

LOUGHBOROUGH SCHOOLS FOUNDATION

England & Wales · Charity number 1081765

Details

Other names LOUGHBOROUGH ENDOWED SCHOOLS

Status Registered

Legal form Charitable company

Company number [04038033](#)

Registered 2000-07-28

Register [View on the Charity Commission register](#)

Contact

Address 3 Burton Walks
Loughborough
LE11 2DU

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Activities

Objects: TO ADVANCE EDUCATION BY CARRYING ON IN GREAT BRITAIN A SCHOOL OR SCHOOLS WHICH MAY BE DAY OR BOARDING AT WHICH INFANTS, CHILDREN AND STUDENTS MAY OBTAIN EDUCATION AND INSTRUCTION IN ACADEMIC, SPORTING, MUSICAL, CULTURAL, SCIENTIFIC, TECHNICAL, RELIGIOUS, VOCATIONAL, SOCIAL AND COMMERCIAL SUBJECTS ACTIVITIES AND CRAFTS OF EVERY DESCRIPTION AND BY ANCILLARY OR INCIDENTAL EDUCATIONAL ACTIVITIES AND OTHER ASSOCIATED ACTIVITIES FOR THE BENEFIT OF THE COMMUNITY.

Activities: The Charity exists to operate four independent schools providing for pupils aged from 3 to 18. The aim is to attain the highest academic levels and ensure an extra-curricular programme which will develop life long interests and a desire to contribute to the community.

Classification

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

Geography

- Derbyshire
- Leicestershire
- Nottinghamshire

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£36,548,000	£39,987,000	£66,587,000	733
2024-08-31	£38,349,000	£36,559,000	£70,158,000	759
2023-08-31	£36,551,000	£36,308,000	£68,049,000	741
2022-08-31	£34,103,000	£33,471,000	£67,970,000	708
2021-08-31	£31,835,000	£32,805,000	£67,735,000	679
2020-08-31	£30,686,000	£31,462,000	£67,787,000	676

Trustees

Name	Role	Appointed
Roger Harrison	Chair	2014-11-27
Andrew Bowden		2022-10-27
Dr JAMES ESSON		2021-09-01
Dr Yvonne Carlisle		2025-06-02
Jason Cimurs		2022-09-15
John Wood		2025-06-02
Katharine Basey		2023-05-22
Neha Vadher		2026-03-10
Piers Harris		2025-06-02
ROBERT MCDONOUGH		2025-11-03
Richard Bailey		2025-06-02
Robert William James Saunt		2024-09-12
Simon Leese		2023-05-22
Toby Beaumont		2025-11-03

LOUGHBOROUGH SCHOOLS FOUNDATION

England & Wales - Charity number 1081765

Accounts

Loughborough Schools Foundation

Governors' Report and Financial Statements

For the year ended 31 August 2025
Registered company number 4038033
Registered charity number 1081765

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Introduction

Governors, Trustees & Directors

The Loughborough Schools Foundation is a company limited by guarantee (Company No. 04038033) and a registered charity (Charity No. 1081765).

The following individuals served as Governors during the year ended 31 August 2025 and up to the date of this report, unless otherwise stated:

Co-opted Governors:

Name	Changes In Year	Notes
Dr M Aslam	Resigned 6 December 2024	
Mr R G Bailey	Appointed 2 June 2025	
Mrs K L Basey		
Mr A Bowden		
Dr Y Carlisle	Appointed 2 June 2025	
Mr J Cimurs		
Mrs A Clark	Resigned 4 July 2025	
Dr J Esson		
Dr S Gowers-Cromie	Resigned 22 May 2025	
Mr P R K Harris	Appointed 2 June 2025	
Mr R Harrison		Foundation Chair to 3 September 2025
Air Vice-Marshal G Howard	Resigned 15 November 2024	
Mr S Leese		Foundation Chair from 4 September 2025
Mrs R J E Limb	Resigned 4 July 2025	
Mr R McDonough	Appointed 4 November 2025	
Mr S Morris	Resigned 6 December 2024	
Mrs A Murphy		
Mr R Saunt	Appointed 12 September 2024	
Mr J A Wood	Appointed 2 June 2025	

Nominated Governor:

Name	Changes In Year	Notes
Sister C Leydon	Resigned 12 June 2025	Representing Rosminian Sisters of Providence

Directors

All Governors of the Loughborough Schools Foundation are registered with Companies House as Directors of the Charitable Company.

Trustees

All Governors of the Loughborough Schools Foundation are also registered with the Charity Commission as Trustees of the Charitable Company.

Professional Advisers:

Bankers:

National Westminster Bank plc
Market Place
Loughborough
LE11 3EA

Solicitors:

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5DS

Bird, Wilford and Sale
20 Church Gate
Loughborough
LE11 1UD

Auditors:

Cooper Parry Group Limited
Sky View, Argosy Road
East Midlands Airport
Castle Donnington
Derby
DE74 2SA

Tax Adviser:

PKF Smith Cooper
Prospect House
1 Prospect Place
Derby
DE24 8HG

Investment Advisers:

Charles Stanley & Co. Limited
25 Luke Street
London
EC2A 4AR

Insurance Broker:

Hayes Parsons Insurance Brokers
Beacon Tower, Colston Street
Bristol
BS1 4XE

Land Managers:

Mather Jamie
3 Bank Court, Weldon Road
Loughborough
LE11 5RF

Registered Office:

3 Burton Walks
Loughborough
LE11 2DU

Reference Information

Loughborough Schools Foundation is an educational charity administered by Governors, who also serve as the Trustees of the Charity and Directors of the Company. The Foundation comprises three independent schools and one nursery, all located in Loughborough.

- Loughborough Grammar School (LGS) was founded in 1495.
- Loughborough High School for Girls (LHS) was founded in 1850.
- Fairfield Preparatory School became autonomous in 1969, having previously operated as the junior school of LHS.
- Our Lady's Convent School, founded in 1850, was subsumed into the Foundation on 1 September 2015 and renamed Loughborough Amherst School (LAS) in 2018. Following a formal consultation process, LAS closed on 31 August 2025.
- The Loughborough Nursery, established by LAS, opened in October 2016 and continues to operate as part of the Foundation.

Throughout the Governors' Report and Financial Statements, the company and the charitable trust are referred to collectively as the Foundation.

Structure, Governance and Management

The Foundation is a company limited by guarantee (Company No. 4038033) and a registered charity (Charity No. 1081765). It is governed by its Memorandum and Articles of Association.

Governors of the Foundation, as Directors of the Company and Trustees of the Charity, provide strategic leadership, ensure policy and financial oversight, hold senior leaders accountable and manage risks to guide the Foundation's long-term success. A formal Scheme of Delegation sets out the responsibilities between the Governors, Committees, and the Executive Leadership Team.

Executive Leadership Team

The day-to-day management of the Foundation and schools is delegated to the Foundation Executive Leadership Team, which includes:

- **Loughborough Grammar School** (boys aged 10-18, day and boarding)
Headmaster: Mr. J Neville, MA (Oxon), MPhil (Cantab) from 23 February 2025
- **Loughborough High School** (girls aged 11-18, day school)
Head: Dr. F Miles, MA (Cantab), MBBS
- **Fairfield Preparatory School** (co-educational day school, aged 3-11)
Headmaster: Mr. A R Earnshaw, BA, NPQH
From September 2025, Loughborough Nursery operates under Fairfield's line management
- **Loughborough Amherst School** (co-educational day and boarding school, ages 2-18) **and Loughborough Nursery**
Headmaster: Mr. J Neville, MA (Oxon), MPhil (Cantab) until 23 February 2025
Loughborough Amherst School formally closed on 31 August 2025.

The day-to-day management of educational, pupil development and pastoral matters is delegated to the Heads, supported by their senior staff. Appropriate interim arrangements were put in place as necessary during the year.

In addition to the Heads, the Foundation Executive Leadership Team includes non-educational leadership roles:

- Bursar – Mr D Goodacre
- External Engagement Director – Mr R Langley
- Transformation Director – Mr A White

The Bursar and External Engagement Director oversee centralised functions including finance, estates and grounds management, health and safety, compliance, catering, network services, commercial activity, marketing and the Foundation's subsidiary companies. The Director of Transformation leads strategic change, oversight of key transformation initiatives to inform future governance and structural decisions and human resources.

Governance Assurance

All Governors give their time freely and no remuneration was paid during the year. Reasonable travelling and associated expenses were paid in accordance with Foundation policy. No Trustee/Director, or person connected with a Governor, received any benefit either from a means-tested Foundation bursary or a scholarship awarded to a pupil.

Professional indemnity and liability insurance is in place for Governors.

Membership of Relevant Professional Bodies

The Heads of the Foundation's schools are members of the following professional associations:

- Loughborough Grammar School – HMC and The Society of Heads
- Loughborough High School – GSA
- Fairfield Preparatory School – IAPS

The Foundation is a member of both the Independent Schools' Bursars Association (ISBA) and the Association of Governing Bodies of Independent Schools (AGBIS). These affiliations form part of the Independent Schools Council (ISC) and provide valuable platforms for sharing expertise, knowledge and best practice across the independent sector. They also play a key role in representing the sector's interests to Government and regulatory bodies

Governor Recruitment and Training

The Board of Governors requires a broad and diverse range of skills and experience to fulfil its responsibilities effectively. The Governance Committee (formerly the Nominations and Governance Committee) oversees recruitment, selection, induction and succession planning for Governors.

Governor vacancies are advertised when they arise, and the Foundation has diversified its recruitment methods, including the use of a recruitment partner to target candidates with specific skills and experience. A skills audit is maintained and regularly reviewed to inform both recruitment priorities and Governor development.

The Board recognises that its current composition is less diverse than in previous years, following recent resignations. Addressing this remains an ongoing priority, and the Board continues to work towards agreed diversity goals.

All newly appointed Governors undertake a structured induction programme, including meetings with members of the Executive Leadership Team and relevant Committee Chairs. Governors are asked to complete a Core Training Programme at different stages of their governance journey. This programme ensures consistent onboarding and supports Governors in fulfilling their responsibilities effectively.

Governors are also encouraged to attend external development opportunities to complement internal training. The Foundation is a member of the Association of Governing Bodies of Independent Schools (AGBIS), and Governors are encouraged to participate in its conferences and seminars. A record of Governor training is maintained.

Governance and Committee Structure

The Board of Governors exercises oversight and strategic control of the Foundation through a combination of functional committees and individual School Boards, which operate as committees of the main Board with a specific focus on each school. Members of the Executive Leadership Team attend Governors' meetings to support informed decision-making.

Each School Board provides a forum for Governors to engage with school-specific matters, particularly academic and educational issues and to represent the school during ISI inspections. Each Board comprises at least three Governors and meets termly.

An external review of governance was completed in March 2023 and implementation of its recommendations continued throughout 2024/25. This included a detailed consideration of the Foundation's governance and leadership structure, which led to the decision to create a Chief Executive Officer (CEO) role to provide unified strategic leadership across the Foundation. The role was developed during 2024/25, with the recruitment process launched in September 2025. The new CEO, Mr Chris Staley, took office in January 2026. The CEO reports to the Board and leads the Foundation's strategic direction, enabling Heads to focus fully on their individual school communities.

An internal governance review was also undertaken during 2024/25 to assess committee effectiveness and streamline responsibilities. As a result:

- The Operations and Compliance Committee was disbanded.
- A dedicated Health & Safety Governor role was introduced.
- Oversight responsibilities previously held by the Operations and Compliance Committee were redistributed, with some functions absorbed by the Finance, Audit and Risk Committee and others streamlined to remove duplication.

Committees in Operation During the Year

School Boards (Loughborough Grammar School, Loughborough High School, Fairfield Prep School, Loughborough Amherst School)

Focused on academic and educational matters and served as the primary interface between Governors and the schools. Each School Board also includes an Assistant Nominated Safeguarding Governor, who supports the Foundation's safeguarding responsibilities at the individual school level and acts as a point of liaison with the Foundation Lead Governor for Safeguarding.

Finance, Audit and Risk Committee

Oversees financial performance, long-term planning, investments, reserves, external audit, internal reviews and risk management. Strengthened during the year to absorb additional responsibilities related to compliance and risk. Composed of at least three Governors, including the H&S Governor, and meets termly.

Governance Committee (formerly the Nominations and Governance Committee)

Oversees governance practices across the Foundation, including recruitment, selection, induction and succession planning for Governors. Also leads on structural governance reviews. Composed of representatives from the School Boards and chaired by the Foundation Chair. Meets termly.

Remuneration Committee

Determines the remuneration of the Foundation's senior officers. Composed of the four School Board Chairs and chaired by the Foundation Chair. Meets annually.

Subsidiary Trading Board

Oversees the Foundation's incorporated subsidiaries. Composed of three Directors, two of whom are not Trustees of the Foundation.

Additional Governance Roles

In addition to the formal committee structure, the Board has appointed Foundation Lead Governors for the following key areas:

- Equality, Diversity & Inclusion (EDI)
- Safeguarding
- Special Educational Needs and Disabilities (SEND)
- Health & Safety (H&S)

These roles provide strategic oversight and ensure that the Foundation maintains high standards of compliance, inclusion and pupil welfare across all schools.

Going Concern

The Trustees remain confident that the Foundation is able to meet its financial obligations as they fall due, as well as continuing to invest in the fabric of the buildings and the facilities and equipment required to provide an excellent education at the Foundation's schools. Whilst the Foundation has net current liabilities of £60k this includes a mortgage on a property of £534k which is due for renewal in 2026 and which we fully expect to refinance on normal lending terms. Excluding this the Foundation has net current assets of £474k. The Foundation holds sufficient cash reserves, minimal debt, and continues to generate sufficient funding and operating surpluses to meet its financial obligations. The Trustees note that the 2024-25 result was affected by the extraordinary costs for the closure of Loughborough Amherst School and following this closure in summer 2025 the Foundation will see a significant reduction in costs and is in a stronger and more stable financial position moving forwards.

The Foundation prepares budgets and long-term forecasts to understand its financial position, model risks and scenarios, and continually takes action to ensure that it can remain in a financially sustainable position and deliver its charitable objectives. The longer-term forecasting that has been completed shows that the Foundation will continue to generate operating surpluses and maintain sufficient cash funds to continue meet all its financial obligations.

Based on this assessment the Trustees are confident that the Foundation can continue as a going concern for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

STRATEGIC REPORT

The Foundation remains committed to delivering an outstanding academic experience, a nurturing pastoral environment and a rich co-curricular offering across its schools. In our senior schools we are relatively unique in offering single sex education on one co-ed campus and this gives our pupils *the best of both worlds* in their experience with us and allows our educational leaders to deliver a better and more rounded experience for pupils. Despite Government policy and external factors creating an exceptionally challenging year we have responded to these challenges and continue to maintain high pupils numbers and a strong financial position. As ever, our pupils continue to make us proud with their outstanding achievements as we support them to develop and grow for the next step in their journey, wherever that may be.

Key Performance Indicators

The Foundation assess its success in the implementation and pursuit of its Charity strategy by following key performance indicators:

- Academic results
- Pupil numbers in the schools
- The achievement of pupils in all areas of education development including sport, music and drama

Academic Excellence at Loughborough

The Foundation is proud to report another year of strong academic performance across its schools, reflecting the dedication of pupils and staff and our continued commitment to excellence.

Loughborough Grammar School

A Level

- A*: 18%
- A*-A: 45%
- A*-B: 71%

GCSE

- Grades 9-8: 40%
- Grades 9-7: 59%
- Grades 9-5: 92%

Loughborough High School

A Level

- A*: 30%
- A*-A: 64%
- A*-B: 87%

GCSE

- Grades 9-8: 51%
- Grades 9-7: 69%
- Grades 9-5: 92%

Loughborough Amherst School

A Level

- A*: 4%
- A*-A: 18%
- A*-B: 47%

GCSE

- Grades 9-8: 24%
- Grades 9-7: 37%
- Grades 9-5: 77%

Fairfield Prep

The 2024–25 academic year has been another highly successful one for Fairfield Prep School. We were also delighted that, as in previous years, every Year 6 pupil who applied for a place within the Loughborough Schools Foundation was successful in gaining entry to either Loughborough Grammar School or Loughborough High School. Alongside an impressive number of academic and music scholarships, it was particularly pleasing that several pupils were awarded sporting scholarships, an exciting first in Fairfield's distinguished history.

In November 2024, the Independent Schools Inspectorate (ISI) judged Fairfield to be fully compliant across all five regulatory standards. The report was particularly complimentary about our EYFS provision, noting the expertise and dedication of staff and the excellent range of learning opportunities available to our youngest pupils. The few recommended next steps were limited to minor enhancements, all of which are already being addressed as part of our ongoing School Development Plan, an outcome that represents the very best result the governors and staff could have hoped for.

