								
At 31 August 2021	2	178	529	1,896	1,649	4,254	30	4,284
At 31 August 2020	3	189	494	-	1,773	2,459	20	2,479

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

9. ASSETS UNDER CONSTRUCTION

Consolidated & Company	Rose Court Relocation	Sports Barn	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 September 2020	1,961	-	1,961	-	1,961
Additions	-	91	91	-	91
Transfer to fixed assets	(1,961)	-	(1,961)	-	(1,961)
At 31 August 2021	-	91	91	-	91

The above assets relating to the Rose Court relocation were transferred to the fixed asset register upon completion and are now subject to depreciation. The above assets relating to the sports barn were under construction at the year end and as such have not been depreciated.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

10. INVESTMENTS HELD AS FIXED ASSETS

	Consolidated & Charity	
	2021	2020
	£'000	£'000
Market value at 1 September 2020 and 31 August 2021	<u>25</u>	<u>25</u>
Investments comprise the following:		
Investments listed on a UK stock exchange:		
Charity unit trusts	5	5
Cash deposits held as fixed asset investments	<u>20</u>	<u>20</u>
	<u>25</u>	<u>25</u>
Historical cost at 31 August 2021	<u>25</u>	<u>25</u>

11. DEBTORS AND PAYMENTS IN ADVANCE

	Consolidated		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Tuition fee debtors	74	21	74	21
Trade debtors	13	4	-	-
Other debtors	62	130	29	91
Amounts due from trading subsidiaries	-	-	167	274
Prepayments and accrued income	1,064	1,236	1,055	1,221
Rent paid in advance	-	583	-	583
	<u>1,213</u>	<u>1,974</u>	<u>1,325</u>	<u>2,190</u>
Amounts falling due after more than one year:				
Amounts due from LGS General Charitable Trust	2,990	2,990	2,990	2,990
Amounts due from LGS & LGHS Foundation	2,642	2,642	2,642	2,642
Rent paid in advance	-	-	-	-
	<u>5,632</u>	<u>5,632</u>	<u>5,632</u>	<u>5,632</u>

The loan due from LGS General Charitable carries a fixed rate of interest, is unsecured and is due for repayment no later than 31 December 2033 or by instalments commencing on 31 December 2021.

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Tuition fee payments received in advance	10,755	9,802	10,755	9,802
Trade creditors	457	1,318	387	1,229
Amounts owed to LGS General Charitable Trust	1,167	-	1,167	-
Other taxes and social security costs	334	298	320	289
Other creditors	682	717	677	708
Acceptance deposits	34	26	34	26
Accruals	1,375	1,579	1,351	1,560
	<u>14,804</u>	<u>13,740</u>	<u>14,691</u>	<u>13,614</u>

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

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

	Consolidated & Charity	
	2021	2020
	£'000	£'000
Acceptance deposits	443	461
	443	461

14. RESTRICTED FUNDS

In accordance with Statement of Recommended Practice "Accounting by Charities", the restricted funds of the charity comprise the following:

	Expendable Bursary & Hardship Fund £'000	Lightwing & Headingley Funds £'000	Chapel Fund £'000	Specific Restricted Donations £'000	Total £'000
Consolidated & Charity					
Balance at 1 September 2020	-	16	5	47	68
Income	312	-	-	12	324
Expenditure	(1,629)	-	-	(19)	(1,648)
Transfer from unrestricted funds	1,317	-	-	-	1,317
Balance at 31 August 2021	-	16	5	40	61

2020 Comparatives

	Expendable Bursary & Hardship Fund £'000	Lightwing & Headingley Funds £'000	Chapel Fund £'000	Rose Court Restricted Donation £'000	Specific Restricted Donations £'000	Total £'000
Consolidated & Charity						
Balance at 1 September 2019	-	16	5	-	45	66
Income	412	-	-	2,240	33	2,685
Expenditure	(1,799)	-	-	(196)	(31)	(2,026)
Transfer to unrestricted funds	-	-	-	(2,044)	-	(2,044)
Transfer from unrestricted funds	1,387	-	-	-	-	1,387
Balance at 31 August 2020	-	16	5	-	47	68

The balances on the funds are included in the balance sheet under fixed asset investments and bank balances, as analysed in note 16.

All bursary transactions are accounted for through the Expendable & Hardship Bursary Funds. Bursaries paid out by the GSAL amounted to £1,629k offset by donations from third parties and the Foundation Award Funds of £312k, with the balance being funded by transfers from the GSAL unrestricted funds amounting to £1,317k

Total specific restricted donations income of £12k includes monies received from the Malawi charity (£1k) and pupils' weekly charity collection (£11k). Specific restricted donations expenditure of £19k includes the donations to various charities from the pupils' weekly collections (£12k), to Malawi (£1k), plus other specific expenditure. This has resulted in net expenditure for specific restricted donations of £7k.

In the 2020 comparatives, the Rose Court restricted donation comprises of income of £2,240k received from the LGHS and LGS Foundation. This donation was equivalent to the remaining proceeds received by other parties in relation to the sale of the Rose Court site at Headingley. The use of the donation was restricted to the maintenance and development of the Alwoodley Gates site. Rose Court restricted expenditure of £196k included the costs associated with the relocation of Rose Court. The net proceeds of the sale of Rose Court (£2,044k) were transferred to the GSAL unrestricted funds. These net proceeds were fully utilised in the development of the Alwoodley Gates site during 19/20 in order to facilitate and accommodate the Rose Court pupils into the Primary School.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

15. UNRESTRICTED FUNDS

	School Reserve	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000
Consolidated & Charity				
Balance at 1 September 2020	12,610	12,610	-	12,610
Income	27,874	27,874	99	27,973
Expenditure	(26,085)	(26,085)	(161)	(26,246)
Transfer to restricted funds	(1,317)	(1,317)	-	(1,317)
Transfer from trading companies	24	24	(24)	-
Balance at 31 August 2021	13,106	13,106	(86)	13,020

Included within unrestricted income is £133k (2020: £925k) received under the Coronavirus Job Retention Scheme, which has been fully expended in the year on the wages and salaries of furloughed staff. The equivalent costs have been included within unrestricted expenditure.

2020 Comparatives

	Building Maintenance (Designated Fund)	School Reserve	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000	£'000
Consolidated & Charity					
Balance at 1 September 2019	270	10,137	10,407	-	10,407
Income	-	27,851	27,851	277	28,128
Expenditure	-	(26,406)	(26,406)	(176)	(26,582)
Transfer to restricted funds	-	657	657	-	657
Transfer to school reserve	(270)	-	(270)	-	(270)
Transfer from designated fund	-	270	270	-	270
Transfer from trading companies	-	101	101	(101)	-
Balance at 31 August 2020	-	12,610	12,610	-	12,610

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

16. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Fixed Assets and investments £'000	Debtors due in more than one year £'000	Current assets £'000	Current liabilities £'000	Long term liabilities £'000	Total £'000
Restricted funds						
Expendable Bursary & Hardship Fund	-	-	-	(1)	-	(1)
Lightwing & Headingley Funds	20	-	-	(4)	-	16
Chapel Fund	5	-	-	-	-	5
Specific Restricted Donations	-	-	41	-	-	41
	25	-	41	(5)	-	61
Unrestricted funds						
School Reserve	4,375	5,632	18,255	(14,799)	(443)	13,020
	4,375	5,632	18,255	(14,799)	(443)	13,020
Consolidated total	4,400	5,632	18,296	(14,804)	(443)	13,081

2020 Comparatives	Fixed Assets and investments £'000	Debtors due in more than one year £'000	Current assets £'000	Current liabilities £'000	Long term liabilities £'000	Total £'000
Restricted funds						
Expendable Bursary & Hardship Fund	-	-	-	-	-	-
Lightwing & Headingley Funds	20	-	-	(4)	-	16
Chapel Fund	5	-	-	-	-	5
Specific Restricted Donations	-	-	47	-	-	47
	25	-	47	(4)	-	68
Unrestricted funds						
School Reserve	4,440	5,632	16,735	(13,736)	(461)	12,610
Building Maintenance Fund	-	-	-	-	-	-
	4,465	5,632	16,782	(13,740)	(461)	12,610
Consolidated total	4,465	5,632	16,782	(13,740)	(461)	12,678

17. TAXATION

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

18. EMPLOYEE RETIREMENT BENEFITS

The charity participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,977k (2020: £2,013k) and at the year-end £204k (2020 - £212k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The charity also contributes to two group personal pension plans for support staff, the costs of which are also charged directly to the statement of financial activities.

The total pension costs are broken down as follows:

	2021	2020
	£'000	£'000
Teachers	2,079	2,129
Support staff	192	188
	<u>2,271</u>	<u>2,317</u>

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

19. CONTINGENT LIABILITIES

Under a loan agreement entered into in July 2016 between the Royal Bank of Scotland plc (the Bank) and the LGS General Charitable Trust (the Trust) the charity has provided the following securities: -

- a guarantee in respect of all liabilities without limit from time to time due and owing to the Bank by the Trust
- a debenture containing fixed and floating charges over all of its assets as security for all liabilities without limit from time to time due and owing to the Bank
- a first-party first legal charge in respect of the Alwoodley sublease
- a deed of sub-ordination subordinating the loan to the Trust to the indebtedness of the Bank.