ISI Inspections

In November 2024, all Foundation schools underwent full inspections by the Independent Schools Inspectorate (ISI). These inspections provided valuable external assurance across key areas including educational quality, safeguarding, leadership and governance. Each school met the required standards in all categories, affirming the Foundation's commitment to high-quality provision and pupil welfare. The inspection outcomes have informed ongoing strategic planning and reinforced confidence in the schools' educational and pastoral approach.

Pupil Numbers

The pupil numbers remain strong and at the start of the year were 791 at Loughborough Grammar School, 522 at Loughborough High School, 448 at Fairfield Preparatory School and 291 at Loughborough Amherst School. An average of 130 children also attended the Nursery setting throughout the year, equivalent to 69 Full Time pupils.

Sporting Achievement at Loughborough

Our sports programme focuses on both high performance and inclusive participation and has continued to grow.. With a wide range of specialist coaches and teachers we continue to see high participation levels at all age groups across a range of sports and strong performance from both individuals and teams at a competitive level.

This year we were excited to launch our sports scholarship programme, with expert external assessors from Loughborough University supporting assessments across Year 7, 8, 9 and 12. Scholars joined the Foundation in September 2025. Alongside this, the Student Athlete Programme successfully supported 16 pupils this year, providing tailored academic and sporting guidance.

The Foundation's football programme has expanded significantly, with national placings for LGS teams including a top-15 finish for the U15s, and our boys and girls football teams at Fairfield reaching the IAPS National Finals From September 2025, football will feature on the games programme across all senior schools, with a comprehensive boys' offer and a growing girls' programme.

Our pupils achieved notable success across a wide range of sports:

National Champions:

Loughborough High School First XI Hockey Team – Winners of the England Hockey Tier 2 Cup

Loughborough High School Under-14 Badminton Team – Champions of both the England Schools Badminton competition and the School Sport Magazine Cup

National Finalists:

Fairfield Prep School Under-11 Boys and Girls Football Teams – Finalists in the IAPS National Football Competition

Loughborough Grammar School U15 Football Team – Semi-finalists in the ISFA National Bowl

Loughborough Grammar School U16 Badminton Team – Ranked in the top 10 nationally

County Champions:

Loughborough Grammar School – County champions in U15 & U16 Rugby
Loughborough Grammar School – County champions U14–U16 Badminton
Loughborough Grammar School – County champions U15 Cricket
Loughborough High School – County champions in U14–U16 Badminton
Loughborough High School – County champions in U15 Indoor Cricket
Loughborough Grammar School and Loughborough High School – county champions in Key Stage 3 Swimming

Every pupil in Fairfield from Year 4 to Year 6 was offered the opportunity to represent their school in sport each term, reflecting our commitment to inclusive participation.

The Foundation also continued to develop its trips and tours programme, including domestic fixtures and a long-haul rugby tour to South Africa in July 2025.

Strategic partnerships with Loughborough University, Leicester City Football Club, Nottingham Forest Football Club and national governing bodies have strengthened our outreach and visibility. Staff continue to contribute nationally, including representation on the RFU National Schools Board and presentations at PGCE programmes as well as hosting student teachers from Loughborough University and Nottingham Trent University and being one of the Loughborough University ITap Centres.

Outstanding Music at Loughborough

Our pupils benefit from a dedicated music faculty located in a purpose built building including recital hall and numerous practice rooms on campus and benefitting from instruction from many professional musicians and teachers. Music is highly visible across all of our schools, with over 200 concerts and events annually and maintaining strong engagement with pupils, parents and the wider community. The department's work is underpinned by a commitment to excellence, inclusion and outreach with one of the highlights of the year being our annual spring concert at De Montfort Hall. Across the board range of instruments we support, during the year we were delighted to replace and upgrade our entire range of pianos. This included purchasing a Bösendorfer grand piano for our recital hall for our pupils to use, but also a range of other high quality pianos to support a wide variety of different genres.

This year saw strong academic outcomes in both GCSE and A Level Music, with 100% pass rates and high value-added scores. Performance exam results were equally impressive, with 71% of all entries achieving Merit or Distinction and 84% of Grade 6–8 candidates reaching the same standard. Two diploma-level awards were also achieved.

Pupils secured places at leading institutions including the Guildhall School of Music and Drama, Royal Birmingham Conservatoire, Durham University and Leeds University.

Outreach and community engagement remain central to the department's ethos. Initiatives included:

- Weekly Twinkle Tots and Mini Maestros parent and toddler groups, engaging over 50 families
- Planning for The Big Sing 2026, a major event involving 400 primary pupils which will culminate in a performance at De Montfort Hall
- Partnerships with Charnwood College, Ashmount and Netherhall Special Schools, and regular performances at town and charity events

Staff are active nationally, contributing to professional associations, adjudicating competitions and performing professionally. The Director of Music was recently elected President of the Music Teachers Association and will contribute to national curriculum strategy and advocacy.

Broad Co-curricular at Loughborough

Beyond music and sport all schools in the Foundation offer a wide range of co-curricular and enrichment activities for our pupils to both enjoy and support their broader development. In fact there are over 140 clubs and societies across the Foundation giving every pupil a chance to find something to suit their interests!

We maintain a large Combined Cadet Force, offering pupils significant personal development by building leadership, discipline, confidence, and resilience and our Royal Air Force cadets proved themselves to be the best in the country in retaining the Royal Air Squadron Trophy for the second year in a row. We also remain both proud and humble in our involvement in the market towns' annual service of remembrance.

Performing arts thrive at Loughborough with a vibrant and inclusive offering, In addition to regular creative and performing opportunities within the schools, pupils led our large productions of Madagascar at Fairfield, and Mary Poppins and The Little Mermaid across our senior schools.

Strategic Developments

This year has been defined by two major strategic developments: the closure of Loughborough Amherst School and the continued evolution of governance and leadership, including the creation of a Chief Executive Officer (CEO) role.

Responding to Changes in External Environment

As a result of a new Government taking office in July 2024 there were some significant changes in policy towards independent schools and additional taxes affecting all businesses. It was confirmed in July 2024 that independent school fees would become subject to VAT from 1st January 2025 and that independent schools would also lose charitable business rates relief. These policy changes had been previously identified as a risk. In addition, in October 2024 it was announced that businesses, including the Foundation, would be subject to a significant increase in employers national insurance taxes and that the National Living Wage would increase far in excess of inflation. These Government policy changes build on the longer-term trend of falling birth rates affecting education nationally.

For 2024/25 a significant focus of the Foundation was in preparing for, and responding to the challenges that the Government taxes and policy changes created, whilst trying to maintain the quality of our academic, co-curricular and pastoral offer.

Closure of Loughborough Amherst School

Following a formal consultation process initiated in January 2025, the Board made the exceptionally difficult decision to close Loughborough Amherst School at the end of the 2025 academic year. This decision was taken with deep regret and only after extensive engagement with stakeholders and thorough consideration of all available options.

Over the course of the year, the Board convened many times to ensure that feedback from parents, staff and the wider community was carefully reviewed. The consultation process included town hall meetings, a formal staff consultation, engagement with parent groups and direct correspondence with families. These forums revealed a profound emotional connection to Amherst and the Board acknowledges the distress this decision has caused.

Despite exploring multiple alternatives, the decision was ultimately driven by long-term strategic and financial considerations. These included a declining trend in pupil numbers, demographic shifts and the need to consolidate resources in response to the implementation of VAT on school fees and increases in costs. The Foundation's priority remains the provision of high-quality education, and this decision, though painful, was necessary to safeguard the future of the wider Foundation.

Pupils successfully transitioned to continue their education in a variety of schools, including those within the Foundation, and the pupils sitting exams in years 11 and 13 achieved success in light of these difficult circumstances.

To minimise compulsory redundancies the Foundation supported staff to redeploy into alternative roles within the Foundation and also implemented a voluntary severance scheme. This approach was designed to support staff in making informed decisions about their future and to reduce the overall impact on the workforce.

Boarding at Loughborough High School

In response to the closure of Amherst and the need to maintain continuity for boarding pupils, the Board approved a strategic decision for Loughborough High School to return to boarding. A material change application was submitted in the summer term of 2025 and formally approved in October 2025.

Governance and Leadership Review

In response to the increasingly complex educational and financial landscape, the Board had previously approved the creation of a Chief Executive Officer (CEO) role to lead the Foundation into its next strategic phase and commenced the recruitment process. This marks a significant evolution in our governance model and reflects our commitment to strategic coherence, operational agility and long-term sustainability.

The CEO will serve as the single point of executive leadership, reporting directly to the Board of Governors. This structure enables more streamlined decision-making and governance, allowing the Foundation to respond with greater confidence and agility to sector-wide opportunities and challenges. The CEO will work closely with the Board, Heads and Central Services to develop and deliver a unified Foundation strategy that supports growth, encourages innovation and ensures the effective use of shared resources.

Loughborough Grammar School Leadership

This year marked a significant leadership milestone for Loughborough Grammar School with the successful appointment of a new Headteacher. Following a period of interim leadership, this permanent appointment brings renewed clarity and strategic direction to the school.

The Board has actively supported the new Headteacher's transition, helping to shape a long-term vision that reflects the school's values and aspirations. This leadership development is expected to bring renewed consistency and confidence to the school community, enabling a sharper focus on academic excellence and pastoral care.

Marketing & Recruitment Strategy

The Marketing & Recruitment Strategy continued to evolve over the year, taking a data and insights-led approach to navigate the challenging market conditions. The development of value propositions for each of the schools within the Foundation has strengthened content through social media, recognised as a core channel for prospective parents, and delivered increases in engagement. A significant body of work has taken place to redevelop the Foundation's websites ready for launch early in the 2025/26 academic year.

A concerted effort has been made to build brand awareness across key regional recruitment hotspots through a mix of advertising and PR activity across digital, print and out-of-home channels. This has been supplemented with the commencement of relationships with, amongst others, Leicester City Football Club (community partnership) and the East Midlands Chamber (membership) to further increase brand visibility.

Improvements have been made to key recruitment events, such as the Foundation's Open Morning, to enhance the customer experience for prospective families. More stringent analysis of the recruitment pipeline has enabled improvements in conversion from enquiry through to enrolment.

Financial Review

The Foundation has continued to navigate a challenging external environment which during 2024/25 included independent schools becoming subject to VAT, increases in taxation, ongoing inflation and falling birth rates.

Independent schools becoming subject to 20% VAT from 1 January 2025 meant that school fees needed to be exceptionally increased, although through recovering VAT on our purchases and a number of other savings and efficiencies we were able to limit the impact to parents to 15%. This was in line with most other independent schools. We do however recognise that this was a significant increase for parents, many of whom make difficult choices to prioritise the benefits of an independent school education.

Total income for the year of £36.5m (2024: £38.3m) was lower than last year. By limiting the impact of VAT to our parents to 15% this led to revenue from school fees reducing from £35.6m to £34.5m (3%), as the Foundation doesn't keep the 20% VAT on school fees and pays this over to HMRC. We saw another strong year of donations and legacies at £0.9m (2024: £1.7m) and continue to be well supported by our alumni community, with 2024 being particularly high as a result of a large legacy from Derek Greasley which will support pupil bursaries for many years to come. Our investments continued to perform in line with our expectations and generated income of £0.5m (2024: £0.5m).

Total expenditure of £37.1m (2024: £36.6m) is +1.5% higher than 2024. The Foundation managed to successfully control costs despite the removal of exemptions for business rates and increases in employment taxes and national

living wage part way through the year. The Foundation also benefitted from being able to recover VAT on some of its purchases and has been working to recover VAT on major building projects in line with the applicable rules. We continue to monitor our costs to make savings and efficiencies whilst still prioritising the quality of our educational, pastoral and co-curricular programme.

Extraordinary costs in relation to the closure of the Loughborough Amherst School were £2.9m, which includes the write off of historical spend on the leased premises. Whilst the closure of the school was an incredibly difficult decision to make, it will provide long term financial benefits and stability to the Foundation.

The overall result for the year is a net expenditure of £3.6m (2024: net income of £2.1m). Excluding the extraordinary closure costs the movement on unrestricted funds is a surplus of £0.1m (2024 £1.3m) and the Foundation will in the future benefit from a lower cost base from consolidating its activities onto our Burton Walks campus and Quorn playing fields.

	2025	2024
	£000	£000
Net movement on unrestricted funds	(2,769)	1,336
Extraordinary Costs – Amherst closure	2,864	-
	_____	_____
Net movement on unrestricted funds before extraordinary costs	95	1,336

Some turbulence within financial markets returned during the year as a result of US trade policy, leading to the Foundation's investments falling in value by £0.1m at the end of the year (2024: gaining by £0.3m). The overall cash position remains healthy with cash balances of £3.9m (2024: £9.0m). The Foundation spent £1.2m on new property plant and equipment during the year (2024: £1.9m), which is below the depreciation charge of £2.1 million. 2024 saw the development of our new sixth form centre in Loughborough Grammar School which opened at the start of the autumn term in September 2025. This created a fantastic new study, wellbeing and social spaces and included a new café. This was generously supported by the Shepherd family. The Foundation's challenge for the future is ensuring that sufficient surpluses are made to continue to invest in the excellent facilities that are currently on offer.

The Foundation's two subsidiary companies had a good trading performance. LSF Shop LTD made a profit of £18,000 compared to £34,000 in 2023-24, with the closure of the Amherst school reducing uniform sales in summer 2025. Thomas Burton Development LTD made a profit of £225,000, increasing from £144,000 in the previous year as a result of the increased hire of school facilities. Profits from both companies are gifted to the parent charity.

Covid 19 Pandemic

Repayments for the CBILs loan (Coronavirus Business Interruption Loan Scheme) were made through 2024/25 with £0.6 million outstanding at the year end. This is due to be fully repaid in June 2026. No funds were received in relation to the Covid 19 Pandemic during the year.

Investment Policy/Performance:

The investment objectives are to generate the highest possible returns, which are commensurate with a low to medium level of risk. The Foundation does not specifically invest in ethical investments and its investment portfolio is managed by two investment managers: Charles Stanley Wealth Managers and CCLA Investment Management Ltd. The value of the portfolio increased from £5.1m to £6.8m during the year, with a large legacy donation received in cash towards the end of 2024 being invested in the portfolio in the year.

The Finance, Audit and Risk Committee routinely review the investment portfolio and compare performance to relevant benchmarks, such as the FTSE 100, the FTSE All share and the MSCI PIMFA Private Investor Balanced Indices to benchmark performance.

Reserves

The Foundation aim to hold funds which are sufficient but not excessive in order to fund current operational requirements and future development. The Foundation is mindful of the need to maintain a level of reserves which enables the organisation to respond to circumstances and mitigate risk, including ensuring compliance with the terms of the mortgages and bank loans. The Trustees review the reserves policy on an annual basis.

The Foundation aims to hold a minimum of £2m (cash balances) at all times which is approximately one month's net operating costs. The value of cash held at 31 August 2025 was £3.9m (2024: £9.0m) and, as part of that the value of unrestricted cash was £1.5m (2024: £4.7m).

The Foundation total reserves at 31 August 2025 were £66.6m (2024: £70.2m) and these comprised endowment funds of £45.6m (2024: £46.6m), restricted funds of £7.4m (2024: £7.2m) and unrestricted funds of £13.6m (2024: £16.4m). The unrestricted funds include certain tangible fixed assets and related mortgage loans, which are functional assets used in the day-to-day delivery of educational activities by the Foundation. Excluding the value of these fixed assets and related mortgage loans, there is a deficit of unrestricted funds of £4.1m (2024: £2.3m). Although this balance of unrestricted funds is negative, this is not uncommon across the independent schools' sector and demonstrates the Foundation's investment of its operating reserves into new school buildings and an ongoing program of refurbishment, development and investment in order to maintain the excellent teaching facilities for our pupils.

Philanthropy and Alumni Relations

The ability of the Foundation to offer wider access through financial support is reliant upon the ongoing generosity of the Schools' core community (parents, alumni, staff, governors and friends) alongside that from external companies, trusts and foundations. Fundraising efforts are underpinned by a comprehensive alumni engagement strategy which delivers key events, communications and a volunteering programme.

Fundraising efforts and initiatives primarily support bursaries and relieve hardship for parents where the pupil's education and future prospects would otherwise be at risk. Funds have also been raised to enhance the pupil experience by establishing prizes, strengthening sport and music, and providing travel and cultural opportunities. During the year £0.9m was raised (2024: £1.7m) with 2024 seeing the hugely generous legacy from Derek Greasley.

Grants and bursaries are awarded based on educational ability and financial circumstances, subject to the restrictions imposed by the donor of the funds.

The Foundation uses an in-house team for the purpose of fundraising and is fully registered with the Fundraising Regulator to which it pays the statutory fundraising levy and abides by their Fundraising Code of Practice.

There have been no failures to comply with the scheme or standards and no complaints received by the Foundation about its fundraising activities. The Foundation has taken all reasonable precautions to protect vulnerable people and other members of the public from unreasonably intrusive or persistent fundraising.

Employment

The Foundation is an equal opportunities employer; and has a responsible approach to employment legislation. The Foundation met the statutory requirements to provide a report on gender pay equality and will continue to monitor this area and make changes, when and where they are practicable.

The Foundation welcomes applications for employment from disabled persons and assists, whenever practicable and taking into account HR best practice, the recruitment, training, career development and promotion of disabled people. Should an employee become disabled during their employment we make all reasonable adjustments to ensure they can remain in employment; and where necessary facilitate re-training.

The Foundation encourages the continuous development and training of its employees and the provision of equal opportunities for the training and career development of all employees.

The Foundation is committed to engaging with its employees. A variety of methods are used to achieve this, including team meetings, Common Room briefings and our staff representative groups. Since early 2022 the Foundation has voluntarily recognised the teacher's trade union NASUWT.

Salaries

The arrangements for setting the pay and remuneration of the Foundation's key management personnel and any benchmarks, parameters or criteria used in setting their pay are detailed in note 8 in the notes to the financial statement.

Future Plans

The Foundation will focus on embedding the new leadership structure and finalising the appointment of the CEO. Strategic priorities for 2025/26 include:

- Continued delivery of our outstanding educational and co-curricular offer
- Launching the revised EDI Strategy
- Expanding boarding
- Strengthening pupil recruitment and retention
- Finalising the nursery strategy and Amherst site planning

Risk Management

The Trustees are responsible for the identification and management of the risks faced by the Foundation, including the individual schools. Day-to-day oversight of risk management is delegated to the Bursar and the wider Executive Team, who are responsible for implementing controls and monitoring risks. The Finance, Audit and Risk Committee provides more detailed oversight on behalf of the Board of Trustees, particularly in relation to strategic risks.

Risks are identified, assessed, and mitigated through established controls and continuous improvement efforts. The Foundation's risk management strategy includes:

- a differentiation between strategic and operational risks;
- clear management and review responsibilities for both operational and strategic risks, with first line and second review responsibilities identified and agreed;
- termly review of all risks by the Executive (Operational Risk) and Finance, Audit and Risk Committee (Strategic Risk);
- clear mechanism for the escalation of risks to the Governing Body;
- the establishment of policies, systems and procedures to mitigate those risks identified; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risk materialise.

The Trustees group risks into six categories:

- Governance – those risks which may arise from the direction, decision making or control environment. For example, the risk that governors or those charged with management may take a risk outside of their authority. Controls include the Foundation's strategy, which informs decision making, an established governance structure and a clear distinction between governance and executive management.

To further strengthen governance controls, the Foundation reviewed the governance and leadership structure and has introduced a Chief Executive Officer role to provide strategic leadership across the organisation and reinforcing the distinction between governance and operational responsibilities.

- Regulatory – these are those risks which relate to the market and environment in which the Foundation operates, and which may influence our stakeholders and/or the Foundation's business model (e.g. any change in regulatory environment). To manage risks in this area, the Foundation has established mechanisms to analyse forecasts of potential changes in the charitable and education sectors, with the aim of anticipating regulatory change and implementing any mitigating actions.

- Financial – the Foundation operates in a financially sensitive environment, where external policy changes, economic pressures and demographic shifts can significantly affect sustainability. A major development was the introduction of VAT on school fees in January 2025, which continues to present a substantial challenge to affordability for families and may influence pupil recruitment across the sector.

In addition to VAT, the Foundation faces broader financial risks including rising operational costs, inflationary pressures, increased pension and staffing costs and sharper competition. These factors require careful financial planning and strategic agility.

To support long-term resilience and informed decision-making, the Foundation has an established 10-year financial forecasting model and financial strategy. Together, these tools support strategic decisions around fee structures, investment priorities and resource allocation, ensuring the Foundation remains financially robust while continuing to deliver high-quality education.

- Reputational – risks to the Foundation's reputation may arise from decisions or actions taken by staff, pupils or the organisation itself. These risks can have immediate or long-term effects on pupil recruitment and financial stability.

The closure of Loughborough Amherst School had the potential to generate reputational risk, particularly in relation to stakeholder confidence and public perception. The Foundation took proactive steps to manage the transition with care and transparency. Mitigation measures included a comprehensive communications and engagement plan, alongside support for affected pupils and staff to manage the transition sensitively and responsibly.

- Technological – risks associated with the Foundation's reliance on digital infrastructure, including cyber-security threats, data protection and the integration of emerging technologies. This is currently recognised as a particularly high-risk area in line with the national trend. In response, the Finance, Audit and Risk Committee conducted a deep dive review during the year to gain assurance over existing controls. The Foundation has implemented robust cyber-security measures, regular system audits and staff training. It also continually assesses the impact of new technologies, including artificial intelligence (AI), to ensure safe and effective integration into educational practices.

A key development in this area was the Foundation's review of pupil image use in marketing and communications. This initiative responded to new AI-related child protection offences, a sharp rise in AI-generated child sexual abuse material reports and updated sector guidance. Mitigation measures included reducing the use of identifiable pupil images, securing explicit consent, removing metadata and exploring alternative visual formats. These actions reflect the Foundation's commitment to safeguarding in the digital age and its proactive approach to managing reputational and technological risk.

- Operational – risks arising from the day-to-day activities of the Foundation and its schools, such as health and safety, site security, and compliance. These risks require active and ongoing management by the Executive Team and other senior leaders. Each operational risk is assigned to a named executive lead and monitored regularly. Controls include up-to-date accreditation, comprehensive policies and procedures, and regular staff training.

Public Benefit

The Foundation continues to make a meaningful and measurable difference to both its pupils and the wider community. The Governors confirm that they have given due regard to the requirements of the Charities Act 2011 and the public benefit guidance published by the Charity Commission, particularly as it applies to independent schools.

Financial Support

The Foundation remains committed to broadening access to its schools through bursary provision. During 2024/25 means-tested financial assistance totalling £1,345,000 was awarded in the following areas:

- Long-term Foundation Bursaries (School Assisted Places (SAPs)), available to entrants to Loughborough Amherst School, Loughborough Grammar School and Loughborough High School, who meet the general entry requirements at the point at which the pupil enters the school. These awards are made on the basis of parental means and involve an assessment of those means. During the year 119 pupils received assistance, of these 13 pupils received 100% fee remission for the year. The awards are subject to annual review.
- Means-tested hardship bursaries where short-term support was required for a period of less than 12 months as a result in a change in parental circumstances.
- In some instances of additional financial assistance has also been provided towards ancillary costs, including lunches, transportation and school uniform. Funding for this has been possible through the generosity of donors to our 'Beyond your Bursaries' scheme.
- The Foundation also receives funds in the form of bequests or donations that are intended to support pupils meeting specific criteria set up by the donor.
- The total funding for assisted places of £1,345,000 has increased from the prior year (2023/24: £1,258,000). This assistance was made available to 5.8% of the pupils and represents overall 4.0% of the tuition fee income.
- Where appropriate we work with families to support them to access funding from other charitable sources. As these are funded externally this funding is not included here.
- The figures which have been quoted in the preceding part of this section are the direct costs of providing financial assistance to pupils. These figures do not include the significant costs of the management time at various levels of dealing with and processing these awards, or the cost of targeted advertising which aims to stimulate applications from those who are eligible.

Educational Outreach and Partnerships

The Foundation actively fosters collaboration between independent and state sectors, sharing resources and expertise to enhance educational outcomes.

Educational Experiences

The Foundation believes that education should be shared. Its schools actively collaborate with state schools, universities and community organisations to extend learning beyond their own pupils.

Over 250 pupils from state schools attended 11 academic masterclasses in subjects including mathematics, computing, science, languages, art and history. These sessions were designed and delivered by Foundation staff and were offered free of charge to ensure accessibility.

Loughborough Grammar School hosted a Classics Day for Adults, attended by 50 members of the public and ran an Art Workshop for Year 5 and 6 pupils from Costock C of E Primary School. Pupils from local state schools were invited to attend school productions, including a performance of Mary Poppins. Warren Hills Primary School took part in Combined Cadet Force activities as part of their elective day, now a reoccurring annual event.

Fairfield Prep School hosted events such as the Leicestershire Chess Championships, sharing facilities and expertise with local schools and promoting inclusive access to enrichment opportunities.

Educational Expertise

Loughborough Grammar School hosted a free academic conference for 35 teachers and PGCE students, reinforcing its role as a centre for educational excellence. Outreach included Oxbridge and Medicine preparation sessions for 100 high-achieving pupils from local state schools. Staff also led CPD workshops, facilitated subject network meetings and supported sports moderation sessions with local schools.

The Foundation maintained its Initial Teacher Training partnership with Loughborough University, supporting trainee teachers. Staff at Loughborough High School delivered CPD to teachers in the wider community through three events held during holidays and weekends. Fairfield Prep School hosted students and apprentices from Loughborough College, offering placements and mentoring that support the development of future educators.

Teachers also contributed to external examinations as markers and assessors and staff from across the Foundation served as governors in local state schools and trustees of charities.

Community Engagement

The Foundation plays an active role in the local community, offering facilities and staff expertise across music, sport and volunteering.

Music

Music is a powerful connector, and the Foundation's Music Department continues to use it as a bridge between schools and the community. Outreach included:

- Pupils from Ashmount School were welcomed into the Foundation, where they recorded a piece of music, an experience that celebrated inclusion and creativity.
- Music-based assemblies reached over 800 pupils in local schools, introducing young audiences to live performance and musical storytelling.
- A musical workshop was hosted for 15 pupils from Netherhall School, offering hands-on experience and sparking curiosity in composition and performance.
- Concerts were held for 40 students from Charnwood College, showcasing the talents of Foundation musicians and encouraging musical dialogue between schools.
- Pupils performed at major community events, including the town's Christmas Lights Switch-On and the opening of Loughborough Fair, bringing music into the heart of the community.
- Monthly lunchtime concerts at Loughborough Parish Church and the Loughborough Singers community choir enriched the cultural life of the town.

Sport

Sport at the Foundation is about more than competition, it's about inclusion, development and collaboration. The Sports Department has continued to work closely with local schools and community groups to promote physical activity, leadership and shared learning.

- The Foundation hosted Area Athletics Finals for Years 7–10 and Years 11–13, welcoming pupils from multiple state schools and providing professional facilities and staff support.
- GCSE cluster moderation was delivered for five local primary schools, helping ensure fair and consistent assessment while building relationships between educators.
- Team Leicestershire competitions in netball, athletics, and football were hosted across Foundation sites, offering pupils the chance to compete and connect.
- A Prep Touch Rugby competition was run for local rugby clubs, fostering early engagement in sport and encouraging teamwork and resilience.
- PGCE and NTU trainee teachers were supported through placements and mentoring, with Foundation staff contributing to course development and practical training.
- Curriculum sessions were delivered at Loughborough University, including a theory session on Concept Curriculum and a talk by an Early Career Teacher on the realities of the first year in teaching.
- The Foundation chaired the first Midlands Schools Football Meeting, bringing together staff from independent and state schools to collaborate on regional sport development and share best practice.

Volunteering

Pupils and staff across the Foundation make a meaningful contribution to the wider community through a broad range of volunteering activities. These initiatives support educational development, community wellbeing and personal growth, while helping young people to understand their role in society and the difference they can make.

At Loughborough Grammar School, pupils in Years 12 and 13 volunteer weekly in local charity shops, gaining valuable experience and supporting older adults through conversation and companionship. The Voluntary Service Unit also co-ordinates food parcel collections, with the whole school contributing to harvest and Christmas donations for local families and food banks.

Pupils volunteer weekly at John Storer House, providing support to adults with learning disabilities and older people. Their presence is well received and has become a visible and valued part of the centre's weekly rhythm. During Enrichment Week, pupils work with external partners such as the Canal & Rivers Trust, Beacon Hill, and Ashmount Special School, engaging in environmental and inclusive education projects that broaden their understanding of the world and their place within it.

The Duke of Edinburgh Award continues to be a cornerstone of pupil volunteering, with over 160 pupils contributing between 15 and 50 hours each to local and national charities. Pupils also support classroom learning and sports activities in local primary schools such as Rendell and Holywell, building relationships and offering practical help.

A highlight in the calendar is the town Remembrance Day Parade, with over 200 pupils participating. The Foundation's contingent is the largest outside London and is deeply appreciated by the local community.

At Loughborough High School, sixth form pupils volunteer weekly at St Mary's Catholic Primary School, supporting reading and learning activities for younger children. A member of staff also coaches a local netball team, contributing 200 hours to community sport.

These activities are reviewed annually to ensure they remain impactful and aligned with the Foundation's charitable objectives.

Charitable Donations and Fundraising

Pupils demonstrated strong commitment to charitable causes, raising £27,600 through events such as bake sales and non-uniform days. Contributions by school:

Loughborough Amherst School	£4,000
Fairfield Preparatory School	£6,300
Loughborough Grammar School	£7,600
Loughborough High School	£9,700

Pupils supported causes such as Rainbows Children's Hospice, and took part in the LOROS Elephant Art Trail, a creative initiative that brought together art and advocacy in support of hospice care. The Combined Cadet Force contributed to community fundraising by attending the West Dalby Primary School Summer Fete, delivering activities and displays that were well received by pupils, parents and staff.

At Fairfield Prep all 445 pupils and 40 staff contributed produce to local charities including John Storer Charnwood, Women's Aid, and The Carpenter's Arms. Now in its 33rd year, this tradition instils empathy and community awareness in even the youngest learners.

Sharing Our Facilities

In addition to pupil-led fundraising, the Foundation supported charitable organisations through the provision of facilities free of charge or at reduced rates. Throughout the year, the Foundation welcomed a wide range of groups and initiatives, including:

- Nanpantan Scouts used the Scout Hut three evenings a week for eight months while their pavilion was under construction.
- The Army Reserves and Loughborough Badminton Club used the Sports Hall weekly for indoor football as part of a reciprocal arrangement supporting both organisations.
- Leicester Riders Basketball Club used the Parkin Sports Hall weekly as part of a reciprocal arrangement supporting both organisations.
- Rainbows Children's Hospice used Foundation facilities for their Christmas Party and summer fundraising events.
- Robbie's Rugby Festival was hosted at Quorn for the tenth consecutive year
- Charnwood Forest Hockey Club used the Astros for a fundraising event.
- Loughborough Lightning Netball had weekly use of the Parkin Sports Hall for performance pathway training.
- Leicester Tigers Rugby Camps at Quorn, hosted during school holidays.

Economic Impact

In addition to the public benefit arising from the Foundation's charitable activities, the Foundation makes a significant positive contribution to the local economy.

In 2024/25 it employed on average 733 people, and 82.6% of the £22.9m paid in salaries and employment on-costs (£20.1m in 2023/24) remained in Leicestershire, with an estimated 96.5% remaining in the East Midlands.

We support local businesses. In 2024/25 our total direct spend was circa £9.1m (£10.8m in 2023/24), of which £3.8m was spent in the East Midlands economy.

We estimate that in providing an education to more than 2,000 local children, the exchequer collectively saved more than £16.1m a year which it would otherwise cost to educate those children in local maintained schools. In addition, the introduction of VAT on School Fees from January 2025 resulted in VAT payments to the exchequer of £3.2m (2024/25 £18,000).

Section 172 Statement

The Trustees have acted in a way in which they consider, in good faith, promoted the success of the Foundation for the benefit of all beneficiaries and wider stakeholder groups. The ways in which they have done this are described in further detail throughout this report, specifically:

Stakeholder	Section
Employees	Page 15 ("Employment")
Beneficiaries	Pages 9-10 (Academic) and Page 17 ("Financial Support")
Community	Pages 17-20 ("Public Benefit")
Economic benefit	Page 21 ("Economic Impact")

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2024 to 31 August 2025:

	2024/25	2023/24
Energy consumption used to calculate emissions (kWh)	9,556,510	9,465,300
Energy consumption breakdown (kWh) :		
• gas	7,329,782	7,327,242
• electricity	2,107,608	2,011,735
• transport fuel	119,120	126,323
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	1,341.06	1,340.15
Owned transport – mini-buses	27.19	16.94
Total Scope 1	<u>1,368.25</u>	<u>1,357.09</u>
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	373.05	416.53
Renewable electricity purchased	-365.6	-408.2
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	3.23	2.67
Total gross emissions in metric tonnes CO2e	1,378.93	1,368.09
Intensity ratio Tonnes CO2e per pupil	0.64	0.63

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.

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

We have installed smart meters across all sites and increased video conferencing technology to facilitate staff to work from home and not travel to work for meetings. Under the government ESOS initiative there is a plan and programme of work to improve energy efficiency, including but not limited to installing LED lighting, Solar panels, upgrading the heating systems and motion sensors to control lighting.

Approved by the Board on 15 January 2026 and signed on its behalf by:



Simon Leese
Chairman

Governors' responsibilities statement

The Governors (who are also Directors of Loughborough Schools Foundation for the purposes of company law and Trustees for the purposes of charity law) are responsible for preparing the Governors' Annual Report, including the Strategic 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 Directors 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Directors are responsible for keeping adequate 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 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 Trustees 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 companies website. Legislation in the United Kingdom governing the preparation and dissemination may differ from legislation in other jurisdictions.