At 31 August 2021, the liabilities of the Trust to the bank amounted to **£32,174,602** (2020: £33,380,464).

20. INVESTMENT IN SUBSIDIARIES

	2021	2020
	£	£
Investment in subsidiaries at cost	3	3

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

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

GSAL Enterprises Ltd - financial summary	2021	2020
	£'000	£'000
Turnover	46	138
Cost of sales	(2)	(18)
Gross profit	44	120
Admin expenses	(20)	(19)
Operating profit	24	101
Donation to GSAL	(24)	(101)
Result for the financial year	-	-

Assets	38	111
Liabilities	(38)	(111)
Funds	-	-

GSAL Transport Ltd - financial summary	2021	2020
	£'000	£'000
Turnover	987	1,189
Cost of sales	(1,031)	(1,100)
Gross profit	(44)	89
Admin expenses	(42)	(38)
Operating (loss)/profit	(86)	51
Donation to GSAL	-	(51)
Result for the financial year	(86)	-

Assets	157	289
Liabilities	(243)	(289)
Funds	(86)	-

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

21. OPERATING LEASES COMMITMENTS

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

	2021		2020	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Group				
- within one year	3,500	112	3,500	267
- between one and five years	14,000	76	14,000	152
- after five years	155,167	-	158,667	-
	<u>172,667</u>	<u>188</u>	<u>176,167</u>	<u>419</u>
Charity				
- within one year	3,500	112	3,500	267
- between one and five years	14,000	76	14,000	152
- after five years	155,167	-	158,667	-
	<u>172,667</u>	<u>188</u>	<u>176,167</u>	<u>419</u>

The lease of land and buildings relate to a long term rental commitment that expires in 2070.

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

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

Year ended 31 August 2020

	Unrestricted funds £'000	Restricted funds £'000	Total 2020 £'000
INCOME FROM:			
<u>Charitable activities – education:</u>			
Tuition fees	24,276	-	24,726
Other income	2,219	-	2,219
	<u>26,945</u>	<u>-</u>	<u>26,945</u>
Other trading activities - trading income	228	-	228
Donations - general	-	445	445
Donations – Rose Court sale proceeds	-	2,240	2,240
Investments	195	-	195
Other income – surplus on sale of Rose Court	760	-	760
TOTAL INCOME	<u>28,128</u>	<u>2,685</u>	<u>30,813</u>
EXPENDITURE ON:			
Raising funds:			
Trading expenditure	(1,173)	-	(1,173)
Charitable activities - education:			
Education and grant making	(25,409)	(2,026)	(27,435)
TOTAL EXPENDITURE	<u>(26,582)</u>	<u>(2,026)</u>	<u>(28,608)</u>
NET INCOME/(EXPENDITURE)	1,546	659	2,205
Transfers between funds:			
Transfer to Expendable Bursary & Hardship Fund	(402)	402	-
Additional Transfer to Expendable Bursary & Hardship Fund	(985)	985	-
Transfer to unrestricted – Rose Court	2,044	(2,044)	-
NET MOVEMENT IN FUNDS	<u>2,203</u>	<u>2</u>	<u>2,205</u>
RECONCILIATION OF FUNDS:			
Total funds brought forward	10,407	66	10,473
Net movement in funds for the year	2,203	2	2,205
TOTAL FUNDS CARRIED FORWARD	<u><u>12,610</u></u>	<u><u>68</u></u>	<u><u>12,678</u></u>

THE GRAMMAR SCHOOL AT LEEDS

ADDITIONAL INFORMATION NOT FORMING PART OF THE FINANCIAL STATEMENTS

The additional information, which comprises charitable donations paid by The Grammar School at Leeds for 2019/20 and 20/21 has been prepared from the accounting records of the charity. While it is unaudited and does not form part of the statutory financial statements, it should be read in conjunction with them and the independent auditor's report thereon.

This schedule shows donations paid during the year and so includes funds raised in 2019/20 but not paid until 2020/21 and excludes funds raised in 2020/21 not paid by the year end, which are held within restricted funds pending payment in 2021/22.

THE GRAMMAR SCHOOL AT LEEDS

ADDITIONAL INFORMATION NOT FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE OF CHARITABLE DONATIONS PAID DURING THE YEAR

	<u>2021</u>	<u>2020</u>
		£
SENIOR SCHOOL		
Bone Cancer Trust		479
C-R-Y		421
Cancer Research Leeds		1,106
Carlton Lodge		233
Children in Need		560
Comic Relief	330	
Danby Rovers		310
Duke of Edinburgh	105	
Forever Angels		325
Ghurkha Welfare Trust		221
Guide Dogs For The Blind		355
Homeless Street Angels		340
Macmillan Cancer Care		1,843
Malawi	1,137	6,590
Martin House		200
Mary's Meals		814
Mercury Phoenix		132
Moor Allerton Elderly Care		250
Mummys Star	314	
Oxfam		365
Parkinsons UK		125
Place2Be	828	
Prostate Cancer		220
Read For Good		468
Royal British Legion	476	454
Simon On The Streets		368
Spinal Injuries		300
St Gemma's Hospice		335
St George's Crypt	1,500	
Team Rubicon UK		410
Teenage Cancer Trust		345
WWF		2,378
Zarach	1,542	
	<u>6,232</u>	<u>19,947</u>
JUNIOR SCHOOL		
Children in Need	1,928	5,913
Bone Cancer Research Trust	1,570	
Royal British Legion	176	
Zarach	511	
	<u>4,185</u>	<u>5,913</u>
ROSE COURT		
Candlelighters	376	
Children in Need	536	367
Comic Relief	408	
Hope Pastures	377	
Macmillan Cancer Support		245
NSPCC		97
Yorkshire Air Ambulance	376	
Yorkshire Wildlife Trust	377	
	<u>2,450</u>	<u>709</u>
TOTAL	<u>12,867</u>	<u>26,569</u>

THE GRAMMAR SCHOOL AT LEEDS

England & Wales - Charity number 1048304

Accounts

Company Registration No.: 03075826
Registered Charity No.: 1048304

THE GRAMMAR SCHOOL AT LEEDS

A Company Limited by Guarantee

Report and Financial Statements

31 August 2020

**THE GRAMMAR SCHOOL AT LEEDS
REPORT AND FINANCIAL STATEMENTS 2020**

CONTENTS	Page
Governors and charity trustees, officers and advisers	1
Governors' report	4
Reference and administrative information	4
Structure, governance and management	4
Risk management	5
Objects, aims, objectives and activities	7
Review of achievements and performance for the year	10
Financial review and results for the year	13
Consolidated statement of financial activities	17
Consolidated cash flow statement	19
Notes to the financial statements	20
Consolidated statement of financial activities	34
Schedule of charitable donations paid	36

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

GOVERNORS AND CHARITY TRUSTEES

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

Name of Governor	Date of appointment	Committees served as at 31/08/20					Expiry of Term
		Corporate Governance	Education	External Relations	Audit & Risk	Business & Management	
Mrs E E Bailey	10 November 1995	X					January 2021
Sir Stephen Brown	23 September 2013	X		X			January 2021
Mr J Cross	12 December 2012				X		January 2023
Mr M R Curle	28 September 2018	X			X		November 2023
Prof A Harrison Moore	30 November 2017		X				January 2023
Ms J Harper	22 March 2018			X			May 2023
Mr I M Jones	13 December 2006					X	January 2023
Mrs D Kenny	14 October 2010		X				November 2020
Dr A L Khan	28 November 2018				X		November 2023
<i>Mrs C Lyons (Joint Vice Chair)</i>	<i>01 September 2016</i>			X		X	<i>November 2021</i>
Mr A M Martin (Chair)	12 November 2014	X				X	January 2025
Mrs J Semple	01 September 2017			X			November 2022
Mrs C Vilarrubi	18 January 2018	X			X		March 2023
Mr M Waldron	24 September 2019		X				September 2024
Mr T J Walsh	23 September 2014					X	January 2024
<i>Mr J Woodward (Joint Vice Chair)</i>	<i>10 December 2009</i>			X		X	<i>January 2021</i>

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

OFFICERS

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

KEY MANAGEMENT PERSONNEL

The GSAL Leadership Team as at 31 August 2020

Sue Woodroofe , BA (Hons), MEd, NPQH	Principal
Helen Clapham, BA (Hons), CIM, Pg Dip	Director of External Relations
Mark Cramoysan, BSc (Hons), D Phil	Deputy Head (Data and Systems)
Debbie Danks, BA (Hons), D Phil	Senior Deputy Head (Academic)
Chris Freeman, MA (Hons)	Deputy Head (Pastoral & Co-Curricular)
Stephen Kingston, BA (Hons), FCA	Director of Finance and Operations
Graham Purves, MPhys, D Phil	Vice Principal and Head of Senior School
Paul Rushworth, BA (Hons), MEd	Director of Sixth Form
Gabrielle Solti, BA (Hons), NPQH	Vice Principal and Head of Primary School
Helen Stansfield, BEd (Hons)	Senior Deputy Head (Pastoral)
Gill Wetherill, MCIPD, MCFI	Head of Human Resources

ADDRESSES AND CONTACT DETAILS

The Grammar School at Leeds
Senior and Junior Schools
Alwoodley Gates
Harrogate Road
Leeds
LS17 8GS
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www.gsal.org.uk

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

GOVERNORS AND CHARITY TRUSTEES, OFFICERS AND ADVISERS

ADVISERS

INVESTMENT MANAGERS

CCLA Investment Management Limited
80 Cheapside
London
EC2V 6DZ

INSURANCE BROKERS

Bartlett and Company Limited
Broadway Hall
Horsforth
Leeds
LS18 4RS

BANKERS

Royal Bank of Scotland Group
PO Box No 154
8 Park Row
Leeds
LS1 1QS

INDEPENDENT AUDITOR

Saffery Champness LLP
Mitre House
North Park Road
Harrogate
HG1 5RX
United Kingdom

SOLICITORS

Lupton Fawcett LLP
Yorkshire House
East Parade
Leeds
LS1 5BD

Wrigleys Solicitors LLP
19 Cookridge Street
Leeds
LS2 3AG

Walker Morris LLP
Kings Court
12 King Street
Leeds
LS1 2HL

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

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

The Governors of The Grammar School at Leeds (GSAL) present their annual report (including the Strategic Report) for the year ended 31 August 2020 under the Charities Act 2011, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015.