Approved by the Board on 15 January 2026 and signed on its behalf by:



Simon Leese
Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinion

We have audited the financial statements of Loughborough Schools Foundation ("the company") and its subsidiaries ("the group") for the year ended 31 August 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Cashflow Statement and the related notes 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 (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2025 and of the incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 Foundation'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 Governors' report, other than the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 23, the Governors (who are Trustees of the charitable company for the purpose of charity law and 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 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 groups' and 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

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

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

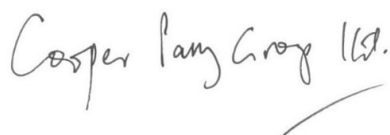
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

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

Use of our report

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



Kevin Hodgetts (Senior Statutory Auditor)

For and on behalf of:

COOPER PARRY GROUP LIMITED
Statutory Auditors

Date: 13 February 2026

Sky View, Argosy Road, East Midlands Airport, Castle Donington, Derby, DE74 2SA

Consolidated statement of financial activities
for the year ended 31 August 2025

	<i>Note</i>	Unrestricted income Funds £000	Restricted income funds £000	Endowed funds £000	2025 Total funds £000	2024 Total funds £000
Income and endowments from:						
Donations and legacies	3	-	875	-	875	1,694
Other trading activities	4	480	-	-	480	461
Investments	5	346	190	4	540	560
Charitable activities	6	34,470	-	-	34,470	35,585
Other		159	24	-	183	49
Total income and endowments		<u>35,455</u>	<u>1,089</u>	<u>4</u>	<u>36,548</u>	<u>38,349</u>
Expenditure on:						
Raising funds:						
Financing costs	9	231	-	-	231	319
Trading operations	9	253	-	-	253	281
Charitable activities	9	34,876	811	952	36,639	35,959
Total expenditure		<u>35,360</u>	<u>811</u>	<u>952</u>	<u>37,123</u>	<u>36,559</u>
Net income/(expenditure) before gains/(losses) on investments and transfers		95	278	(948)	(575)	1,790
Gain/(Loss) on investment assets	11	-	(91)	(41)	(132)	319
Net income/(expenditure) before transfers and extraordinary items		<u>95</u>	<u>187</u>	<u>(989)</u>	<u>(707)</u>	<u>2,109</u>
Extraordinary items	9	(2,864)	-	-	(2,864)	-
Transfers between funds		-	-	-	-	-
Net movements in funds		<u>(2,769)</u>	<u>187</u>	<u>(989)</u>	<u>(3,571)</u>	<u>2,109</u>
Reconciliation of funds						
Total funds brought forward	17	16,367	7,232	46,559	70,158	68,049
Total funds carried forward	17	<u>13,598</u>	<u>7,419</u>	<u>45,570</u>	<u>66,587</u>	<u>70,158</u>

All incoming resources and resources expended derive from continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 32 to 52 form part of these financial statements.

Consolidated summary income and expenditure accounts
for the year ended 31 August 2025

	<i>Note</i>	2025	2024
		£000	£000
Income from charitable related activities		35,528	37,328
Income from non-charitable trading activities		480	461
Interest and investment income	5	535	556
		<hr/>	<hr/>
Gross income in the reporting period		36,543	38,345
		<hr/>	<hr/>
Expenditure on charitable activities		(34,563)	(33,807)
Expenditure on non-charitable trading activities	9	(253)	(281)
Interest payable	9	(231)	(319)
Depreciation and charges for impairment of fixed assets		(1,124)	(1,071)
		<hr/>	<hr/>
Total expenditure in the reporting period		(36,171)	(35,478)
		<hr/>	<hr/>
Net income for the year (excl. extraordinary items)		372	2,867
Extraordinary items	9	(2,864)	-
		<hr/>	<hr/>
Net income for the year		(2,492)	2,867
		<hr/> <hr/>	<hr/> <hr/>

The income for the current year and prior year arises from continuing activities.

A detailed analysis of the subsidiaries' trading results are set out in note 4.

Detailed analysis of the expenditure is provided in the statement of financial activities and note 9.

The summary income and expenditure account excludes endowed funds and unrealised gains/(losses) in accordance with Companies Act 2006. The account is derived from the statement of financial activities on page 27 which together with the notes to the financial statements provides information on the movement during the year of the funds of the group.

The notes on pages 32 to 52 form part of these financial statements.

**Consolidated balance sheet
at 31 August 2025**

	Note	2025		2024	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		61,985		63,693
Investments	11		6,849		5,086
			<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
			68,834		68,779
Current assets					
Stock	12	149		212	
Debtors	13	2,515		1,131	
Cash at bank and in hand		3,875		8,950	
		<hr style="width: 100%;"/>		<hr style="width: 100%;"/>	
		6,539		10,293	
Liabilities: amounts falling due within one year					
Creditors	14	(6,599)		(6,157)	
		<hr style="width: 100%;"/>		<hr style="width: 100%;"/>	
Net current assets			(60)		4,136
			<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
Total assets less current liabilities			68,774		72,915
Creditors: amounts falling due after more than one year					
	15		(867)		(2,280)
Provisions for liabilities					
Provisions	16		(1,320)		(477)
			<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
Net assets			66,587		70,158
			<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
Funds					
Endowed funds	17		45,570		46,559
Restricted income funds	17, 18		7,419		7,232
Unrestricted income funds	18		13,598		16,367
			<hr style="width: 100%;"/>		<hr style="width: 100%;"/>
Total funds			66,587		70,158
			<hr style="width: 100%;"/>		<hr style="width: 100%;"/>

The financial statements were approved by the board of directors on 15 January 2026 and were signed on its behalf by:



Simon Leese
Chairman

Company registered number: 4038033

The notes on pages 32 to 52 form part of these financial statements.

Charitable balance sheet
at 31 August 2025

	<i>Note</i>	2025		2024	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	<i>10</i>		61,985		63,691
Investments	<i>11</i>		6,849		5,086
			<hr/> 68,834		<hr/> 68,777
Current assets					
Stock	<i>12</i>	22		38	
Debtors	<i>13</i>	2,878		1,492	
Cash at bank and in hand		3,574		8,689	
		<hr/> 6,474		<hr/> 10,219	
Liabilities: amounts falling due within one year					
Creditors	<i>14</i>	(6,534)		(6,081)	
		<hr/> (60)		<hr/> 4,138	
Net current assets					
			<hr/> 68,774		<hr/> 72,915
Total assets less current liabilities					
Creditors: amounts falling due after more than one year					
	<i>15</i>		(867)		(2,280)
Provisions for liabilities					
Provisions	<i>16</i>		(1,320)		(477)
			<hr/> 66,587		<hr/> 70,158
Net assets					
Funds					
Endowed funds	<i>17</i>		45,570		46,559
Restricted income funds	<i>17, 18</i>		7,419		7,232
Unrestricted income funds	<i>18</i>		13,598		16,367
			<hr/> 66,587		<hr/> 70,158
Total funds					

The financial statements were approved by the board of directors on 15 January 2026 and were signed on its behalf by:



Simon Leese
Chairman

Company registered number: 4038033

The notes on pages 32 to 52 form part of these financial statements.

Consolidated statement of cash flows
for the year ended 31 August 2025

	<i>Note</i>	2025	2024
		£000	£000
Net cash flow from operating activities			
Net cash flow (used)/provided by operating activities	<i>19</i>	(1,912)	5,087
Cash flows from investing activities			
Purchase of property, plant and equipment	<i>10</i>	(1,167)	(1,907)
Purchase of investments	<i>11</i>	(2,542)	(96)
Proceeds from sale of investments	<i>11</i>	647	123
Dividends, interest and rents received from investments	<i>5</i>	540	560
Net cash used in investing activities		(2,522)	3,767
Cash flows from financing activities			
Repayment of Loan and Mortgage		(641)	(1,767)
Net cash generated in financing activities		(641)	(1,767)
Change in cash and cash equivalents in the reporting period		(5,075)	2,000
Cash and cash equivalents at the beginning of the reporting year		8,950	6,950
Cash and cash equivalents at the end of the reporting year		3,875	8,950

The notes on pages 32 to 52 form part of these financial statements.

Notes to the financial statements

1 Accounting Policies

Loughborough Schools Foundation is a company limited by guarantee and is incorporated and domiciled in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operation and principal activities is to provide a day or boarding school for boys and girls of all ages.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £'000.

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

Basis of consolidation

The group financial statements are the result of the consolidation of the financial statements of the company and its subsidiaries LSF Shop Limited and Thomas Burton Developments Limited. The financial statements of all companies are made up to 31 August 2025.

No separate SOFA has been presented for the charity alone following exemptions afforded by section 408 of the Companies Act 2006.

For the year ended 31 August 2025 the parent charity saw a net reduction of funds of £3,571,0000 (2024: increase of £2,109,000)

Fund accounting

Funds held by the charitable company are either:

- **Unrestricted general funds** – these are funds, which can be used in accordance with the charitable objects at the discretion of the directors.
- **Restricted funds** – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the Memorandum and Articles of Association, or the donor, or when funds are raised for particular restricted purposes.
- **Permanent endowed funds** – these are the land and buildings of the schools and investments, which are not free for disposal without replacement.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fees receivable

Fees receivable are accounted for in the period to which they relate. The fees receivable are stated after deducting scholarships and other remissions granted by the charitable company; however, the stated fees include the contributions received from restricted funds for bursaries and other grants.

Investment income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Donations and legacies

Donations and legacies received for the general purposes of the schools are credited to unrestricted funds. Donations and legacies subject to specific wishes of the donors are carried to the relevant restricted fund or to the endowed fund.

Trading income

Trading income, including income from LSF Shop Limited and Thomas Burton Developments, is included when receivable.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on raising funds
- Expenditure on charitable activities

Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of Loughborough Schools Foundation and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Redundancy / termination payments

All redundancy and termination payments agreed during the year are recognised within the year.

Tangible fixed assets

The freehold land and buildings were re-valued as at 31 August 2014 and on adoption of FRS 102 SORP this was taken as "deemed cost".

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land and listed buildings	-	No depreciation charge
Other freehold buildings	-	5 – 50 years
Furniture and fittings	-	10 years
Equipment	-	4 – 10 years

Items costing less than £500 are written off as an expense when acquired.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in '(loss)/gains' on revaluation of investments' in the SoFA. No depreciation is charged on investment properties in accordance with the Charities SORP.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'gains/(losses) on revaluation of investments' in the SoFA. Realised gains and losses are calculated as the difference between sale proceeds and original cost.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Provisions

Provisions are recognised when the Foundation has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at an appropriate discount rate that reflects the risks specific to the liability.

Operating Leases

Operating lease rentals are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Deferred income

Prepaid fees are held as creditors until the start of the term to which they relate. They are then transferred to the statement of financial activities and recognised as income.

Taxation

Loughborough Schools Foundation is exempt from income tax and capital gains tax under Section 505 ICTA1988.

Pension schemes

Teachers' Pension Scheme

The Foundation withdrew from the TPS on 31 August 2021, and on 1 September 2022 the Foundation re-joined the TPS. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Defined Contribution Scheme

The School pays contributions on behalf of its support and teaching staff, into two defined contribution pension schemes, which are managed independently of the finances of the School. The schemes are operated on a defined contribution basis, and therefore no surpluses or deficits will arise. Contributions are charged against expenditure in the year in which they fall due.

Going concern

The Trustees remain confident that the Foundation is able to meet its financial obligations as they fall due, as well as continuing to invest in the fabric of the buildings and the facilities and equipment required to provide an excellent education at the Foundation's schools. The Trust holds significant cash reserves and continues to generate sufficient funding and operating surpluses to meet its financial obligations. The Foundation prepares budgets and long-term forecasts to understand its financial position, model risks and scenarios, and continually takes action to ensure that it can remain in a financially sustainable position and deliver its charitable objectives. The longer-term forecasting undertaken during the year and since the year end included assessing the financial viability of all the Foundation's schools and, as detailed in the Trustees' report, this highlighted that Loughborough Amherst School was no longer financially viable which led to the very difficult decision to close the Loughborough Amherst School at the end of the 2024/25 academic year. Whilst the closure of Amherst School will have some short-term financial impact on the Foundation, the longer-term forecasting that has been completed, which takes into consideration the effects of the ongoing cost of living crisis, changes to the Foundation's VAT status, expected pupil numbers and changes in these and other market and regulatory changes, shows that the Foundation will continue to generate operating surpluses and maintain sufficient cash funds to continue meet all its financial obligations.

Based on this assessment the Trustees are confident that the Foundation can continue as a going concern for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

Limited by guarantee

Each member of the charitable company undertakes to contribute to such amount as may be required but not exceeding £10.

Re-statement of prior year figures

Where prior year figures are re-stated, the reason will be stated in the notes section to the financial statements.

2 Judgements and key sources of estimation uncertainty

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

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

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

Leases

The group determines whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Investment properties

Critical estimates, assumptions and judgements relate to the determination of the carrying value of investment properties at fair value. In determining this, the group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the statement of financial activities.

Depreciation and residual values

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

3 Donations and legacies

	Unrestricted £000	Restricted £000	2025 £000
Donations	-	323	323
Legacies	-	552	552
	-	875	875
	-	875	875
	Unrestricted £000	Restricted £000	2024 £000
Donations	-	161	161
Legacies	-	1,533	1,533
	-	1,694	1,694
	-	1,694	1,694

4 Other trading activities before consolidation

The Foundation owns the entire share capital of The LSF Shop Limited and Thomas Burton Development Limited. Both subsidiaries covenant any taxable profits to the Foundation. The trading results for the year ended 31 August 2025 for both entities, as extracted from their audited financial statements, are summarised below and all relate to unrestricted funds.

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2025 £000	Total 2024 £000
Turnover	261	247	508	461
Cost of sales	(177)	(2)	(179)	(187)
Gross profit	84	245	329	274
Administration	(66)	(20)	(86)	(106)
Other operating income	1	-	1	1
Operating profit	19	225	244	169
Interest payable	(1)	-	(1)	(1)
Net profit	18	225	243	168
Retained reserves bought forward	-	-	-	-
Covenant	(18)	(225)	(243)	(168)
Retained reserves carried forward	-	-	-	-

The aggregate amounts of assets, liabilities, share capital and reserves were:

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2025 £000	Total 2024 £000
Non-current assets	1	0	1	2
Current assets	238	267	505	536
Creditors: amounts falling due within one year	(238)	(267)	(506)	(537)
Net current assets / (liabilities)	1	-	1	(1)
Creditors: due after more than one year	-	-	-	-
Net assets / (liabilities)	1	-	1	1
Share capital and reserves	1	-	1	1

Lease costs of £10,290 per annum are payable by LSF Shop Ltd to the Foundation until expiration of the lease on 1 March 2026.

5 Investment income

	Unrestricted £000	Restricted £000	Endowed £000	2025 £000	2024 £000
Bank interest receivable	228	69	-	297	387
Investment income	54	121	4	179	120
Rental income	64	-	-	64	53
	<u>346</u>	<u>190</u>	<u>4</u>	<u>540</u>	<u>560</u>

6 Charitable activities

School income receivable comprised:

	2025 £000	2024 £000
Tuition fees	32,036	33,222
Boarding fees	1,316	1,267
Bursary awards and grants	(1,345)	(1,036)
Bursary awards and grants paid for by restricted funds	683	222
	<u>32,690</u>	<u>33,675</u>
Catering receipts	1,368	1,570
Other fees & grants	412	340
	<u>34,470</u>	<u>35,585</u>

School income was £34,470,000 (2024: £35,585,000) of which £34,470,000 (2024: £35,585,000) was attributable to unrestricted funds and £nil (2024: £nil) was attributable to restricted funds.

7 Charitable net income is stated after charging:

	2025	2024
	£000	£000
Auditor's remuneration:		
For audit	49	39
For other services	-	-
Governors' professional liability insurance	7	9
Depreciation of tangible fixed assets	2,071	2,184
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
7 (a) Staff costs		
Wages and salaries	22,912	20,292
Social security costs	2,436	2,046
Pension contributions	3,512	3,243
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	28,860	25,581
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

The number of employees whose contracts were terminated and who left our employment within the financial year totalled 93, with an associated cost of £1,089,000 (2024: 5 employees with an associated cost of £133,000).

In addition to the payments made to employees on termination of employment, a provision of £544,000 has been made in relation to future fee guarantees made to ex-employees whose children remain pupils at the Foundation which were made as part of the overall termination settlement.

The average number of employees in the year was 733 (2024: 759) of whom 286 (2024: 295) were teaching staff and 45 were casual staff (2024: 50).