REFERENCE AND ADMINISTRATIVE INFORMATION

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Governing Body

The Governing Body, as detailed on page 1, acts as the sole Governing Body for all sections of school, i.e. Primary and Senior.

Recruitment and training of Governors

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

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

Governors' engagement with suppliers, parents and other stakeholders

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

Organisational management

The Governors, as the charity's trustees, are legally responsible for the overall management and control of the school and met 6 times in the year. There are a number of sub-committees which meet on a regular basis and report back to the main Governing Body, as detailed below. Membership of these bodies is noted in the details on page 1.

Committee	Committee Chair	Number of meetings in year	Executive officers attending / secretary
Audit and Risk	Mr J Cross	3	Principal Director of Finance & Operations <i>Clerk to the Governors</i>
Education	Mrs D Kenny	3	Principal Vice Principal & Head of Senior School Vice Principal & Head of Primary School <i>Clerk to the Governors</i>
External Relations	Mrs C Lyons	4	Principal Director of External Relations <i>Clerk to the Governors</i>
Business and Management	Mr A M Martin	9	Principal Vice Principal & Head of Senior School Vice Principal & Head of Primary School Director of Finance & Operations <i>Clerk to the Governors</i>
Corporate Governance	Mrs E E Bailey	3	Principal <i>Clerk to the Governors</i>

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

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

Group Structure and Relationships

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

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

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

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

Whilst not qualifying as related parties, Leeds Girls High School & Leeds Grammar School Foundation, the Morley House Trust and LGS General Charitable Trust share similar charitable objectives that support the School in meeting its own objectives, including provision of bursary funding for pupils and provision of buildings facilities for the education of children.

STRATEGIC REPORT

RISK MANAGEMENT

Principal risks and going concern for the charity and group

The principal ongoing financial risks facing the charity are adherence to sole and aggregated banking covenants and the guarantees given by the charity in respect of the LGS General Charitable Trust's (the Trust) borrowings. In addition, the Covid-19 pandemic presents a further risk in the current circumstances.

a) Adherence to banking covenants

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

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

b) Bank Guarantees

The charity provides guarantees to the Bank as disclosed in note 19 to the financial statements. After making enquiries of the trustees of the Trust, the Governors have a reasonable expectation that the Trust will have adequate resources to make the required capital and interest repayments to its bankers as and when they fall due.

c) Covid-19 pandemic

The Covid-19 pandemic resulted in the closure of the school for a period in 2019-20 and continues to provide operational challenges in 2020-21. Risks relating to Covid-19 persist either directly, through further partial or full closures of the school, or indirectly, through the future impact on the wider economy, and could result in consequences for fee income, pupil numbers and costs.

The charity has conducted a thorough financial review, including the production of detailed medium and long term forecasts with associated sensitivity analysis, and has concluded that sufficient headroom exists in cash and reserves for the going concern basis to be appropriate.

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

After consideration of the charity's own risks, and having received confirmation from the Trust that they are able to meet their financial obligations, the Governors believe that the charity is well placed to operate successfully in the future and that the banking covenants will be met. Accordingly, the Governors have determined that the financial statements should be prepared on a going concern basis.

Management of risk

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

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

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

The key controls used by the charity include:

- Formal written policies covering all aspects of school operations including keeping children safe in education, health and safety, staff recruitment and financial procedures, including bribery and corruption.
- Comprehensive strategic planning, revenue and capital budgeting, cash flow and management accounting, reporting and monitoring.
- Detailed tracking of pupil number movements weekly as well as annual recruitment forecasts.
- Annual review of key objectives in the Strategic Development Plan, including the results of pupils in public examinations.
- Termly review of strategic and operational risks including cyber threats.
- Compliance with statutory requirements and external guidelines as appropriate.
- Formal agendas and minutes for all Committee and Board activity.
- Clearly defined organisational responsibilities and limits of authority.
- Clear authorisation and approval levels.

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

Employment and employee engagement

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

Diversity

GSAL's commitment to promoting equality and valuing diversity is outlined in its Equality and Diversity policy within the Staff Employment Manual. The policy describes how GSAL will comply with race relations legislation, the Sex Discrimination Act 1975, the Equality Act 2010 and the Disability Discrimination Act 1995.

Remuneration

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

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

Disabled employees

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

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable objects

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

Public benefit aims and intended impact

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

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

Our pastoral system – widely regarded as a model of excellence and recognised as such by Independent Schools Inspectorate (ISI) inspection – promotes and rewards good social skills and consideration for others. As a result, friendships formed at GSAL often endure for many years and unite nationalities and cultures.

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

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

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

Partnerships with local schools and organisations

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

Our partners include:

- Ilkley Literature and Milim Literature Festivals to increase access to leading literature festivals.
- Leeds City Museum to provide free family fun days during the school holidays.
- Otley Science Festival to inspire children about the wonders of science.
- Leeds Catholic Schools' Partnership and the White Rose Academy chain to raise aspirations and provide opportunities for young people.
- A joint Combined Cadet Force with Bishop Young Community Academy.
- White Rose and Yorkshire Schools' Teaching Alliances to support teacher training and development.
- LEAP (Leeds Enterprise and Advisory Programme) to develop students enterprise skills.
- Kamuzu Academy, Malawi whereby we collaborate on a range of projects.

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

These partnerships and our school outreach programme enable the school to deliver activities to over 2,000 children and young people a year drawn from across Leeds, West and North Yorkshire take part in high quality cross-curricular activities. Events include maths and science workshops, arts performances and access to our higher education and careers support. One of our outreach projects saw its first graduate secure a place at Cambridge University to study history. We have also established a Young Scholars Network to raise aspirations and help to build the 'cultural capital' of over 100 year 10 gifted and talented pupils who are in receipt of free school meals. We also provide specific support and assistance through our student volunteers.

Our facilities are available for use by community groups, charities, educational organisations and businesses. Recent activities have included a summer sports camp for a local senior school to help prepare their students prepare for returning to school following the lockdown, guest lectures delivered by Zoom open to the public and a collection of unbranded school uniform which was distributed to children across the city. This year also saw the formal opening of our 3G pitch by Eddie Jones the England Rugby Coach who ran a training session for the junior sections of local rugby clubs.

We are also active supporters of Leeds Community Foundation, Child Friendly Leeds, West and North Yorkshire Chamber of Commerce, who like the school are committed to ensuring that Leeds is an economically successful and compassionate city.

Due to the COVID-19 pandemic our art & design technology (ADT) department produced thousands of pieces of PPE which were distributed to hospitals, doctor surgeries and nursing homes across the country.

Principal activities of the year

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

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

Review of progress in the year against the whole school development plan

Our operational objectives are set to reflect our charitable purpose, our educational mission, and our ethos. 2019-20 saw the commencement of the first year of our new three-year whole school development plan. The forthcoming academic year aims to build on the results achieved this year.

Key achievements from the 2019-2022 whole school development plan

- **Mission and vision;** progress has continued to be made against our aim of providing the most inspiring and successful educational experience. The relocation of Rose Court to the Alwoodley Gates site has created an age 3-18 all through school on one campus. We received the highest possible rating of 'excellent' following a full inspection by the Independent Schools Inspectorate (ISI) in November and we were also named the Sunday Times North Independent School of the Year for 2020 in the same week.
- **Teaching and learning;** with the new age 3 – 11 years Primary School on one site, the curriculum was completely redesigned to ensure a coherent development of skills and knowledge through the primary phase and provide greater opportunities to develop higher order thinking and questioning. With the final roll-out of 1-1 devices in Senior School, further developments to enhance the use of technology were introduced (which proved essential when lockdown struck).
- **Pastoral and co-curricular;** the school successfully rolled out its new pastoral approaches to students based on the concept of THINK (when you want to say or do something, is it **T**True, **H**elpful, **I**nspiring, **N**ecessary, **K**ind). The Student Support Services area and use of school counsellors continued to develop and provided a huge resource to parents and pupils, with an additional nurse appointed to further improve the coverage on site and at weekends.
Although the co-curricular programme was disrupted by COVID-19, work has continued on developing the range and breadth of activities and opportunities, helped by a new structure in the Music department and the new 3G pitch for sport.
- **Staff;** the Executive Leadership Team has been embedded with the two new Vice Principals having started in September 2019 whilst the Primary School has been restructured following the relocation of Rose Court. The staffing structure in Primary School has been completely redesigned, including a new Senior

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

Leadership Team. Our staff wellbeing and professional development initiatives have continued to progress during the year.