The number of employees whose emoluments exceeded £60,000 (including any redundancy payments) was:

	2025	2024
£60,001 - £70,000	23	9
£70,001 - £80,000	11	5
£80,001 - £90,000	5	1
£90,001 - £100,000	3	-
£100,001 - £110,000	2	2
£110,001 - £120,000	-	-
£120,001 - £130,000	2	1
£130,001 - £140,000	2	1
£140,001 - £150,000	1	1
£200,001 - £210,000	1	-
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
	50	20
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

Contributions were made to the Teachers' Pension scheme, which is a defined benefit scheme for 22 higher paid employees (2024: 9). Contributions were paid to a defined contribution pension scheme for 28 employees (2024: 11).

8 Governors and key management personnel remuneration and expenses

The Governors consider that they, together with the Heads of the four schools and Foundation leadership team, comprise the Key Management Personnel. The Governors give of their time freely and the pay and remuneration of the Heads and Foundation Leadership team are set by the Remuneration Committee and is kept under annual review. A number of criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

The total amount of employee benefits, including employers National Insurance contributions, employers pension contributions, private medical insurance and accommodation benefits, received by key management personnel is £1,136,000 (2024: £928,000).

The Trustees neither received nor waived any remuneration during the year (2024: £nil).

9 Analysis of total resources expended

	Staff costs	Other	Depreciation and Impairments	Total 2025	Total 2024
	£000	£000	£000	£000	£000
	(note 7)		(note 10)		
Cost of generating funds					
Trading	67	186	-	253	281
Financing	-	231	-	231	319
	<u>67</u>	<u>417</u>	<u>-</u>	<u>484</u>	<u>600</u>
Charitable expenditure					
Teaching costs	20,278	1,987	-	22,265	21,468
Welfare costs	234	50	-	284	113
School meals and catering	1,040	928	-	1,968	2,163
Premises	1,938	2,313	2,071	6,322	6,140
Support costs	3,566	1,006	-	4,572	5,377
Financial Assistance including Bursaries and Scholarships	-	750	-	750	254
Governance costs	379	99	-	478	443
	<u>27,435</u>	<u>7,133</u>	<u>2,071</u>	<u>36,639</u>	<u>35,959</u>
Extraordinary items	1,358	701	805	2,864	-
Total expenditure	<u>28,860</u>	<u>8,251</u>	<u>2,876</u>	<u>39,987</u>	<u>36,559</u>

Governance costs are an apportionment of the relevant peoples' salaries with regard to the long term strategic planning of the charitable company.

Extraordinary items of £2.8m relate to the costs of the closure of Loughborough Amherst School. Costs include the impairment of assets (£0.8m); costs associated with the termination of employment, including fees guarantees for children of the respective employees (£1.3m) and legal costs (£0.6m).

Resources expended total £39,987,000 (2024: £36,559,000) of which the split between funds is as follows;

	Staff costs	Other	Depreciation and Impairments	Total 2025	2024
	£000	£000	£000	£000	£000
Unrestricted funds	28,860	7,496	1,868	38,224	35,143
Restricted funds	-	750	61	811	336
Endowment funds	-	5	947	952	1,080
	<u>28,860</u>	<u>8,251</u>	<u>2,876</u>	<u>39,987</u>	<u>36,559</u>

Bursaries and scholarship costs of £683,000 (2024: £222,000) have been charged directly to restricted funds.

10 Consolidated tangible fixed assets

	Freehold land and Buildings £000	Furniture and fittings £000	Equipment £000	Asset in the Course of Construction £000	Total £000
Cost or valuation					
Balance at 1 September 2024	74,568	3,097	11,185	784	89,634
Additions at cost	195	495	294	183	1,167
Transfers	721	36	27	(784)	-
	-----	-----	-----	-----	-----
At end of year	75,484	3,628	11,506	183	90,801
	-----	-----	-----	-----	-----
Depreciation & impairments					
Balance at 1 September 2024	(13,875)	(2,211)	(9,854)	-	(25,940)
Depreciation charge	(1,428)	(163)	(480)	-	(2,071)
Impairment charge	(771)	(31)	(3)	-	(805)
	-----	-----	-----	-----	-----
At end of year	(16,074)	(2,405)	(10,337)	-	(28,816)
	-----	-----	-----	-----	-----
Net book value					
At 31 August 2025	59,410	1,223	1,169	183	61,985
	=====	=====	=====	=====	=====
At 31 August 2024	60,692	886	1,331	784	63,693
	=====	=====	=====	=====	=====

The parent charitable company has elected, in accordance with S35 10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation as their deemed cost.

The value of the playing fields and listed buildings, which are not depreciated, at the end of the year was £1,600,000 (2024: £1,600,000) and £4,260,000 (2024: £4,260,000) respectively.

No value is included for land other than playing fields. The site is an integral part of the scholastic entity comprising mainly educational buildings for which no alternative purchaser is foreseen. As a consequence, any valuation of the site is impracticable at reasonable expense.

All assets are held for use in charitable activities.

There were no assets held under finance leases or hire purchase contracts.

The impairment of assets during the year relate to the announced closure of Loughborough Amherst School.

Charitable company tangible fixed assets

	Freehold land and buildings £000	Furniture and fittings £000	Equipment £000	Asset in the Course of Construction £000	Total £000
<i>Cost or valuation</i>					
Balance at 1 September 2024	74,568	3,097	11,168	784	89,617
Additions at cost	195	495	293	183	1,166
Transfers	721	36	27	(784)	-
	-----	-----	-----	-----	-----
At end of year	75,484	3,628	11,488	183	90,783
	-----	-----	-----	-----	-----
<i>Depreciation</i>					
Balance at 1 September 2024	(13,875)	(2,211)	(9,836)	-	(25,922)
Depreciation charge	(1,428)	(163)	(480)	-	(2,071)
Impairment charge	(771)	(31)	(3)	-	(805)
	-----	-----	-----	-----	-----
At end of year	(16,074)	(2,405)	(10,319)	-	(28,798)
	-----	-----	-----	-----	-----
<i>Net book value</i>					
At 31 August 2025	59,410	1,223	1,169	183	61,985
	=====	=====	=====	=====	=====
At 31 August 2024	60,692	886	1,329	784	63,691
	=====	=====	=====	=====	=====

There were no assets held under finance leases or hire purchase contracts.

The impairment of assets during the year relate to the closure of Loughborough Amherst School.

11 Investments

Consolidated and charitable company	Freehold property £000	Listed and managed investments £000	Total £000
Balance at 1 September 2024	1,210	3,876	5,086
Disposal of property	-	-	-
Additions at cost	-	2,542	2,542
Disposals	-	(647)	(647)
Change in market value of investments	-	(132)	(132)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2025	1,210	5,639	6,849
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The listed and managed investments of £5,639,000 (2024: £3,876,000) comprise £2,125,000 (2024: £2,201,000) charity investments and £3,514,000 (2024: £1,675,000) investments directly listed in the United Kingdom.

There were no investments that constituted over 5% of the market value of the listed investment portfolio.

The freehold property has been revalued based on the independent valuations by qualified chartered surveyors, which were completed in March 2021 for buildings and August 2022 for land.

12 Stocks

	2025		2024	
	Consolidated £000	Charitable company £000	Consolidated £000	Charitable Company £000
Stocks	22	22	37	38
Subsidiaries' stocks	127	-	175	-
	<hr/>	<hr/>	<hr/>	<hr/>
	149	22	212	38
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

13 Debtors

	2025		2024	
	Consolidated	Charitable Company	Consolidated	Charitable company
	£000	£000	£000	£000
Fees receivable	1,816	1,816	3	3
Other debtors, prepayments and accrued income	623	623	1,101	1,028
Trade debtors	76	-	27	-
Due from group undertakings	-	439	-	461
	<u>2,515</u>	<u>2,878</u>	<u>1,131</u>	<u>1,492</u>

14 Creditors: amounts falling due within one year

	2025		2024	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£000
Prepaid fees	1,592	1,592	2,522	2,522
Fee guarantees	194	194	104	104
Taxation and social security	1,935	1,923	563	552
Trade Creditors	984	952	1,165	1,122
Mortgage obligation	534	534	28	28
CBILs loan	562	562	613	613
Other creditors	538	517	685	663
Accruals	260	260	477	477
	<u>6,599</u>	<u>6,534</u>	<u>6,157</u>	<u>6,081</u>

Fee guarantees are repayable when pupils leave. Other creditors include £421,000 (2024: £439,000) of outstanding pension contributions.

15 Creditors: amounts falling due after one year

	2025		2024	
	Consolidated £000	Charitable Company £000	Consolidated £000	Charitable Company £000
Fee guarantees	631	631	675	675
Prepaid Fees	236	236	509	509
Mortgage obligation	-	-	534	534
CIBLs loan	-	-	562	562
	867	867	2,280	2,280
	867	867	2,280	2,280

Analysis of Mortgage Loan

Repayments are due as follows:	2025 £000	2024 £000
Amounts falling due:		
• Within one year	534	28
• Between one and two years	-	534
• Between two and five years	-	-
• After five years	-	-
	534	562
	534	562

Lender	Term	Security	Interest Rate
HSBC Bank plc	7 years	85 Castledine Street	Variable, charged at 1.55% over base rate

The terms of the mortgage allow repayment without incurring any penalty.

Analysis of CBILS Loan

Repayments are due as follows:	2025 £000	2024 £000
Amounts falling due:		
• Within one year	562	613
• Between one and two years	-	562
• Between two and five years	-	-
• After five years	-	-
	562	1,175
	562	1,175

Lender	Term	Security	Interest Rate
Natwest Bank PLC	6 years	Six residential properties owned by the Foundation, along with the Parkin Sports Hall.	1 year interest free, interest rate after 1 year 2.37% over base rate

16 Provisions

	Legal & compliance Costs £000	Fee guarantees £000	Total £000
Balance at 1 September 2024	477	-	477
Charged in year	405	544	949
Utilised/released in year	(106)	-	(106)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2025	776	544	1,320
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Legal and compliance costs relate to provisions to defend both known claims and potential litigation regarding employment related matters and potential risks that have been identified but were not fully resolved by the year end.

Fee guarantees relate to the provision of ongoing fee remission relating to the children of staff made redundant following the closure of Loughborough Amherst School in July 2025, which were provided as part of the overall staff termination settlement.

17. Analysis of net assets between funds 2025

	Tangible Fixed assets £000	Investments £000	Net current assets/ (liabilities) £000	Non-current (liabilities) and provisions £000	Total 2025 £000
Restricted income funds					
Access to Education	-	2,984	1,352	-	4,336
Area of Greatest Need	845	529	662	-	2,036
Learning Environment	594	-	82	-	676
Prizes	-	8	39	-	47
Student Experiences	-	123	201	-	324
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted income funds	1,439	3,644	2,336	-	7,419
Unrestricted income funds	18,191	-	(2,406)	(2,187)	13,598
Endowed funds	42,355	3,205	10	-	45,570
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	61,985	6,849	(60)	(2,187)	66,587
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Analysis of net assets between funds 2024

	Tangible Fixed assets	Investments	Net current assets/ (liabilities)	Non-current (liabilities) and provisions	Total 2024
	£000	£000	£000	£000	£000
Restricted income funds					
Access to Education	-	1,158	3,037	-	4,195
Area of Greatest Need	551	543	871	-	1,965
Learning Environment	628	-	83	-	711
Prizes	-	8	38	-	46
Student Experiences	-	127	188	-	315
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total restricted income funds	1,179	1,836	4,217	-	7,232
Unrestricted income funds	19,211	-	(87)	(2,757)	16,367
Endowed funds	43,303	3,250	6	-	46,559
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	63,693	5,086	4,136	(2,757)	70,158
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

18 Movement on restricted funds 2025

	Balance at 1 September 2024 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Movements in investments £000	Balance at 31 August 2024 £000
Access to Education	4,195	888	(678)	6	(75)	4,336
Area of Greatest Need	1,965	135	(51)	-	(13)	2,036
Learning Environment	711	(1)	(34)	-	-	676
Prizes	46	2	(1)	-	-	47
Student Experiences	315	65	(47)	(6)	(3)	324
Total	<u>7,232</u>	<u>1,089</u>	<u>(811)</u>	<u>-</u>	<u>(91)</u>	<u>7,419</u>

The Foundation's restricted funds are made up of donations and bequests from individuals and organisations that come with conditions on how they are used. For 25-26, these have been classified in line with the primary intention for the fund, and are summarised as:

- Access to Education: to fund or part fund bursaries to provide financial assistance to pupils that require it, and scholarship opportunities for gifted pupils.
- Area of Greatest Need: funds with scope to be used across a wide range of activities, but with some restrictions which mean they cannot be considered unrestricted funds.
- Learning Environment: provided to fund new facilities and equipment to improve the learning environment and experience.
- Prizes: funds restricted to provide pupils with prizes to celebrate the success of our pupils.
- Student Experiences: funds that are to be used to provide students with experiences to complement their education, such as travel grants and athlete player pathways.

Movement on restricted funds 2024

	Balance at 1 September 2023 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Movements in investments £000	Balance at 31 August 2024 £000
Access to Education	2,600	1,732	(245)	-	108	4,195
Area of Greatest Need	1,869	86	(32)	-	42	1,965
Learning Environment	743	3	(35)	-	-	711
Prizes	45	2	(2)	-	1	46
Student Experiences	285	43	(22)	-	9	315
Total	<u>5,542</u>	<u>1,866</u>	<u>(336)</u>	<u>-</u>	<u>160</u>	<u>7,232</u>

19 Reconciliation of net income to net cash flow from operating activities

	2025	2024
	£000	£000
Cash flows from operating activities		
Net Income/(expenditure) for the reporting period (as per the statement of financial activities)	(3,571)	2,109
Adjustment for:		
Depreciation charge	2,071	2,184
Impairment of tangible fixed assets	805	-
Dividends, interest and rents received from investments	(540)	(560)
Decrease/(increase) in stock	63	2
Decrease/(increase) in debtors	(1,384)	(225)
Increase/(decrease) in creditors	(331)	1,559
Increase/(decrease) in provisions	843	337
Gain/(loss) on revaluation of investments	132	(319)
	<hr/>	<hr/>
Net cash (used)/provided by operating activities	(1,912)	5,087
	<hr/> <hr/>	<hr/> <hr/>

20 Analysis of changes in net debt

	Balance at 31 August 2024	Cash Flows	Non Cash Flows	Balance as at 31 August 2025
	£000	£000	£000	£000
Cash	8,950	(5,075)	-	3,875
Loans falling due within one year	(641)	641	(1,096)	(1,096)
Loans falling due after more than one year	(1,096)	-	1,096	-
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	7,213	(4,434)	-	2,779
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

21 Pensions

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 as published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Government Actuary's Department on 27 October 2023 and by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy) from 1 April 2024 (the contribution rate to 31 March 2024 is 23.68% as set by the 31 March 2019 valuation);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200m, giving a notional past service deficit of £39,800m;
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of the Consumer Price Index.

The employer's pension costs paid to TPS in the period amounted to £2,129,000 (2024: £2,464,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Foundation has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Foundation has set out above the information available on the scheme.

Defined Contribution Schemes

The Foundation pays contributions on behalf of its support and certain teaching staff, into two defined contribution pension schemes, the Royal London Pension Scheme and the Aviva Pension Trust for Independent Schools scheme (APTIS). The assets of these schemes are held separately from those of the Foundation in independently administered funds.

The pension charge for the year in relation to these schemes represents the contributions payable by the Foundation to the schemes and amounted to £1,380,000 (2024: £779,000).

22 Governor's expenses

In connection with their role as governors of the charitable company, two governors (2024: three governors) received reimbursement amounting to £323 (2024: £940) for expenses incurred.

23 Operating Leases

As at 31 August 2025 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2025	2024
	£000	£000
Expiry date:		
Within 1 year	275	349
Between 2 and 5 years	569	631
Greater than 5 year	66	-
Total	910	980

24 Related Party Transactions

During the year recharges of £81,000 (2024: £71,000) were charged to subsidiary undertakings.

Profits of £243,000 (2024: £168,000) were gift aided to the school in line with covenants.

Included within debtors on the charitable balance sheet are amounts owed from group undertakings of £439,000 (2024: £461,000) of which £207,000 (2024: £229,000) relates to a loan which is repayable within one year and is subject to interest at 0.5% per annum. During the year interest of £1,300 (2024: £2,000) was charged on loan accounts with group undertakings.

These transactions were made in the normal course of business.

25 Capital Commitments

There were no significant capital commitments at the end of the financial year.

26 Controlling party

The Governors consider that the company has no controlling party.

27 Company

Loughborough Schools Foundations has two wholly owned subsidiary undertakings which have been included in the consolidated financial statements.

Thomas Burton Developments Ltd (company number 02750735) was incorporated on 25 September 1992 and has called up share capital of £2. LSF Shop Ltd (company number 02100016) was incorporated on 16 February 1987 and has called up share capital of £2.

The subsidiary registered offices are the same as for Loughborough Schools Foundation which can be found on page 2 of the Governors' report.