- **School culture and external relations;** initial scoping work has taken place to review and streamline both internal and external communications. Significant progress has been made on recruitment and retention of pupils, driven partly by the quality of our new Primary School and our single site offer, together with the strength of our online teaching provision.
- **Capital investments, operational resources and investments;** we successfully relocated Rose Court to the Alwoodley Gates site, completing all of the required redevelopment work as planned in time for the start of the 2020-21 academic year. The challenges of COVID-19 cut short some excellent progress on the green agenda and, beyond that, necessitated continual updates to our financial and operational scenario planning. Progress continued to be made with our IT systems and infrastructure during the year.

Objectives for the coming year

The key objectives from the 2019-22 development plan for 2020-21 are summarised below:

Mission & Vision

- Uphold the aims of the school's strategic review, ethos and values, providing the most inspiring and successful educational experience.

Teaching & Learning

- To ensure that assessment and monitoring is used coherently, clearly and consistently across the school to inform and improve teaching & learning and enable staff, students and parents to better measure and monitor student progress.
- To review 6th form structure and provision to maximise quality and appeal of the GSAL offer.
- To develop a new, whole school approach to sport and wellbeing.

Pastoral & Co-Curricular

- To continue to develop pastoral focus, including safeguarding training and best practice, the wellbeing agenda, counselling service, support for children as individuals.
- Pupil voice: to make best use of student leadership and representatives across the school to ensure effective, on-going dialogue and feedback to make a positive change for students.
- To ensure that GSAL is a kind and respectful school from age 3-18 with the highest standards of behaviour and care for all, evident at all times.

Staff

- To continue to develop the programme for staff wellbeing so that GSAL is known to be a positive and edifying environment to work and grow professionally. To build a sense of team that sees staff as a part of the whole, support and teaching staff working together and equally valued.
- To maintain strong and positive staff morale and sense of belonging through turbulent times from external threats facing the sector, e.g. cost of Teachers' Pension Scheme, review of Business Rates and other political pressures with budgetary implications.

School Culture & External Relations

- To promote the development strategy to include improved alumni relations and increased fundraising capacity to meet objectives of strategic review.
- To improve recruitment and retention of pupils.
- To streamline and improve parent communications via a parent app.

Capital Investments, Operational Systems and Resources

- To improve the healthy eating options in school for staff and pupil wellbeing.

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

- To develop GSAL into a green school, ensuring the resources available to us are used in a socially responsible manner.

Grant-making policy

While authority to provide additional funds to support bursaries rests with the Governing Body, the discretionary distribution of those funds rests with the Principal in accordance with agreed criteria and procedures.

All applicants are assessed according to means and bursary provision awarded according to a common means-tested scale.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Section 172(1) statement

The Governors recognise the importance of their governance structure in supporting the operational performance and long term success and sustainability of the school. Details of the training and governance structure are included within section 'structure, governance and management', the details of which can be found on page 4, and details of how the school engages with other key stakeholders is included within the relevant section of the Governors' Report.

Operational performance

The academic year 2019-20 was a challenging year, which included many successes, but one which was ultimately overshadowed by the COVID-19 pandemic.

COVID-19 pandemic

In line with Government policy, the school closed on 20 March 2020 to all pupils with the exception of key worker children. GSAL responded by switching to remote learning to enable pupils to continue their education virtually, with timetabled lessons via video link, bespoke video content, remote work setting and marking and scheduled form times to provide pastoral as well as academic support. The provision was especially strong in the senior school where all pupils are provided with a 1-2-1 laptop as standard.

As of 1 June 2020, GSAL welcomed back Nursery, Reception, Year 1 and Year 6 in line with government advice for the remainder of the summer term whilst Year 10 and Year 12 were invited to attend a proportion of lessons in person from 15 June 2020.

In addition to this, the school also provided holiday childcare provision free of charge for key worker children during the Easter and half term breaks and significantly contributed to the cost of provision over the summer holidays.

COVID-19 has presented significant operational challenges during the year. This has included running a physical school for key worker children and restricted year groups whilst simultaneously running a virtual school for all other pupils along with having to implement the additional health and safety measures required to keep our staff and pupils safe. All of these factors have had a significant financial impact on the year, which is covered in the financial review and results for the year section.

We recognise that this has been a very difficult and testing time for our parents and we are extremely grateful for the support that they have continued to show the school.

Sale of Rose Court

The Rose Court site, which accommodated our children from nursery to year 2, was sold to Leeds City Council on 20 July 2020. It will be retained for educational purposes in the city, providing much needed additional places for children with special educational needs from 2021, which is particularly pleasing as it is in line with our stated objectives.

The sale proceeds have been reinvested in the Alwoodley Gates site, which has been redeveloped to accommodate the additional children from Rose Court. This included the creation of a newly refurbished and expanded state of the art primary school. Despite the challenges of COVID-19, all works were completed in time for the start of the 2020-21 academic year. GSAL is now an all through school located on a single site, achieving one of our key strategic objectives.

Inspection and awards

Following a full inspection by the Independent Schools Inspectorate (ISI) in November 2019, GSAL received the highest possible rating of 'excellent'. The full inspection, covering compliance and educational quality, assesses every

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

aspect of the school from nursery through to sixth form. The report highlighted the pupils' exceptional personal development, behaviour and positive attitude, as well as their academic and co-curricular attainment.

In addition to this, GSAL was named The Sunday Times North Independent Secondary School of the Year, where it was described as "an outstanding school that serves the children of Leeds and the surrounding area well, offering myriad opportunities to succeed, learn and acquire skills that will benefit them throughout life".

Exam performance

Although awarded under different circumstances this year, exam results still reflect the efforts of our hardworking pupils and dedicated staff. Out of an A-Level student cohort of 170, 90% of grades achieved were A* to B. 92% of students progressed to higher education and 76% of students achieved places at Russell Group universities with nine students obtaining Oxbridge places. 12 students secured places on highly selective courses for medicine, dentistry or veterinary sciences.

From a cohort of 198 GCSE students, 56% of students achieved grades of 7 (formerly grade A) or above in every subject, including eight who secured the highest possible grade in every subject. Individually, in 2020, 54% of the GCSE grades were at an 8 or above, more than three times the national average.

Co-curricular, sporting and academic achievements

Despite opportunities being reduced by COVID-19, 2019-20 still saw another year of individual and team successes across many areas, both within and outside GSAL. Highlights included:

- The GSAL netballers won recognition at the Leeds Sports Awards; following their success at the inaugural World Schools Netball Cup last June, the teams were shortlisted in the School Sport category of the Leeds Sports Awards, and were thrilled to be named award winners at a glittering awards ceremony in the First Direct Arena.
- Language students have shown winning ways in three competitions during the year. A Year 13 pupil won a translation competition run by Manchester Metropolitan University's Languages, Linguistics and ESOL department, competing against Spanish A-level students from over 20 other schools around the UK. The same pupil earned a bronze certificate at the Linguistics Olympiad (Advanced Level) with a fellow Year 13 pupil achieving silver. A third Year 13 pupil was awarded a Juvenes Translatores special mention diploma, in a year in which only 271 out of the 3,116 participants were recognised for the quality of their translations.
- A student-led fundraiser raised over £5,000 for the relief of people affected by the earthquake in Kashmir last September. Concerned at the plight of thousands in the disaster-hit region, the school's Muslim faith leaders decided to organise a fun family event, with all proceeds in aid of the charity Penny Appeal.
- A Year 12 pupil spent money awarded through the prestigious Arkwright Engineering Scholarship on a 3D printer to enable production of personal protective equipment (PPE) for frontline NHS workers to use throughout the pandemic.

Co-curricular, sporting and academic achievements are celebrated regularly within school and at the annual speech days and prize giving ceremonies. Further details can be obtained from the school's website www.gsal.org.uk and in the GSAL Life and Memento publications.

Bursary support

During the year, we provided some form of financial assistance to 303 pupils amounting to £1,799k, equivalent to 7.0% of fees receivable (see note 14). Of this, 117 means-tested fee bursaries, at an average value of 79% of the senior school fee, were awarded totalling £1,365k, analysed as follows:

- 39 (33.3%) at 100% of the fee
- 44 (37.6%) between 75% and 99% of the fee
- 18 (15.4%) between 50% and 74% of the fee
- 15 (12.8%) between 25% and 49% of the fee
- 1 (0.9%) below 25% of the fee

Of the total £1,799k of assistance, £370k of temporary financial support grants were awarded to 155 pupils and scholarships and music awards totalling £64k were awarded to 31 pupils.

Fundraising Performance

Members of GSAL's staff and student body organise various fundraising events and co-ordinate a variety of activities both within the school and the wider community to raise funds for an array of charitable cases throughout each year.

**THE GRAMMAR SCHOOL AT LEEDS
ANNUAL REPORT AND FINANCIAL STATEMENTS 2020**

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

The school does not use any professional fundraisers or involve commercial participators in its fundraising efforts. GSAL is registered with the Fundraising Regulator and, as a result, has signed up to the Code of Fundraising Practice. No complaints have arisen this year with regards to the school's fundraising activity. All marketing/advertisement of events and activities is overseen by the External Relations department to ensure that it is not unreasonably intrusive or persistent.

It is appropriate to record appreciation for many individual and corporate donations that the school has received during the year. Donations towards the bursary provision have been received from the three Leeds Grammar School and Leeds Girls' High School Foundation Award funds (£367k in total) and an individual family donation (£45k).

Other restricted funds include weekly donations and collections from pupils (Seniors £17k; Juniors £7k; Rose Court £2k), for local and national charities, and £3k was raised through sales and fundraising events in the year for Malawi.

Over £26k was raised for charity by pupils through a wide variety of fundraising events. Details of the donations made during the year are included in the additional information section at the end of these financial statements.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

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

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	2019/20
Energy consumption used to calculate emissions (kWh)	6,601,327
Energy consumption break down (kWh):	
<ul style="list-style-type: none"> • gas • electricity • transport fuel 	
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	868
Owned transport – mini-buses	5
Total Scope 1	874
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	432
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	1.44
Total gross emissions in metric tonnes CO2e	1307
Intensity ratio Tonnes CO2e per pupil	0.64

Quantification and reporting methodology

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

Intensity measurement

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

THE GRAMMAR SCHOOL AT LEEDS

ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

Measures taken to improve energy efficiency

During the year we have implemented a building management system (BMS) which allows us to control the temperature in areas of the school on an individual basis versus supporting a continuous temperature throughout. We have removed circa. 200 fluorescent lights and replaced them with LED fittings which consume approximately 1/3rd of the amount of power required to support the old fittings. Our swimming pool has undergone some plant replacement and we have undertaken a process of lagging our heating pipes to improve efficiency. The sale of Rose Court in July 2020 means we will now operate from one single site, reducing gas and electricity usage as well as removing the need for travel between sites.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

2019-20 was an unusual year with the underlying financial performance being impacted by a combination of the sale of Rose Court and the Covid-19 pandemic.

Consolidated net income before transfers for the year was **£2,205k** (2019: £682k). This comprised an underlying deficit of **(£795k)** which was offset by the **£3,000k** one off receipt in respect of the sale of the Rose Court property in Headingley. The majority of this receipt was reinvested in capital and associated expenditure to redevelop of the Alwoodley Gates site in order to accommodate the relocation of the children from Nursery to Year 2 to Alwoodley Gates.

The underlying deficit of **(£795k)** was materially influenced by Covid-19. Some of the key items contributing to the deficit were:

- Fee remissions provided to parents in respect of the summer term of **(£1,405k)**
- Temporary support grants awarded to assist parents experiencing temporary financial hardship of **(£370k)**
- Support received as a result of furloughing appropriate staff via the Government's Coronavirus Job Retention Scheme of **£925k**
- Further operational cost savings being exceeded by losses to catering, transport and facilities hire income, whilst the school was closed.

In 2019-20, the school provided additional support to parents of **£1,775k** through fee remissions and temporary financial support. This additional support was in excess of the cost savings generated during the school closure period and represented a significant net cost in the financial year.

In line with our charitable objectives, GSAL provided **£1,799k** (2019: £1,391k) of bursary, scholarship and temporary financial hardship support to parents in 2019-20, the equivalent of 7.28% of gross fee income. This included an additional contribution from the school of **£985k** (2019: £576k) to support restricted funds over and above the **£402k** (2019: £388k) transfer required by the Memorandum and Articles, representing 2% of Senior School fees.

In total, the school provided support to parents of **£3,204k** through a combination of fee remissions, bursaries, scholarships and temporary financial assistance in the academic year 2019-20.

After these transfers total funds carried forward were **£12,678k** (2019: £10,473k), split between unrestricted funds **£12,610k** and restricted funds **£68k**.

Reserves policy

Notes 15 and 16 to the financial statements show movements on the unrestricted funds and the assets and liabilities attributable to the unrestricted funds respectively.

Unrestricted funds amount to **£12,610k** of which **£4,440k** is invested in fixed assets and **£760k** is the GSAL proceeds of the sale of Rose Court.

£7,410k is uncommitted reserves, though this is funded through long-term debtors of **£5,632k**. These debts are considered to be recoverable, but do not represent liquid reserves available to spend.

The Governors have determined that the appropriate minimum level of free revenue reserves held should be one terms' expenditure on salaries, approximately **£5.6m**. Total free reserves currently exceed this level, at **£7.4m** (2019: **£6.8m**)

THE GRAMMAR SCHOOL AT LEEDS ANNUAL REPORT AND FINANCIAL STATEMENTS 2020

GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)

and thus have met the requirement. Excess free reserves above the minimum are currently being held due to the ongoing uncertainty surrounding the Covid-19 pandemic.

Investment powers and policy

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

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the trustees and directors of The Grammar School at Leeds for the purposes of charity and company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Governors are required to:

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

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

In so far as the Governors are aware:

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

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

AUDITOR

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

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



A M Martin

Chairman

26 November 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL AT LEEDS

Opinion

We have audited the financial statements of The Grammar School at Leeds for the year ended 31 August 2020 which comprise the consolidated statement of financial activities (incorporating income and expenditure account), the consolidated balance sheet, the charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including 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 affairs of the group and the parent charitable company as at 31 August 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE GRAMMAR SCHOOL AT LEEDS

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

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

In preparing the financial statements, the Governors are responsible for assessing the group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

Use of our report

This report is made solely to the charitable company's members and the Governors, 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 and Governors 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, the charitable company's members and Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

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

Chartered Accountants Harrogate

Statutory Auditors

Date: 17 December 2020

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

THE GRAMMAR SCHOOL AT LEEDS
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (incorporating income and expenditure account)
Year ended 31 August 2020

	Note	Unrestricted funds £'000	Restricted funds £'000	Total funds 2020 £'000	Total funds 2019 £'000
INCOME FROM:					
<u>Charitable activities – education:</u>					
Tuition fees		24,726	-	24,726	25,483
Other income	2	2,219	-	2,219	1,595
		26,945	-	26,945	27,078
Other trading activities - trading income		228	-	228	423
Donations - general		-	445	445	577
Donations – Rose Court sale proceeds		-	2,240	2,240	-
Investments		195	-	195	198
Other income – surplus on sale of Rose Court		760	-	760	-
TOTAL INCOME		28,128	2,685	30,813	28,276
EXPENDITURE ON:					
Raising funds:					
Trading expenditure		(1,173)	-	(1,173)	(1,266)
Charitable activities - education:					
Education and grant making	7	(25,409)	(2,026)	(27,435)	(26,328)
TOTAL EXPENDITURE		(26,582)	(2,026)	(28,608)	(27,594)
NET INCOME		1,546	659	2,205	682
Transfers between funds:					
Transfer to Expendable Bursary & Hardship Fund	3	(402)	402	-	-
Additional Transfer to Expendable Bursary & Hardship Fund	3	(985)	985	-	-
Transfer to unrestricted – Rose Court		2,044	(2,044)	-	-
NET MOVEMENT IN FUNDS	4	2,203	2	2,205	682
RECONCILIATION OF FUNDS:					
Total funds brought forward		10,407	66	10,473	9,791
Net movement in funds for the year		2,203	2	2,205	682
TOTAL FUNDS CARRIED FORWARD	14,15,16	12,610	68	12,678	10,473

All income and expenditure derives from continuing operations.

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

See note 22 for comparative Consolidated Statement of Financial Activities analysed by fund.

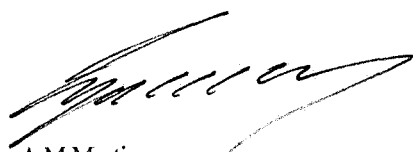
THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED AND CHARITY BALANCE SHEETS

At 31 August 2020

		Group		Charity	
	Note	2020	2019	2020	2019
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	8	2,479	2,801	2,459	2,778
Assets under construction	9	1,961	553	1,961	553
Investments	10	25	25	25	25
		4,465	3,379	4,445	3,356
CURRENT ASSETS					
Stocks		18	13	16	11
Debtors due within one year	11	1,974	1,740	2,190	1,766
Debtors due after one year	11	5,632	5,632	5,632	5,632
Bank balances and cash		14,790	12,718	14,470	12,598
		22,414	20,103	22,308	20,007
CREDITORS: amounts falling due within one year	12	(13,740)	(12,612)	(13,614)	(12,493)
NET CURRENT ASSETS		8,674	7,491	8,694	7,514
TOTAL ASSETS LESS CURRENT LIABILITIES		13,139	10,870	13,139	10,870
CREDITORS: amounts due after more than one year	13	(461)	(397)	(461)	(397)
NET ASSETS		12,678	10,473	12,678	10,473
FUNDS					
Restricted funds	14	68	66	68	66
Unrestricted funds	15	12,610	10,407	12,610	10,407
TOTAL FUNDS	16	12,678	10,473	12,678	10,473

These financial statements of The Grammar School at Leeds, Company Registration Number 03075826 were approved by the Governing Body and authorised for issue on 26 November 2020 and signed on their behalf by:



A M Martin

Chairman

THE GRAMMAR SCHOOL AT LEEDS

CONSOLIDATED CASH FLOW STATEMENT

Year ended 31 August 2020

	<u>Note</u>	<u>2020</u> <u>£'000</u>	<u>2019</u> <u>£'000</u>
Net cash flows from operating activities	A	2,784	1,604
Cash flows from investing activities:			
Interest Received		195	198
Purchase of tangible fixed assets		(1,667)	(1,445)
Sale of tangible fixed assets		760	-
		<hr/>	<hr/>
Increase in cash and cash equivalents in year		2,072	357
Cash and cash equivalents at beginning of year		12,718	12,361
		<hr/>	<hr/>
Cash and cash equivalents at end of year		<u>14,790</u>	<u>12,718</u>

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

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

	<u>2020</u> <u>£'000</u>	<u>2019</u> <u>£'000</u>
Net incoming resources	2,205	682
Interest receivable	(195)	(198)
(Profit)/Loss on disposal of fixed asset	(706)	2
Depreciation	527	434
(Increase)/Decrease in stocks	(5)	7
Increase in creditors <1yr	1,128	425
Increase/(Decrease) in creditors >1yr	64	(97)
(Increase)/Decrease in debtors	(234)	349
	<hr/>	<hr/>
Net cash inflow from operating activities	<u>2,784</u>	<u>1,604</u>

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Company and charitable status

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

The charity is a registered charity. The registered office is given on page 2.