LOUGHBOROUGH SCHOOLS FOUNDATION

England & Wales - Charity number 1081765

Accounts

Loughborough Schools Foundation

Governors' Report and Financial Statements

For the year ended 31 August 2024
Registered company number 4038033
Registered charity number 1081765

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Introduction

Governors, Trustees & Directors

The Loughborough Schools Foundation is a company limited by guarantee, number 4038033, and a registered Charity, number 1081765.

The Governors who served during the year, and up to the date of this report except where indicated, were:

Co-opted Governors:

Dr M Aslam	(Resigned 6 December 2024)
Mrs K L Basey	
Mr A Bowden	
Mr J Cimurs	
Mrs A Clark	
Mrs E K Critchley	(resigned 25 March 2024)
Dr J Esson	
Dr S Gowers-Cromie	
K Green	(resigned 5 July 2024)
Mr A Harris	(resigned 5 July 2024)
Mr R Harrison	Foundation Chair
Air Vice-Marshal G Howard	(resigned 15 November 2024)
Mr S Leese	
Mrs R J E Limb	
Mr S Morris	(Resigned 6 December 2024)
Mrs A Murphy	
Mr J Parkinson	(resigned 25 June 2024)
Mr R Saunt	(appointed 12 September 2024)

Nominated Governor:

Sister C Leydon *Rosminian Sisters of Providence*

Directors

All Loughborough Schools Foundation Governors are registered with Companies House as Directors of the Charitable Company.

Trustees

All Loughborough Schools Foundation Governors are registered with the Charity Commission as Trustees of the Charitable Company.

Professional Advisers:

Bankers:

National Westminster Bank plc
Market Place
Loughborough
LE11 3EA

Solicitors:

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5DS

Bird, Wilford and Sale
20 Church Gate
Loughborough
LE11 1UD

Auditors:

Cooper Parry Group Limited
Sky View, Argosy Road
East Midlands Airport
Castle Donnington
Derby
DE74 2SA

Tax Adviser:

PKF Smith Cooper
Prospect House
1 Prospect Place
Derby
DE24 8HG

Investment Advisers:

Charles Stanley & Co. Limited
25 Luke Street
London
EC2A 4AR

Insurance Broker:

Hayes Parsons Insurance Brokers
Beacon Tower, Colston Street
Bristol
BS1 4XE

Land Managers:

Mather Jamie
3 Bank Court, Weldon Road
Loughborough
LE11 5RF

Registered Office:

3 Burton Walks
Loughborough
LE11 2DU

Reference information

Loughborough Schools Foundation is an educational charity administered by Governors who are also the Trustees of the Charity and Directors of the Company. It comprises four independent schools and one nursery, all located in Loughborough.

Loughborough Grammar School (LGS) and Loughborough High School for Girls (LHS) were founded in 1495 and 1850 respectively. Fairfield Preparatory School became autonomous in 1969 having previously operated as the junior school of Loughborough High School. On 1 September 2015 Our Lady's Convent School (founded 1850) was subsumed into the Foundation thus becoming its fourth independent school; from 1 September 2018, the school changed its name to become Loughborough Amherst School (LAS). The Nursery, established by Loughborough Amherst School, opened in October 2016. Throughout the Governors' Reports and Financial Statements, the company and the charitable trust are referred to collectively as the Foundation.

Structure, Governance and Management

The Foundation is a company limited by guarantee, number 4038033, and a registered Charity, number 1081765. The Foundation is governed by its Memorandum and Articles of Association.

The Governors of the Foundation, as Directors of the Company, are also Charity Trustees. They provide strategic leadership, ensure policy and financial oversight, hold senior leaders accountable, and manage risks to guide the Foundation's long-term success. A scheme of delegation formalises the responsibilities between Governors, Committees and the Executives.

The day-to-day management of the Foundation and schools is delegated to the Foundation Executive Leadership Team, which includes:

- **Fairfield Preparatory School** (co-educational day school, aged 3-11)
Headmaster: Mr. A R Earnshaw, BA, NPQH
- **Loughborough Amherst School** (co-educational day and boarding school, ages 2-18) **and Loughborough Nursery**
Headmaster: Mr. J Neville, MA (Oxon), MPhil (Cantab)
- **Loughborough Grammar School** (boys aged 10-18, day and boarding)
Headmaster: Mrs. HM Foster, BA, Med, Dip LA
- **Loughborough High School** (girls aged 11-18, day school)
Head: Dr. F Miles, MA (Cantab), MBBS

The day-to-day management of educational, pupil development and pastoral issues is delegated to the Heads, supported by their senior staff.

In addition to the Heads, the Foundation Leadership Team includes non-educational leadership roles:

- **Chief Operation Officer**
R J Grant & R Smeeton (from 18 August 2023 - 31 August 2024)

Following the restructuring of the COO role in September 2024, the Foundation Leadership Team now includes:

- **Bursar**
David Goodacre (from 24 June 2024)
- **External Engagement Director**
Russell Langley (from 1 May 2024)
- **Transformation Director**
Andrew White (from 11 October 2023)

The Bursar and External Engagement Director are responsible for the overall governance of the charity, and specifically responsible for the centralised functions of finance, human resources, estates and grounds management, health and safety, compliance, catering, network services, commercial activity, marketing and the subsidiary companies.

All Governors give their time freely and no remuneration was paid during the year. Reasonable travelling and associated expenses were paid in accordance with Foundation policy. No Trustee/Director, or person connected with a Governor, received any benefit either from a means-tested Foundation bursary or a scholarship awarded to a pupil. Professional indemnity and liability insurance is in place for Governors.

Membership of Relevant Professional Bodies

The Heads of Loughborough Amherst School, Fairfield Preparatory School, Loughborough Grammar School and Loughborough High School, are members of the CISC, IAPS, HMC, and GSA respectively. The Foundation is a member of the ISBA. These professional affiliations collectively form part of the Independent Schools' Council. Membership in these associations serves as a platform to exchange expertise, knowledge, and experiences within the independent schools' sector. Furthermore, they play a vital role in representing the sector's views to the Government and regulatory bodies.

Governor Recruitment and Training

The Board of Governors requires considerable breadth and depth of experience to carry out its duties effectively and efficiently. The Nominations and Governance Committee interviews prospective governors on a regular basis and maintains a list of prospective candidates to be called forward when vacancies arise and/or skill gaps in the Board become apparent. A skills matrix is maintained to inform recruitment and training priorities.

All Governors follow an induction programme on appointment, including meetings with the Executive and relevant Chairs. Governors are also required to complete annual safeguarding refresher training. Additionally, they are encouraged to attend external training to complement the internal training provided. In addition to the training for the Governors as a whole, individual Governors receive training tailored to support specific duties they undertake, such as safeguarding and finance. The Foundation is a member of the Association of Governing Bodies of Independent Schools (AGBIS), and Governors are encouraged to take advantage of the conferences and seminars offered. A record of Governor training is maintained.

Governance and Committee Structure

The Board, through four functional committees, exercises the governance and control of the Foundation and Schools. The Executive attend Governors' meetings. Additionally, an individual committee known as a 'School Board' operates for each of the schools. As the functional committees have primacy, the four School Boards have limited executive powers but are constituted to ensure that school issues are appropriately raised at Foundation Board level.

An external review of Governance was completed in March 2023 with implementation of the planned action continuing.

The committees in existence during the year were:

Four School Boards (Loughborough Amherst School, Fairfield Preparatory School, Loughborough Grammar School and Loughborough High School): School Boards are oversight of the school and ensure that issues are appropriately represented at functional committees and/or the Foundation Board. They focus particularly on academic and educational matters, serving as the primary interface between Governors and the schools. This includes representing the school during ISI inspections. The Loughborough Amherst School Board also holds specific responsibility for overseeing the Catholic ethos of the school. Each School Board is composed of at least three Governors and meets on a termly basis to discuss and address relevant issues.

The Finance Audit and Risk Committee: The remit of this committee is to monitor the financial performance of the Foundation and its constituent schools and to make recommendations to the Board accordingly. The committee ensures the Foundation has a long-term financial plan aligned with its overall strategic development and infrastructure plans, and it oversees the Foundation's investments and reserves. In addition, the committee oversees the external audit process and programme of internal reviews. It is also responsible with oversight of risk management in the Foundation. The committee is composed of at least three Governors and meets on a termly basis.

Operations and Compliance Committee: The committee advises the Board on all matters relating to capital development, reactive and planned maintenance, maintenance of the grounds, human resources, networks services, catering and health and safety and compliance. The committee is constituted with at least three Governors and meet on a termly basis.

Remuneration Committee: Consisting of the four School Board Chairs, the Vice Chair and chaired by the Foundation Chair. The committee has specific responsibility for determining the remuneration of the Foundation's senior officers. The committee meets annually.

The Nominations and Governance Committee: Following a recommendation from the recent governance review, the committee's remit was expanded to include governance matters. It now also focuses on overseeing governance practices across the governance structure. This enhanced role strengthens the committee's capacity to support the Board in maintaining strong governance standards across the Foundation. Consisting of the representative from the School Board and chaired by the Foundation Chair, it also advises the Board on the recruitment, selection and induction of new Governors. The committee meet termly or as necessary to consider applications from prospective governors and undertake succession planning.

The Board also receives reports from The Subsidiary Trading Board. The Subsidiary Trading Board has three Directors, two of whom are not a trustee of Loughborough Schools Foundation. The Directors are responsible for the legal oversight of the Foundation's incorporated subsidiaries.

Post Balance Sheet Events

On 14th March 2025 the Foundation announced that it would be closing the Loughborough Amherst School at the end of 2024/25 academic year. This was an incredibly difficult decision and came after extensive consideration and consultation. Despite significant efforts over the past decade to secure its long-term viability, the School was sadly no longer financially sustainable. We fully appreciate the deep affection many families have for Amherst and its 175-year history, and we recognise the impact this decision has had on our community.

Going Concern

The Trustees remain confident that the Foundation is able to meet its financial obligations as they fall due, as well as continuing to invest in the fabric of the buildings and the facilities and equipment required to provide an excellent education at the Foundation's schools. The Trust holds significant cash reserves and continues to generate sufficient funding and operating surpluses to meet its financial obligations. The Foundation prepares budgets and long-term forecasts to understand its financial position, model risks and scenarios, and continually takes action to ensure that it can remain in a financially sustainable position and deliver its charitable objectives. The longer-term forecasting undertaken during the year and since the year end included assessing the financial viability of all the Foundation's schools and as detailed above, this highlighted that Loughborough Amherst School was no longer financially viable which led to the very difficult decision to close School at the end of the 2024/25 academic year. Whilst the closure of Amherst School will have some short-term financial impact on the Foundation, the longer-term forecasting that has been completed shows that the Foundation will continue to generate operating surpluses and maintain sufficient cash funds to continue meet all its financial obligations.

Based on this assessment the Trustees are confident that the Foundation can continue as a going concern for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

STRATEGIC REPORT

The Schools within the Foundation are focussed on delivering an outstanding academic experience of our pupils, providing a supportive and nurturing pastoral environment and creating a huge range of co-curricular opportunities to allow our pupils to develop into socially responsible young adults.

The Foundation is responsible for the overarching strategy and governance of the charity, and all schools within in. The Foundation focussed on six key areas during the year:

Developing and implementing a marketing strategy to establish Foundation schools as the preferred choice for parents in the region, while expanding and enhancing boarding options based on the strategic groundwork laid out in 2022/2023.

Following the appointment of a new External Engagement Director to take a broader view of marketing and communications across the Foundation, we restructured the marketing department and launched a new marketing and recruitment strategy. This strategy is designed to position our Foundation schools as the preferred choice for parents in the region, ensuring a more cohesive and targeted approach to communications and outreach.

Creating contingency plans to address potential political threats to independent schools, particularly in the event of VAT on school fees.

With the Labour government now in office and VAT on school fees implemented in January 2025, we continued to work proactively to mitigate the impact on parents. This has included reviewing our cost base and developing financial contingency plans to ensure we are well-prepared for the changes.

In addition, we engaged with political parties, sector representatives, and the government to ensure that our concerns, along with those of parents, were effectively communicated. Our efforts remain focused on supporting parents throughout this transition while maintaining the quality of education and services provided by the Foundation schools.

Enhancing the governance and leadership structure, ensuring that the Foundation is well-equipped to navigate the future with confidence and agility.

We have strengthened our leadership team through the appointment of a new Transformation Director, External Engagement Director and Bursar within Central Services. To support these new roles, we have streamlined our structure, reduced management layers and costs while enhancing operational efficiency. These changes significantly enhance the rigor and robustness of our Central Services leadership team, which is imperative as we prepared for the introduction of VAT on school fees in January.

Supporting the new Headteachers at Loughborough Grammar and Loughborough Amherst Schools to achieve their agreed objectives.

During the year the Board, led by the School Board Chairs, actively supported the Headteachers at Loughborough Grammar and Loughborough Amherst Schools in achieving their agreed objectives. This support empowered the Headteachers to effectively lead their schools and formulate strategic plans for the development of the schools.

Further improving bursary and scholarship programs, actively increasing outreach and engagement with the local community.

This year, we made progress in developing our bursary and scholarship programs while actively increasing outreach and engagement with the local community. We successfully launched the sports scholarship program for implementation in September 2025, broadening opportunities for talented athletes. Our outreach and community engagement efforts have been expanded to widen the reach of our bursary and scholarship programs. We published comprehensive information about our extensive bursary offering, ensuring that families are aware of the financial support available.

A notable highlight of the year was the establishment of the '**Greasley Bursaries**'. Made possible through a generous donation from Derek Greasley, who joined Year 7 at Loughborough Grammar School in 1948, these bursaries provide crucial financial support to pupils from the Charnwood District, enabling them to access exceptional educational opportunities at Loughborough Grammar School or Loughborough High School.

Reviewing and enhancing recruitment practices to ensure equitable and diverse employee representation.

We improved our recruitment processes by implementing a new HR management information system, the first step in a detailed review of our practices. Additionally, we began consultation on a revised Equity, Diversity, and Inclusion (EDI) strategy, which will underpin a detailed five-year plan. This initiative is part of a broader suite of actions aimed at further strengthening our EDI approach and ensuring our recruitment practices align with our commitment to achieving equitable and diverse representation within our workforce.

Financial Review

The Foundation has continued to navigate a challenging external environment which during 2023/24 included a high level of political uncertainty. Income was higher during the year having increased by £1.8 million, primarily due to higher donations and legacies (2024: £1.7 million, 2023: £0.4 million). These are held as restricted funds and spent in line with the donors' wishes, with the Foundation and its pupils benefitting in the future. The Foundation also saw an increase in school fee income, which rose to £35.6 million from £35.0 million. The Foundation managed to successfully control costs, with a rise of £0.3 million on last year, a 0.7% increase. Therefore, the net surplus for the year grew to £2.1 million (after investment gains and losses).

The turbulence within financial markets experienced last year, stabilised, leading to the Foundation's investments gaining £0.3 million. The overall cash position remains healthy with cash balances of £9.0 million and net current assets of £4.1 million. The Foundation spent £1.9 million on new property plant and equipment during the year, which is below the depreciation charge of £2.2 million. The Foundation's challenge for the future is ensuring that sufficient surpluses are made to continue to invest in the excellent facilities that are currently on offer.

The Foundation's two subsidiary companies had a good performance. The net profits from LSF Shop LTD increased to £34,000 in 2023-24 compared to £18,000 in the previous year. The increase is mainly due to an increase in income as the return to school date was earlier than in the previous year. Thomas Burton Development LTD had a decent trading year and saw the net profit fall slightly from £144,000 to £134,000. However, since the year end a new commercial booking platform was introduced which has supported an increase in income. Profits from both companies are gifted to the parent charity.

Covid 19 Pandemic

Repayments for the CBILs loan (Coronavirus Business Interruption Loan Scheme) were made through 2023/24 with £1.2 million outstanding at the year end. No funds were received in relation to the Covid 19 Pandemic during the year.

Investment Policy/Performance:

The investment objectives are to generate the highest possible returns, which are commensurate with a low to medium level of risk. The Foundation does not specifically invest in ethical investments and its investment portfolio is managed by two investment managers: Charles Stanley Wealth Managers and CCLA Investment Management Ltd.

The value of the portfolio increased from £4.8 million to £5.1 million during the year.

The Finance, Audit and Risk Committee routinely review the investment portfolio and compare performance to relevant benchmarks, such as the FTSE 100, the FTSE All share and the MSCI PIMFA Private Investor Balanced Indices to benchmark performance.

Reserves

The Foundation aim to hold funds which are sufficient but not excessive in order to fund current operational requirements and future development. The Foundation is mindful of the need to maintain a level of reserves which enables the organisation to respond to circumstances and mitigate risk, including ensuring compliance with the terms of the mortgages and bank loans. The Trustees review the reserves policy on an annual basis.

The Foundation aims to hold a minimum of £2m (cash balances) at all times which is approximately one month's net operating costs. The value of cash held at 31 August 2024 was £9.0m (2023: £7.0m), and the value of unrestricted cash was £4.7 million (2023: £3.8 million).

The Foundation total reserves at 31 August 2024 were £70.2m (2023: £68.0m) and these comprised endowment funds of £46.6m (2023:£47.5m), restricted funds of £7.2m (2023: £5.5m) and unrestricted funds of £16.4m (2023: £15.0m). The unrestricted funds include certain tangible fixed assets and related mortgage loans, which are functional assets used in the day-to-day delivery of educational activities by the Foundation. Excluding the value of these fixed assets and related mortgage loans, there is a deficit of unrestricted funds of £2.3m (2023: £3.3m). Although this balance of unrestricted funds is negative, this is not uncommon across the independent schools' sector and demonstrates the Foundation's investment of its operating reserves into new school buildings and an ongoing program of refurbishment, development and investment in order to maintain the excellent teaching facilities for our pupils.

Philanthropy and Alumni Relations

The ability of the Foundation to offer wider access through financial support is reliant upon the ongoing generosity of the Schools' core community (parents, alumni, staff, governors and friends) alongside that from external companies, trusts and foundations. Fundraising efforts are underpinned by a comprehensive alumni engagement strategy which delivers key events, communications and a volunteering programme.

Fundraising efforts and initiatives primarily support bursaries and relieve hardship for parents where the pupil's education and future prospects would otherwise be at risk. Funds have also been raised to enhance the pupil experience by establishing prizes, strengthening sport and music, and providing travel and cultural opportunities. During the 12-month period to August 2024, £1.7 million was raised, with this year seeing the hugely generous legacy from Derek Greasley.

Grants and bursaries are awarded based on educational ability and financial circumstances, subject to the restrictions imposed by the donor of the funds.

The Foundation uses an in-house team for the purpose of fundraising and is fully registered with the Fundraising Regulator to which it pays the statutory fundraising levy and abides by their Fundraising Code of Practice.

There have been no failures to comply with the scheme or standards and no complaints received by the Foundation about its fundraising activities. The Foundation has taken all reasonable precautions to protect vulnerable people and other members of the public from unreasonably intrusive or persistent fundraising.

Key Performance Indicators

The Foundation assess its success in the implementation and pursuit of its Charity strategy by following key performance indicators:

- Pupil numbers in the schools
- Academic results
- The achievement of pupils in all areas of education development including sport, music and drama

Pupil Numbers

The pupil numbers at the end of the year were 857 at Loughborough Grammar School, 526 at Loughborough High School, 499 at Fairfield Preparatory School and 300 at Loughborough Amherst School. An average of 137 children also attended the Nursery setting throughout the year, equivalent to 74.6 Full Time pupils.

Academic

The annual report highlights the exceptional A Level results achieved across the Foundation's schools this year, reflecting a collective commitment to academic excellence and holistic development.

At **Loughborough Grammar School**, 11% of the passes at A-Level were at grade A*, 32% at A* to A and 65% of the passes were at A*-B.

At GCSE 39% of the passes were at grade 9-8, 57% of the passes were 9-7 and 90% were 9-5.

At **Loughborough High School**, 22% of the passes at A-Level were at grade A*, 51% at A* to A and 81% of the passes were at A*-B.

At GCSE 54% of the passes were at grade 9-8, 77% of the passes were 9-7 and 97% were 9-5.

At **Loughborough Amherst School**, 7% of the passes at A-Level were at grade A*, 31% at A* to A and 54% of the passes were at A*-B.

At GCSE 22% of the passes were at grade 9-8, 41% of the passes were 9-7 and 81% were 9-5.

For the Loughborough High School's the results coincide with the shortlisting for Independent Girls' School of the year as it approaches its 175th anniversary. Pupils from all three schools are advancing to a wide array of prestigious universities, reinforcing the Foundation's dedication to preparing students for future success.

The 2023-24 academic year was another outstanding success for Fairfield Prep School. Every Year 6 pupil received offers from Loughborough Grammar School, Loughborough High School, or Loughborough Amherst School, with several students earning academic and music scholarships. A particular highlight was the confirmation that two of our Year 6 pupils have secured places at Eton for 2026. Fairfield's success extended well beyond academics. Two of our pupils won their respective age categories in a national engineering competition, and over 40 students who participated in LAMDA examinations achieved distinctions, reflecting the breadth of talent and opportunity nurtured at our school. Our commitment to excellence extends beyond our pupils to supporting the future of the teaching profession. Following the Independent Schools Teacher Induction Panel (ISTIP) inspection in May 2024, we were pleased to receive highly positive feedback, affirming that Fairfield runs an effective induction programme in full compliance with statutory guidance, with no further actions required. As we look ahead, Fairfield remains dedicated to fostering an environment where every pupil and member of staff can thrive and develop, building on the successes of this remarkable year.

Co-Curricular

Our sports programme has continued to flourish, with exciting developments over the past year. A key milestone has been the full launch of our sports scholarship programme, which has generated strong interest, with applications for implementation in September 2025. In parallel, we have introduced the Student Athlete Programme, designed to provide tailored support to high-performing athletes across our senior schools, further enhancing their academic and sporting balance.

A highlight of our sporting achievements in the year was the success of the High School's Under-13 hockey team, which won the National Championship. This outstanding achievement is a testament to the dedication of our students, coaches, and the broader school community. Additional success came from the Grammar School's badminton teams, with the Under-14 and Under-16 teams both securing county and regional championships, advancing to represent the region at the National Finals.

We remain committed to ensuring that all students have access to a diverse and inclusive sports programme. Every student in Fairfield from Year 4 to Year 6 had the opportunity to represent the school in sports each term, reflecting our commitment to participation and engagement.

This academic year has also begun on a strong note. Our Foundation football programme has seen remarkable growth, and we are proud to celebrate Loughborough Amherst student Mika Stojavljevic's victory at the Junior US Open. Additionally, the continued success of our LUNTA elite tennis programme highlights the strength of our partnership with Loughborough University and the Lawn Tennis Association (LTA), further reinforcing our role in fostering sporting excellence.

The Music Department has had another highly successful year, with several individual achievements to highlight. Our concert at De Montfort Hall in March showcased seven Year 13 Music Scholars as soloists, a remarkable achievement. Among them, Joseph Geary stands out for his exceptional performance of Chaminade's Concertino for Flute. Earlier in the year, Joseph won the prestigious Bardi Young Musician competition and performed a Mozart concerto with the orchestra in January. He has since secured a place at the Royal Academy of Music, where he was awarded their highest scholarship.

In addition to Joseph's success, five other students have been accepted into leading universities and music colleges to pursue music studies in the coming year.

Throughout the year, the department delivered a wide range of concerts, examinations, and community events, including the much anticipated Al Fresco concert. Our Music Technology students continued to benefit from our partnership with the Royal Birmingham Conservatoire, and we expanded our outreach projects in the local community, enhancing the experience for both our pupils and the wider public.

Employment

The Foundation is an equal opportunities employer; and has a responsible approach to employment legislation. The Foundation met the statutory requirements to provide a report on gender pay equality and will continue to monitor this area and make changes, when and where they are practicable.

The Foundation welcomes applications for employment from disabled persons and assists, whenever practicable and taking into account HR best practice, the recruitment, training, career development and promotion of disabled people. Should an employee become disabled during their employment we make all reasonable adjustments to ensure they can remain in employment; and where necessary facilitate re-training.

The Foundation encourages the continuous development and training of its employees and the provision of equal opportunities for the training and career development of all employees.

The Foundation is committed to engaging with its employees. A variety of methods are used to achieve this, including team meetings, Common Room briefings and our staff representative groups. Since early 2022 the Foundation has voluntarily recognised the teacher's trade union NASUWT.

Salaries

The arrangements for setting the pay and remuneration of the Foundation's key management personnel and any benchmarks, parameters or criteria used in setting their pay are detailed in note 8 in the notes to the financial statement.

Future Plans

As a result of a new Government taking office in May 2024 there have been some significant changes in policy towards independent schools and additional taxes affecting all businesses. It was confirmed in July 2024 that independent school fees would become subject to VAT from 1st January 2025 and that independent schools would also lose charitable business rates relief. These policy changes had been previously identified as a risk. In addition, in October 2024 it was announced that businesses, including the Foundation, would be subject to a significant increase in employers national insurance taxes and that the National Living Wage would increase far in excess of inflation.

For 2024/25 much of the strategic focus of the Foundation has been in preparing for, and responding to the challenges that the Government taxes and policy changes created, whilst trying to maintain the quality of our academic, co-curricular and pastoral offer. This ultimately led to an incredibly difficult and sad decision in March 2025 to close Loughborough Amherst School at the end of the summer term. The consultation, decision and implementation have been an area of major strategic focus for the Foundation throughout 2024/25, recognising the huge impact it has had on pupils, staff, and families in our community.

Broader initiatives for 2024/25 include:

1. Respond to changes in Government policy and the external environment to develop a financially sustainable operating model that delivers an outstanding academic, pastoral and co-curricular experience for our pupils.
2. Enhancing the Governance and leadership structure, ensuring that the Foundation is well-equipped to navigate the future with confidence and agility
3. Continuing to develop the marketing strategy to establish Foundation schools as the preferred choice for parents in the region, while expanding and enhancing boarding options.
4. Supporting the new Headteacher at Loughborough Grammar School to achieve their agreed objectives.
5. Reviewing and enhancing recruitment practices to ensure equitable and diverse employee representation.

Risk Management

The Trustees are responsible for the identification and management of the risks faced by the Foundation, including the individual schools. The day-to-day management of this requirement is delegated to the Finance, Audit and Risk Committee. Risks are identified and assessed; and controls and improvements are established, where possible, to mitigate the risks.

The Trustees have a risk management strategy which comprises:

- a differentiation between strategic and operational risks;
- clear management and review responsibilities for both operational and strategic risks, with first line and second review responsibilities identified and agreed;
- termly review of all risks by the Executive (Operational Risk) and Finance, Audit and Risk Committee (Strategic Risk);
- clear mechanism for the escalation of risks to the Governing Body;
- the establishment of policies, systems and procedures to mitigate those risks identified; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risk materialise.

The Trustees group risks into six categories:

- Governance – those risks which may arise from the direction, decision making or control environment. For example, the risk that governors or those charged with management may take a risk outside of their authority. Controls include the Foundation's strategy, which informs decision making, an established governance structure and a clear distinction between governance and executive management.
- Regulatory – these are those risks which relate to the market and environment in which the Foundation operates, and which may influence our stakeholders and/or the Foundation's business model (e.g. any change in regulatory environment). To manage risks in this area, the Foundation has established mechanisms to analyse forecasts of potential changes in the charitable and education sectors, with the aim of anticipating regulatory change and implementing any mitigating actions.
- Financial – those risks which relate to income and expenditure and may impact the Foundation's financial sustainability. The introduction of VAT on school fees may continue to impact the Foundation's income and families' decisions about joining. To address these risks, the Foundation employs a comprehensive 10-year financial forecasting model, enabling it to simulate various scenarios based on potential changes in funding, tuition fees, or operational expenses and to respond accordingly.

- Reputational – risks to the reputation of the Foundation may arise from the decisions and actions of the Foundation, those employed by it, or pupils at its schools. Should a reputational risk arise, it could have an immediate or long-term impact on pupil numbers, and therefore the Foundation's finances. To manage these risks the Trustees have put in place appropriate policies and oversight mechanisms, including for academic quality and safeguarding.
- Technological – these risks relate to the Foundation's reliance on technology and the potential vulnerabilities associated with it. As advancements in artificial intelligence (AI) and digital infrastructure continue to evolve, the Foundation faces risks related to cyber-security threats, data protection, and the effective integration of new technologies into educational practices. To mitigate these risks, the Foundation has implemented robust cyber-security controls, regular audits of its digital systems, and staff training. Additionally, the Foundation continually assesses the impact of emerging technologies on its educational environment to ensure that it remains at the forefront of innovation.
- Operational – those risks arising from day-to-day operations of the Foundation and its schools and usually related to an activity which cannot be avoided (e.g. security, health and safety). These risks therefore require active and on-going control by the executive and other managers. Each risk identified is owned by a specified member of the executive and monitored on an on-going basis by those charged with management. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular training for staff working in these operational areas.

Public Benefit

The Foundation exists to make a difference, not just to our pupils but to our wider community.

The Governors confirm that they have given due consideration to the requirements of the Charities Act 2011 and public benefit guidance published by the Charity Commission.

The range of the activity, which is defined as public benefit is as follows:

Financial Support

The Governors are proud of the Foundation's long tradition of bursary provision. Governors remain committed to broadening access to those pupils who would benefit from the opportunities provided by the Foundation's schools, but whose parents may lack the financial means to meet the fees.

- Long-term Foundation Bursaries (School Assisted Places (SAPs)) are available to entrants to Loughborough Amherst School, Loughborough Grammar School and Loughborough High School, who meet the general entry requirements at the point at which the pupil enters the school. These awards are made on the basis of parental means and involve an assessment of those means. During the year 119 pupils received assistance amounting to £923,000. Of these 16 pupils received 100% fee remission. The awards are subject to annual review.
- A further 14 existing pupils were also given means-tested financial assistance in hardship bursaries amounting to £92,000. This assistance was awarded in circumstances in which it was believed that the assistance could be required for less than 12 months, although on many occasions, a longer period of time has proved necessary. A relatively high proportion of these pupils have also been given total fee remission. This number includes 3 Ukrainian families who we have offered 100% fee remission.
- In some instances of particular hardship financial assistance has also been provided towards ancillary costs, including lunches, transportation and school uniform. This comes from a separate funding source to the above.
- The Foundation also receives funds in the form of bequests or donations that are intended to support pupils meeting specific criteria set up the donor. This year £222,000 was awarded which benefited twenty pupils, seven of whom also benefited from the Foundation Bursary programme.

- The total funding for assisted places was £1,258,000. This assistance was made available to 7.0% of the pupils and represents overall 3.7% of the tuition fee income.
- Where appropriate we work with families to support them to access funding from other charitable sources. As these are funded externally this funding is not included here.
- The figures which have been quoted in the preceding part of this section are the direct costs of providing financial assistance to pupils. These figures do not include the significant costs of the management time at various levels of dealing with and processing these awards, or the cost of targeted advertising which aims to stimulate applications from those who are eligible.

Educational

The Foundation has continued this year to widen access to its educational resources and facilities, by bringing independent and state school communities together. Activities and partnerships include:

Educational Experiences

Our commitment to learning extends beyond our students, as the Foundation actively supports educational initiatives in local schools. This collaboration fosters the exchange of ideas between our staff and local educators while allowing our pupils to engage with peers from different schools and develop an awareness of their wider community. Examples include:

Masterclasses organised by the three senior schools delivered significant educational benefits to the local state school community, covering subjects such as math, computing, history, art, modern and ancient languages, and English. Over 250 children benefited from these initiatives across 11 events, enhancing their learning experiences and engagement in various subjects.

Loughborough Grammar School's Classics department hosted a Classics Day for over 50 adults, while Loughborough High School held its annual Latin and Greek Reading Competition, attended by over 60 children from seven schools. These events highlighted our teachers' efforts to inspire future classicists and showcased the ongoing relevance of Latin and Greek.

Loughborough Amherst School hosted its fifth annual Debating Day, involving six local primary schools: Cossington, St Mary's, St Paul's, Holywell, Rothley, and Plumtree. Over 230 pupils participated, showcasing their critical thinking and public speaking skills in debates on topics such as the environmental impact of birthday presents and whether teachers should wear school uniforms. This initiative demonstrates the school's commitment to fostering oracy skills and boosting self-esteem and confidence in young learners, while positively impacting the local community. Additionally, the Senior Outreach program featured the Headmaster and Head of Sixth Form conducting Oxbridge and Medicine application sessions for senior school pupils in local state schools.

Educational Expertise – Educational Training and Support

The Foundation recognise the importance of sharing not only our physical resources, but also the expertise and experience of our staff, to support local schools and other organisations. Our approach underscores our dedication to fostering meaningful partnerships, sharing expertise, and actively contributing to the continuous advancement of education within our community.

The Foundation approach to partnership working and advancing education was reflected in partnerships including:

- **Teacher Training Placements:** Supporting Loughborough University with PGCE placements, Nottingham Trent University with apprentice teachers and ITAP (intensive training and practice) days.
- **External Examinations:** Staff from Loughborough Grammar School serve as team leaders and assistant examiners for external assessments.
- **Expertise Sharing:** Loughborough High School facilitates subject network meetings and collaborates on sports moderation practices with local state schools. Teaching resources are also shared online for open access.
- **Governance Support:** The Foundation supports staff to serve as governors at local schools including Brookvale Groby, Richmond Primary, and Rawlins.

Fairfield Prep School partnered with the Rugby Union Football Club (RUF) to create a national competition and accompanying teaching resources based on the Men's and Women's World Cups. This initiative has provided an estimated 10,000 children access to valuable educational materials through the TES website.