Basis of accounting

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

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

The principal accounting policies are summarised below.

Preparation of financial statements – going concern basis

- a) The principal financial risk facing the charity is a reduction in income if there were to be a reduction in pupil numbers.

This risk is being addressed through preparation of detailed financial forecasts and sensitivity analyses, which demonstrate that the charity will continue to generate acceptable levels of cash. Pupil numbers are monitored closely throughout the year, including the mix of pupils between school sections, forecasts of future numbers and analysis of demographic trends in the local population. The charity actively markets the school to new pupils in order to generate interest and potential applications, thus helping to preserve and grow pupil numbers, as well as identifying potential leavers and addressing any concerns these may have in order to increase retention of pupils, particularly at potential break points in the school.

After consideration of the charity's business risks, the Governors believe that the charity is well placed to operate successfully in the future.

- b) Bank Guarantees given in respect of third parties

The charity has provided guarantees under a Senior Facility Agreement and a Bridging Loan Agreement between the Royal Bank of Scotland (the Bank) and the LGS General Charitable Trust (the Trust) as disclosed in note 19 to the financial statements. The facility agreements embody covenants both for the charity and the Trust.

After making enquiries of the trustees of the Trust, the Governors have a reasonable expectation that the Trust will have adequate resources to make the required capital and interest repayments to its bankers as they fall due and that the associated covenants will be met.

- c) Covid-19 pandemic

The Covid-19 pandemic resulted in the closure of the school for a period in 2019-20 and continues to provide operational challenges in 2020-21. Risks relating to Covid-19 persist either directly, through further partial or full closures of the school, or indirectly, through the future impact on the wider economy, and could result in consequences for fee income, pupil numbers and costs.

The charity has conducted a thorough financial review, including the production of detailed medium and long term forecasts with associated sensitivity analysis, and has concluded that sufficient headroom exists in cash and reserves for the going concern basis to be appropriate.

In accordance with the above considerations, the Governors have determined that the financial statements should be prepared on a going concern basis.

Basis of consolidation

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

A separate Statement of Financial Activities (incorporating Income and Expenditure Account) for the charity has not been presented, because the group has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Income

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

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

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

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

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

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

Expenditure

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

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

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

Fund accounting

The charity maintains the following funds:

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

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

Fixed assets and depreciation

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

Vehicles	4 years
Plant and machinery	7 years
Office and computer equipment	3 years
Furniture and fixtures	10 years

The school buildings at Alwoodley are the property of the LGS General Charitable Trust. The land at Alwoodley is the property of the Leeds Grammar School and Leeds Girls' High School Foundation. The Governors are required to maintain the fabric of the buildings under the terms of the leases.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

Investments

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

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

Stocks

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

Employee benefits

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

Operating leases

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

Financial instruments

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

The charity and group only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

2. OTHER INCOME (UNRESTRICTED)

	2020	2019
	£'000	£'000
School catering	787	1,111
Miscellaneous	123	104
Coronavirus Job Retention Scheme grant	925	-
Pupil transport	284	380
GTL other income	100	-
	<u>2,219</u>	<u>1,595</u>

Included within unrestricted income is £925k received under the Coronavirus Job Retention Scheme, which has been fully expended in the year on the wages and salaries of furloughed staff. The equivalent costs have been included within unrestricted expenditure.

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

3. TRANSFERS BETWEEN FUNDS

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

	2020	2019
	£'000	£'000
2% of Senior School Independent fees	402	388
Additional bursary transfer from GSAL unrestricted funds	985	576
Net proceeds of donation from sale of Rose Court transfer to unrestricted funds	(2,044)	-
	<u>(657)</u>	<u>964</u>

4. NET MOVEMENT IN FUNDS

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

	2020	2019
	£'000	£'000
(Profit)/loss on disposal of fixed assets	(706)	-
Depreciation - owned assets	527	434
Fees payable to the charitable company's auditor:		
For audit related assurance services	23	22
For other services - taxation & project advice	-	6
Rentals under operating leases - buildings	3,540	3,545
Rentals under operating leases - vehicles and equipment	475	532

The charity's net income for the year in accordance with the Companies Act 2006 was £2,205k (2019: £682k expenditure).

5. GOVERNING BODY REMUNERATION AND RELATED PARTY TRANSACTIONS

During the year, travel expenses necessarily incurred in attending meetings amounting to £1,430 (2019: £823) were reimbursed to five (2019: three) members of the Governing Body.

No governors were remunerated during the current or prior years.

The children of governors and staff that attend the school do so under normal commercial terms.

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

GSAL Transport Limited

Income to GSAL from GSAL Transport £51k donation under gift aid (2019: £1k)

Income to GSAL from GSAL Transport £10k in respect of support services provided (2019: £10k).

Expenditure paid by GSAL to GSAL Transport £986k in respect of transport services and advertising (2019: £1,014k).

A balance of £173k was owed to GSAL from GSAL Transport limited at 31 August 2020 (2019: £76k).

A balance of £0 was owed to GSAL Transport Limited from GSAL at 31 August 2020 (2019: £3k).

GSAL Enterprises Limited

Income to GSAL from GSAL Enterprises £101k donation under gift aid (2019: £172k)

Income to GSAL from GSAL Enterprises £1k in respect of the provision of consumables (food) for events (2019: £4k).

Expenditure paid by GSAL to GSAL Enterprises £10k in respect of the provision of consumables (drinks) for events (2019: £3k).

A balance of £101k was owed to GSAL from GSAL Enterprises limited at 31 August 2020 (2019: £62k).

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

6. INFORMATION REGARDING EMPLOYEES

	Consolidated		Charity	
	2020	2019	2020	2019
	No.	No.	No.	No.
Average headcount of persons employed				
Teachers	212	206	212	206
Support staff	241	235	223	216
	<u>453</u>	<u>441</u>	<u>435</u>	<u>422</u>
Average number of persons employed (full time equivalents)	No.	No.	No.	No.
Charitable activities:				
Teachers	185	192	185	192
Support staff	168	164	154	147
	<u>353</u>	<u>356</u>	<u>339</u>	<u>339</u>
Staff costs during the year:	2020		2019	
	£'000		£'000	
Wages and salaries	13,198		13,042	
Social security costs	1,288		1,230	
Pension costs	2,335		1,684	
	<u>16,821</u>		<u>15,956</u>	

During the year there were redundancy/termination payments made by the Charity which amounted to £0 (2019: £35,000). As at year end £0 (2019: £15,000) remained outstanding.

There were 14 staff (FTE) directly employed by the charity's subsidiaries in the year (2019: 17).

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

	No.	No.
£60,001 - £70,000	14	10
£70,001 - £80,000	4	3
£80,001 - £90,000	3	4
£110,001 - £120,000	2	-
£120,001 - £130,000	-	1
£140,001 - £150,000	1	1
£190,001 - £200,000	-	1
£220,001 - £230,000	1	-
	<u>25</u>	<u>20</u>

Of the above staff members, 21 (2019: 17) have benefits accruing under defined benefit pension schemes and 4 (2019: 3) had benefits accruing under the defined contribution scheme. Employer's contributions for the defined contribution scheme were £30k (2019: £24k).

The key management personnel of the parent charity, The Grammar School at Leeds ('GSAL'), are listed on page 2. The total employee benefits, including employer's national insurance and pension contributions, of the key management personnel of GSAL were £1,328k (2019: £1,318k).

The key management personnel of the group comprise those of GSAL and the key management personnel of its wholly owned subsidiaries GSAL Enterprises Ltd and GSAL Transport Ltd. There are not considered to be any key management personnel in either of the subsidiaries. The total employee benefits of key management personnel for the group were therefore £1,328k (2019: £1,318k).

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

7. ANALYSIS OF EDUCATION AND GRANT MAKING EXPENDITURE

	Staff Costs	Other Costs	Depreciation	Total 2020
<u>Direct costs</u>				
Teaching costs	13,551	895	-	14,446
Welfare costs	658	506	-	1,164
Premises	780	5,260	294	6,334
Non-teaching support costs	1,329	1,457	233	3,019
Bursaries, prizes and specific fund expenditure	-	2,026	-	2,026
<u>Support costs</u>				
Governance costs	46	193	-	239
Finance and other costs	-	207	-	207
Consolidated total	16,364	10,544	527	27,435

2019 Comparatives

	Staff Costs	Other Costs	Depreciation	Total 2019
	£'000	£'000	£'000	£'000
<u>Direct costs</u>				
Teaching costs	12,752	1,282	-	14,034
Welfare costs	605	629	-	1,234
Premises	718	5,171	257	6,146
Non-teaching support costs	1,355	1,435	177	2,967
Bursaries, prizes and specific fund expenditure	-	1,515	-	1,515
<u>Support costs</u>				
Governance costs	38	264	-	302
Finance and other costs	-	130	-	130
Consolidated total	15,468	10,426	434	26,328

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

8. FIXED ASSETS

Consolidated & Company	Vehicles	Plant & Machinery	Office & Computer Equipment	Furniture & Fixtures	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost							
At 1 September 2019	55	643	1,978	2,833	5,509	25	5,534
Additions	-	72	136	51	259	-	259
Disposals	-	(29)	(31)	(85)	(145)	-	(145)
At 31 August 2020	55	686	2,083	2,799	5,623	25	5,648
Accumulated depreciation							
At 1 September 2019	51	485	1,375	820	2,731	2	2,733
Charge for the year	1	39	229	255	524	3	527
Disposals	-	(27)	(15)	(49)	(91)	-	(91)
At 31 August 2020	52	497	1,589	1,026	3,164	5	3,169
Net book value							
At 31 August 2020	3	189	494	1,773	2,459	20	2,479
At 31 August 2019	4	158	603	2,013	2,778	23	2,801

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

9. ASSETS UNDER CONSTRUCTION

Consolidated & Company	Rose Court Relocation	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000
Cost				
At 1 September 2019	553	553	-	553
Additions	1,408	1,408	-	1,408
At 31 August 2020	1,961	1,961	-	1,961

The above assets were under construction at the year end and as such have not been depreciated.

10. INVESTMENTS HELD AS FIXED ASSETS

	Consolidated & Charity	
	2020	2019
	£'000	£'000
Market value at 1 September 2019 and 31 August 2020	25	25
Investments comprise the following:		
Investments listed on a UK stock exchange:		
Charity unit trusts	5	5
Cash deposits held as fixed asset investments	20	20
	25	25
Historical cost at 31 August 2020	24	24

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

11. DEBTORS AND PAYMENTS IN ADVANCE

	Consolidated		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Tuition fee debtors	21	48	21	48
Trade debtors	4	66	-	-
Other debtors	130	93	91	62
Amounts due from trading subsidiaries	-	-	274	138
Prepayments and accrued income	1,236	366	1,221	351
Rent paid in advance	583	1,167	583	1,167
	<u>1,974</u>	<u>1,740</u>	<u>2,190</u>	<u>1,766</u>
Amounts falling due after more than one year:				
Amounts due from LGS General Charitable Trust	2,990	2,990	2,990	2,990
Amounts due from LGS & LGHS Foundation	2,642	2,642	2,642	2,642
Rent paid in advance	-	-	-	-
	<u>5,632</u>	<u>5,632</u>	<u>5,632</u>	<u>5,632</u>

The loan due from LGS General Charitable carries a fixed rate of interest, is unsecured and is due for repayment no later than 31 December 2033 or by instalments commencing on 31 December 2021.

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

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Tuition fee payments received in advance	9,802	10,005	9,802	10,005
Trade creditors	1,318	547	1,229	450
Amounts owed to subsidiaries	-	-	-	3
Other taxes and social security costs	298	320	289	304
Other creditors	717	609	708	609
Acceptance deposits	26	40	26	40
Accruals	1,579	1,091	1,560	1,082
	<u>13,740</u>	<u>12,612</u>	<u>13,614</u>	<u>12,493</u>

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

	Consolidated & Charity	
	2020	2019
	£'000	£'000
Tuition fees payments received in advance	-	-
Acceptance deposits	461	397
	<u>461</u>	<u>397</u>

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

14. RESTRICTED FUNDS

In accordance with Statement of Recommended Practice "Accounting by Charities", the restricted funds of the charity comprise the following unexpended balances of funds for specific purposes:

	Expendable Bursary & Hardship Fund £'000	Lightwing & Headingley Funds £'000	Chapel Fund £'000	Rose Court Restricted Donation £'000	Specific Restricted Donations £'000	Total £'000
Consolidated & Charity						
Balance at 1 September 2019	-	16	5	-	45	66
Income	412	-	-	2,240	33	2,685
Expenditure	(1,799)	-	-	(196)	(31)	(2,026)
Transfer to unrestricted funds	-	-	-	(2,044)	-	(2,044)
Transfer from unrestricted funds	1,387	-	-	-	-	1,387
Balance at 31 August 2020	-	16	5	-	47	68

2019 Comparatives

	Expendable Bursary & Hardship Fund £'000	Lightwing & Headingley Funds £'000	Chapel Fund £'000	Rose Court Restricted Donation £'000	Specific Restricted Donations £'000	Total £'000
Consolidated & Charity						
Balance at 1 September 2018	-	16	6	-	69	91
Income	427	-	-	-	99	526
Expenditure	(1,391)	-	(1)	-	(123)	(1,515)
Transfer from unrestricted funds	964	-	-	-	-	964
Balance at 31 August 2019	-	16	5	-	45	66

The balances on the funds are included in the balance sheet under fixed asset investments and bank balances, as analysed in note 16.

All bursary transactions are accounted for through the Expendable & Hardship Bursary Funds. Bursaries paid out by GSAL amounted to £1,799k offset by donations from third parties and the Foundation Award Funds of £412k, with the balance being funded by transfers from GSAL unrestricted funds amounting to £1,387k.

Total specific restricted donations income of £33k includes monies received from the Malawi charity (£3k) and pupils' weekly charity collection (£26k). Specific restricted donations expenditure of £31k includes the donations to various charities from the pupils' weekly collections (£20k), to Malawi (£7k), plus other specific expenditure. This has resulted in net income for specific restricted donations of £47k.

The Rose Court restricted donation comprises of income of £2,240k received from the LGHS and LGS Foundation. This donation is equivalent to the remaining proceeds received by other parties in relation to the sale of the Rose Court site at Headingley. The use of the donation was restricted to the maintenance and development of the Alwoodley Gates site. Rose Court restricted expenditure of £196k included the costs associated with the relocation of Rose Court. The net proceeds of the sale of Rose Court (£2,044k) were transferred to GSAL unrestricted funds. These net proceeds have now been fully utilised in the development of the Alwoodley Gates site during 19/20 in order to facilitate and accommodate the Rose Court pupils into the Primary School.

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

15. UNRESTRICTED FUNDS

	Building Maintenance (Designated Fund)	School Reserve	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000	£'000
Consolidated & Charity					
Balance at 1 September 2019	270	10,137	10,407	-	10,407
Income	-	27,851	27,851	277	28,128
Expenditure	-	(26,406)	(26,406)	(176)	(26,582)
Transfer to restricted funds	-	(1,387)	(1,387)	-	(1,387)
Transfer from restricted funds	-	2,044	2,044	-	2,044
Transfer to school reserve	(270)	-	(270)	-	(270)
Transfer from designated fund	-	270	270	-	270
Transfer from trading companies	-	101	101	(101)	-
Balance at 31 August 2020	-	12,610	12,610	-	12,610

Included within unrestricted income is £925k received under the Coronavirus Job Retention Scheme, which has been fully expended in the year on the wages and salaries of furloughed staff. The equivalent costs have been included within unrestricted expenditure.

2019 Comparatives

	Building Maintenance (Designated Fund)	School Reserve	Charity Total	Trading Companies	Consolidated Total
	£'000	£'000	£'000	£'000	£'000
Consolidated & Charity					
Balance at 1 September 2018	270	9,430	9,700	-	9,700
Income	-	27,329	27,329	421	27,750
Expenditure	-	(25,830)	(25,830)	(249)	(26,079)
Transfer to restricted funds	-	(964)	(964)	-	(964)
Transfer from trading companies	-	172	172	(172)	-
Balance at 31 August 2019	270	10,137	10,407	-	10,407

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

16. ANALYSIS OF ASSETS AND LIABILITIES BETWEEN FUNDS

	Fixed Assets and investments £'000	Debtors due in more than one year £'000	Current assets £'000	Current liabilities £'000	Long term liabilities £'000	Total £'000
Restricted funds						
Expendable Bursary & Hardship Fund	-	-	-	-	-	-
Lightwing & Headingley Funds	20	-	-	(4)	-	16
Chapel Fund	5	-	-	-	-	5
Specific Restricted Donations	-	-	47	-	-	47
	<u>25</u>	<u>-</u>	<u>47</u>	<u>(4)</u>	<u>-</u>	<u>68</u>
Unrestricted funds						
School Reserve	4,440	5,632	16,735	(13,736)	(461)	12,610
Building Maintenance Fund	-	-	-	-	-	-
	<u>4,440</u>	<u>5,632</u>	<u>16,735</u>	<u>(13,736)</u>	<u>(461)</u>	<u>12,610</u>
Consolidated total	<u>4,465</u>	<u>5,632</u>	<u>16,782</u>	<u>(13,740)</u>	<u>(461)</u>	<u>12,678</u>

2019 Comparatives	Fixed Assets and investments £'000	Debtors due in more than one year £'000	Current assets £'000	Current liabilities £'000	Long term liabilities £'000	Total £'000
Restricted funds						
Expendable Bursary & Hardship Fund	-	-	-	-	-	-
Lightwing & Headingley Funds	20	-	-	(4)	-	16
Chapel Fund	5	-	-	-	-	5
Specific Restricted Donations	-	-	45	-	-	45
	<u>25</u>	<u>-</u>	<u>45</u>	<u>(4)</u>	<u>-</u>	<u>66</u>
Unrestricted funds						
School Reserve	3,354	5,632	14,156	(12,608)	(397)	10,137
Building Maintenance Fund	-	-	270	-	-	270
	<u>3,354</u>	<u>5,632</u>	<u>14,979</u>	<u>(12,608)</u>	<u>(397)</u>	<u>10,407</u>
Consolidated total	<u>3,379</u>	<u>5,632</u>	<u>14,471</u>	<u>(12,612)</u>	<u>(397)</u>	<u>10,473</u>

17. TAXATION

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

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

18. EMPLOYEE RETIREMENT BENEFITS

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2,013k (2019: £1,396k) and at the year-end £212k (2019 - £185k) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The school also contributes to two group personal pension plans for support staff, the costs of which are also charged directly to the statement of financial activities.

The total pension costs are broken down as follows: -

	2020	2019
	£'000	£'000
Teachers	2,129	1,486
Support staff	188	183
	<u>2,317</u>	<u>1,669</u>

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

19. CONTINGENT LIABILITIES

Under a loan agreement entered into in July 2016 between the Royal Bank of Scotland plc (the Bank) and the LGS General Charitable Trust (the Trust) the charity has provided the following securities: -

- a guarantee in respect of all liabilities without limit from time to time due and owing to the Bank by the Trust
- a debenture containing fixed and floating charges over all of its assets as security for all liabilities without limit from time to time due and owing to the Bank
- a first-party first legal charge in respect of the Alwoodley sublease
- a deed of sub-ordination subordinating the loan to the Trust to the indebtedness of the Bank.

At 31 August 2020, the liabilities of the Trust to the bank amounted to **£33,380,464** (2019: £34,712,709).

20. INVESTMENT IN SUBSIDIARIES

	2020 £	2019 £
Investment in subsidiaries at cost	3	3

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

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

GSAL Enterprises Ltd - financial summary	2020 £'000	2019 £'000
Turnover	138	222
Cost of sales	(18)	(25)
Gross profit	120	197
Admin expenses	(19)	(25)
Operating profit	101	172
Donation to GSAL	(101)	(172)
Result for the financial year	-	-

Assets	111	81
Liabilities	(111)	(81)
Funds	-	-

GSAL Transport Ltd - financial summary	2020 £'000	2019 £'000
Turnover	1,189	1,223
Cost of sales	(1,100)	(1,175)
Gross profit	89	48
Admin expenses	(38)	(47)
Operating profit	51	1
Donation to GSAL	(51)	(1)
Result for the financial year	-	-

Assets	289	179
Liabilities	(289)	(179)
Funds	-	-

THE GRAMMAR SCHOOL AT LEEDS
NOTES TO THE FINANCIAL STATEMENTS

21. OPERATING LEASES COMMITMENTS

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

	2020		2019	
	Land and buildings	Other	Land and buildings	Other
	£000	£000	£000	£000
Group				
- within one year	3,500	267	3,545	367
- between one and five years	14,000	152	14,180	456
- after five years	158,667	-	163,070	-
	<u>176,167</u>	<u>419</u>	<u>180,795</u>	<u>823</u>
Charity				
- within one year	3,500	267	3,545	367
- between one and five years	14,000	152	14,180	456
- after five years	158,667	-	163,070	-
	<u>176,167</u>	<u>419</u>	<u>180,795</u>	<u>823</u>

The lease of land and buildings relate to a long term rental commitment that expires in 2070.

THE GRAMMAR SCHOOL AT LEEDS

NOTES TO THE FINANCIAL STATEMENTS

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

Year ended 31 August 2019

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000
INCOME FROM:			
<u>Charitable activities – education:</u>			
Tuition fees	25,483	-	25,483
Other income	1,595	-	1,595
	<u>27,078</u>	<u>-</u>	<u>27,078</u>
Other trading activities - trading income	423	-	423
Donations	51	526	577
Investments	198	-	198
	<u>27,750</u>	<u>526</u>	<u>28,276</u>
TOTAL INCOME			
EXPENDITURE ON:			
Raising funds:			
Trading expenditure	(1,266)	-	(1,266)
Charitable activities - education:			
Education and grant making	(24,813)	(1,515)	(26,328)
	<u>(26,079)</u>	<u>(1,515)</u>	<u>(27,594)</u>
TOTAL EXPENDITURE			
NET INCOME/(EXPENDITURE)	1,671	(989)	682
Transfers between funds:			
Transfer to Expendable Bursary & Hardship Fund	(388)	388	-
Additional Transfer to Expendable Bursary & Hardship Fund	(576)	576	-
NET MOVEMENT IN FUNDS	<u>707</u>	<u>(25)</u>	<u>682</u>
RECONCILIATION OF FUNDS:			
Total funds brought forward	9,700	91	9,791
Net movement in funds for the year	707	(25)	682
TOTAL FUNDS CARRIED FORWARD	<u>10,407</u>	<u>66</u>	<u>10,473</u>

THE GRAMMAR SCHOOL AT LEEDS

ADDITIONAL INFORMATION NOT FORMING PART OF THE FINANCIAL STATEMENTS

The additional information, which comprises charitable donations paid by The Grammar School at Leeds for 2018/19 and 19/20 has been prepared from the accounting records of the charity. While it is unaudited and does not form part of the statutory financial statements, it should be read in conjunction with them and the independent auditor's report thereon.

This schedule shows donations paid during the year and so includes funds raised in 2018/19 but not paid until 2019/20 and excludes funds raised in 2019/20 not paid by the year end, which are held within restricted funds pending payment in 2020/21.

THE GRAMMAR SCHOOL AT LEEDS

ADDITIONAL INFORMATION NOT FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE OF CHARITABLE DONATIONS PAID DURING THE YEAR

	<u>2020</u>	<u>2019</u>
	£	£
SENIOR SCHOOL		
ALL Dog and Cat Rescue		310
Be A Hero		950
Bone Cancer Trust	479	-
Brain Tumour Research		300
Breast Cancer Now		520
C-R-Y	421	-
Cancer Research Leeds	1,106	357
Candlelighters		170
Carlton Lodge	233	-
Children in Need	560	890
Comic Relief		2,385
Danby Rovers	310	300
Dementia UK		370
Disasters Emergency Committee		1,391
Focus4Hope		-
Forever Angels	325	340
Foundation Leeds		220
Friends of A Martin		310
Friends of Grahamstown & District Development		4,302
Gareth Dunn		1,434
Ghurkha Welfare Trust	221	300
Guide Dogs For The Blind	355	-
Homeless Street Angels	340	-
Leeds Lymphoma		460
Macmillan Cancer Care	1,843	1,573
Malawi	6,590	13,478
Marie Curie		259
Marketplace		160
Martin House	200	505
Mary's Meals	814	-
MENCAP		280
Mercury Phoenix	132	-
Mind		428
Moor Allerton Elderly Care	250	-
Muscular Dystrophy Campaign		4,384
My Name's 5 Daddie		1,016
One Sky Foundation		278
Otley and Dales Riding for the Disabled		230
Oxfam	365	385
PAFRAS		117
Parkinsons UK	125	-
PICU		155
Prostate Cancer	220	-
Read For Good	468	-
Readathon		1,065
RNIB		345
Royal British Legion	454	866
Samaritans		138
Save The Children		890
Simon On The Streets	368	-
Sinclair Davidson		245
Spinal Injuries	300	-
SportsAid		540
St Gemma's Hospice	335	5,845
SVP Children's Camps		1,000
Team Rubicon UK	410	-
Teenage Cancer Trust	345	-

THE GRAMMAR SCHOOL AT LEEDS

ADDITIONAL INFORMATION NOT FORMING PART OF THE FINANCIAL STATEMENTS

	<u>2020</u>	<u>2019</u>
The Stroke Association		246
Vision Romania		87
Winstons Wish		230
WWF	2,378	-
Yorkshire Air Ambulance		152
Yorkshire Cancer Research		246
	<hr/> 19,947	<hr/> 50,452
JUNIOR SCHOOL		
Children in Need	5,913	1,435
Jeans for Genes	-	364
Leeds Cares	-	3,811
Martin House	-	150
NSPCC	-	89
PhysCap	-	110
Yorkshire Air Ambulance	-	105
	<hr/> 5,913	<hr/> 6,064
ROSE COURT		
Children in Need	367	292
Felicia's Courage	-	150
Macmillan Cancer Support	245	-
NSPCC	97	122
Save the Children	-	104
WWF	-	60
	<hr/> 709	<hr/> 728
TOTAL	<hr/> 26,569	<hr/> 57,244