Loughborough Amherst School demonstrated its commitment to outreach through various initiatives aimed at supporting local state schools. The Primary Music Outreach program involved the headmaster delivering music sessions to hundreds of primary pupils across the East Midlands. The Nursery Outreach initiative invited local nursery pupils to attend lessons and workshops, with the Head of Prep leading school readiness and library sessions.

Community

The Foundation is a well-established part of the Loughborough and Leicestershire community. Embracing the spirit of collaboration, the Foundation offers support to the community, extending contributions in both facilities and expertise across the following areas:

Music

The Music School actively contributed to various community events and groups throughout the year while fostering valuable links with state schools. Including:

- Tasting Notes Lunchtime Concerts – Monthly performances at Loughborough Parish Church by Music Scholars, providing pupils with external performance opportunities and fostering links with the church.
- Opening of Loughborough Fair & Christmas Lights Switch-On – Annual community events where pupils perform and represent the Foundation, raising its profile within the local community.
- Rainbows Christmas Concert – A charitable concert supporting a local cause, with pupils performing for an audience of 180.
- Loughborough Singers – A weekly community choir involving 40 members, preparing for three annual concerts, strengthening local arts participation.
- Christmas Tree Festival Concert – An annual concert showcasing the Foundation's choir, held at the Parish Church, maintaining strong community ties.
- Enrych Charity Concert – A new event supporting a local charity, featuring Foundation pupils and staff performing for the community.

Sport

The Sports Department actively collaborates with local state schools and community groups, promoting sports participation by hosting a variety of competitions and events. In 2023/24 this included:

- Hosted a local rugby club tag rugby competition (100+ participants from 10 clubs).
- Hosted Area Athletics Finals for U13, U15, and U17 age groups (75+ participants)
- Hosted the Loughborough Town athletics competition for local state primary schools (100+ pupils from 9 schools).

Fairfield Prep School successfully hosted the inaugural Leicestershire Primary Schools Chess Competition. This event was well received and is set to be repeated next year, with the aim of involving a greater number of participating schools. Teams from Holywell Primary, Church Hill School, Scalford Primary, and Leicester Prep School took part.

Sharing our Facilities

Throughout the year, the Foundation has supported local groups, societies, and charities by making its grounds and facilities available, often free of charge or at a reduced rate. Many of these organisations use the facilities on a weekly basis, helping to foster community engagement. These included:

- Loughborough Lightning - Utilised indoor sports facilities and outdoor courts for netball training.
- Loughborough Town Cricket - Access to pitches for cricket matches.
- Loughborough College Triathlon Club - Conducted pool training sessions.
- Leicester Riders Basketball - Access to the indoor sports centre.
- Army Reserves - Weekly use of the sports hall.
- Badminton Club - Utilised the Sports Hall for their activities.

- Community Events:
 - Rainbows It's a Knock Out event.
 - Robbie's Rugby Festival – a charity event supporting the Robbie Anderson Cancer Trust.

Additionally, reduced-rate facility use has been extended to organisations like Tom Flowers Cricket Camp, which holds holiday courses that benefit both the local community and our Foundation pupils.

Our facilities have also been offered at no cost for one-off events, including performances by Hathern Band, use of the car park for community events, and hosting the Rainbows Christmas Party.

Volunteering

Schools in the Foundation are dedicated to instilling in pupils not only academic knowledge but also a sense of responsibility towards their community. Staff and pupils engage in voluntary roles, contributing positively to the community, including local primary schools and care homes.

Loughborough Grammar School pupils have collectively contributed over 6,500 hours to volunteering, exemplifying their commitment to community service and responsibility. Boys volunteer weekly at John Storer House, which provides leisure and social activities for adults with learning disabilities and older people. They also support local primary schools through classroom assistance and sports coaching. During Enrichment Week, 130 boys volunteered 640 hours with external partners including the Canal & Rivers Trust, Beacon Hill and Ashmont Special School, further reinforcing their dedication to community initiatives. Additionally, the school organised activities such as running a bushcraft and den-building day at a local nursery.

Pupils from Loughborough High School and Loughborough Grammar School actively volunteer at Connaught House, providing companionship to older adults and alleviating feelings of loneliness. Additionally, community seniors attend events like 'Concert, Tea and Cake'.

All three Senior Schools' pupils run a Voluntary Service Unit, supporting various local organisations. The schools serve as hosts for units of Rainbows, Brownies, Guides, and Scouts, with Foundation staff, pupils, and parents actively involved in community events and volunteering.

The Combined Cadet Force contributes a marching bands and a contingent of approximately 200 cadets and 20 staff for the Remembrance Day Parade. This contingent constitutes the single largest formation within the Remembrance march-past, witnessed by a typical crowd of several thousand from the local community.

Pupils from all three senior schools contribute to the local community through volunteering as part of the Duke of Edinburgh Awards. Their activities range from working in local charity shops to assisting with merchandise at Rainbows Hospice and providing support to elderly individuals in the community.

These efforts reflect the schools focus on nurturing responsible citizens who actively engage with and support their local community.

Charitable Donations and Fundraising

As well as giving of time, pupils across our family of schools actively engaged in fundraising for a diverse range of causes. They recognise that they understand that their efforts make a meaningful impact on the lives of people of all ages who are less fortunate.

Collectively, pupils from across the Foundation raised £36,100 through a series of events, including non-uniform days, bake sales, and competitions. The breakdown of contributions from each school is as follows:

Loughborough Amherst School	£6,500
Fairfield Preparatory School	£6,400
Loughborough Grammar School	£11,200
Loughborough High School	£12,000

In our senior schools, the commitment to charitable activities is led by Charity Prefects. Senior pupils actively participate in the collection and distribution of food items donated by pupils across all four schools through events like harvest festivals. These donations benefit local community groups and food banks.

Throughout the year, our schools supported various charities, including Rainbows, Cancer Research, Dogs Trust, The Laura Centre, Kalgidhar Trust, Ronald McDonald House Charities, and Amnesty International.

Economic Impact

In addition to the public benefit arising from the Foundation's charitable activities, the Foundation makes a significant positive contribution to the local economy.

In 2023/24 it employed on average 759 people, and 82.8% of the £20.1 million paid in salaries (£19.4 million in 2022/23) remained in Leicestershire, with an estimated 96.6% remaining in the East Midlands.

We support local businesses. In 2023/24 our total direct spend was circa £10.8 million (£9.0 million in 2022/23), of which £4.2 million was spent in the East Midlands economy.

We estimate that in providing an education to more than 2,189 local children, the exchequer collectively saved more than £12.2 million a year which it would otherwise cost to educate those children in local maintained schools.

Section 172 Statement

The Trustees have acted in a way in which they consider, in good faith, promoted the success of the Foundation for the benefit of all beneficiaries and wider stakeholder groups. The ways in which they have done this are described in further detail throughout this report, specifically:

Stakeholder	Section
Employees	Page 12 ("Employment")
Beneficiaries	Pages 11-12 (Academic) and Page 14 ("Financial Support")
Community	Pages 14-18 ("Public Benefit")
Economic benefit	Page 18 ("Economic Impact")

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2023 to 31 August 2024:

	2023/24	2022/23
Energy consumption used to calculate emissions (kWh)	9,465,300	9,714,594
Energy consumption breakdown (kWh) :		
• gas	7,327,242	7,409,821
• electricity	2,011,735	2,203,773
• transport fuel	126,323	101,000
Scope 1 emissions in metric tonnes CO ₂ e		
Gas consumption	1,340.15	1,362.44
Owned transport – mini-buses	16.94	12.32
Total Scope 1	<u>1,357.09</u>	<u>1,374.76</u>
Scope 2 emissions in metric tonnes CO ₂ e		
Purchased electricity	416.53	513.79
Renewable electricity purchased	-408.2	505.95
Scope 3 emissions in metric tonnes CO ₂ e		
Business travel in employee owned vehicles	2.67	5.57
Total gross emissions in metric tonnes CO₂e	1,368.09	1,390.18
Intensity ratio Tonnes CO ₂ e per pupil	0.63	0.61

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.

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

We have installed smart meters across all sites and increased video conferencing technology to facilitate staff to work from home and not travel to work for meetings. Under the government ESOS initiative there is a plan and programme of work to improve energy efficiency, including but not limited to installing LED lighting, Solar panels, upgrading the heating systems and motion sensors to control lighting.

Approved by the Board on 8 May 2025 and signed on its behalf by:



Roger Harrison
Chairman

Trustees' responsibilities statement

The Trustees (who are also directors of Loughborough Schools Foundation for the purposes of company law) are responsible for preparing the Governors' Annual Report, including the Strategic 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 Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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 Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable companies website. Legislation in the United Kingdom governing the preparation and dissemination may differ from legislation in other jurisdictions.

Approved by the Board on 8 May 2025 and signed on its behalf by:



Roger Harrison
Chairman

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinion

We have audited the financial statements of Loughborough Schools Foundation ("the company") and its subsidiaries ("the group") for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Cashflow Statement and the related notes 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 (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2024 and of the incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 Foundation'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 Governors' report, other than the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 19, the Governors (who are Trustees of the charitable company for the purpose of charity law and 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 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 groups' and 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

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

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

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

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

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

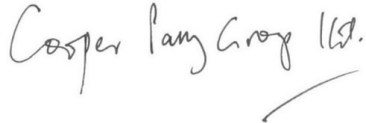
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Use of our report

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



Kevin Hodgetts
Senior Statutory Auditor

For and on behalf of:

COOPER PARRY GROUP LIMITED
Statutory Auditors

Date: 29 May 2025

Sky View, Argosy Road, East Midlands Airport, Castle Donington, Derby, DE74 2SA

**Consolidated statement of financial activities
for the year ended 31 August 2024**

	<i>Note</i>	Unrestricted income Funds £000	Restricted income funds £000	Endowed funds £000	2024 Total funds £000	2023 Total funds £000
Income and endowments from:						
Donations and legacies	3	-	1,694	-	1,694	392
Other trading activities	4	461	-	-	461	489
Investments	5	392	164	4	560	442
Charitable activities	6	35,585	-	-	35,585	34,986
Other		41	8	-	49	242
Total income and endowments		<u>36,479</u>	<u>1,866</u>	<u>4</u>	<u>38,349</u>	<u>36,551</u>
Expenditure on:						
Raising funds:						
Financing costs	9	319	-	-	319	471
Trading operations	9	281	-	-	281	327
Charitable activities	9	34,543	336	1,080	35,959	35,510
Total expenditure		<u>35,143</u>	<u>336</u>	<u>1,080</u>	<u>36,559</u>	<u>36,308</u>
Net income/(expenditure) before gains/(losses) on investments and transfers		1,336	1,530	(1,076)	1,790	243
Gain/(Loss) on sale of investments		-	-	-	-	(10)
Gain/(Loss) on investment assets	11	-	160	159	319	(154)
Net income/(expenditure) before transfers		<u>1,336</u>	<u>1,690</u>	<u>(917)</u>	<u>2,109</u>	<u>79</u>
Transfers between funds		-	-	-	-	-
Net movements in funds		1,336	1,690	(917)	2,109	79
Reconciliation of funds						
Total funds brought forward		15,031	5,542	47,476	68,049	67,970
Total funds carried forward		<u>16,367</u>	<u>7,232</u>	<u>46,559</u>	<u>70,158</u>	<u>68,049</u>

All incoming resources and resources expended derive from continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 53 form part of these financial statements.

Consolidated summary income and expenditure accounts
for the year ended 31 August 2024

	<i>Note</i>	2024	2023
		£000	£000
Income from charitable related activities		37,328	35,620
Income from non-charitable trading activities	4	461	489
Interest and investment income	5	556	442
		<hr/>	<hr/>
Gross income in the reporting period		38,345	36,551
		<hr/>	<hr/>
Expenditure on charitable activities		(33,807)	(33,451)
Expenditure on non-charitable trading activities	9	(281)	(327)
Interest payable	9	(319)	(471)
Depreciation and charges for impairment of fixed assets		(1,071)	(983)
		<hr/>	<hr/>
Total expenditure in the reporting period		(35,478)	(35,232)
		<hr/>	<hr/>
Net income for the year		2,867	1,319
		<hr/> <hr/>	<hr/> <hr/>

The income for the current year and prior year arises from continuing activities.

A detailed analysis of the subsidiaries' trading results are set out in note 4.

Detailed analysis of the expenditure is provided in the statement of financial activities and note 9.

The summary income and expenditure account excludes endowed funds and unrealised gains/(losses) in accordance with Companies Act 2006. The account is derived from the statement of financial activities on page 24 which together with the notes to the financial statements provides information on the movement during the year of the funds of the group.

The notes on pages 30 to 53 form part of these financial statements.

**Consolidated balance sheet
at 31 August 2024**

	Note	2024		2023	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		63,693		63,970
Investments	11		5,086		4,795
			<hr/>		<hr/>
			68,779		68,765
Current assets					
Stock	12	212		214	
Debtors	13	1,131		905	
Cash at bank and in hand		8,950		6,950	
		<hr/>		<hr/>	
		10,293		8,069	
Liabilities: amounts falling due within one year					
Creditors	14	(6,157)		(5,291)	
		<hr/>		<hr/>	
Net current assets			4,136		2,778
			<hr/>		<hr/>
Total assets less current liabilities			72,915		71,543
Creditors: amounts falling due after more than one year					
	15		(2,280)		(3,354)
Provisions for liabilities					
Provisions	16		(477)		(140)
			<hr/>		<hr/>
Net assets			70,158		68,049
			<hr/>		<hr/>
Funds					
Endowed funds	17		46,559		47,476
Restricted income funds	17, 18		7,232		5,542
Unrestricted income funds	18		16,367		15,031
			<hr/>		<hr/>
Total funds			70,158		68,049
			<hr/>		<hr/>

The financial statements were approved by the board of directors on 8 May 2025 and were signed on its behalf by:



Roger Harrison
Chairman

Company registered number: 4038033

The notes on pages 30 to 53 form part of these financial statements.

Charitable balance sheet
at 31 August 2024

	<i>Note</i>	2024		2023	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	<i>10</i>		63,691		63,968
Investments	<i>11</i>		5,086		4,795
			<hr/> 68,777		<hr/> 68,763
Current assets					
Stock	<i>12</i>	38		44	
Debtors	<i>13</i>	1,492		1,342	
Cash at bank and in hand		8,689		6,667	
		<hr/> 10,219		<hr/> 8,053	
Liabilities: amounts falling due within one year					
Creditors	<i>14</i>	(6,081)		(5,273)	
		<hr/> 4,138		<hr/> 2,780	
Net current assets					
			<hr/> 72,915		<hr/> 71,543
Total assets less current liabilities					
Creditors: amounts falling due after more than one year					
	<i>15</i>		(2,280)		(3,354)
Provisions for liabilities					
Provisions	<i>16</i>		(477)		(140)
			<hr/> 70,158		<hr/> 68,049
Net assets					
Funds					
Endowed funds	<i>17</i>		46,559		47,476
Restricted income funds	<i>17, 18</i>		7,232		5,542
Unrestricted income funds	<i>18</i>		16,367		15,031
			<hr/> 70,158		<hr/> 68,049
Total funds					

The financial statements were approved by the board of directors on 8 May 2025 and were signed on its behalf by:



Roger Harrison
Chairman

Company registered number: 4038033

The notes on pages 30 to 53 form part of these financial statements.

Consolidated statement of cash flows

for the year ended 31 August 2024

	<i>Note</i>	2024	2023
		£000	£000
Net cash flow from operating activities			
Net cash flow (used)/provided by operating activities	<i>20</i>	5,087	1,746
Cash flows from investing activities			
Purchase of property, plant and equipment	<i>10</i>	(1,907)	(1,078)
Purchase of investments	<i>11</i>	(96)	(1,207)
Proceeds from sale of investments	<i>11</i>	123	1,104
Dividends, interest and rents received from investments	<i>5</i>	560	442
		<hr/>	<hr/>
Net cash used in investing activities		3,767	1,007
Cash flows from financing activities			
Repayment of finance leases		-	-
Repayment of Loan and Mortgage		(1,767)	(1,028)
New loan		-	-
		<hr/>	<hr/>
Net cash generated in financing activities		(1,767)	(1,028)
Change in cash and cash equivalents in the reporting period		2,000	(21)
Cash and cash equivalents at the beginning of the reporting year		6,950	6,971
		<hr/>	<hr/>
Cash and cash equivalents at the end of the reporting year		8,950	6,950
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 30 to 53 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting Policies

Loughborough Schools Foundation is a company limited by guarantee and is incorporated and domiciled in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operation and principal activities is to provide a day or boarding school for boys and girls of all ages.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £'000.

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

Basis of consolidation

The group financial statements are the result of the consolidation of the financial statements of the company and its subsidiaries LSF Shop Limited and Thomas Burton Developments Limited. The financial statements of all companies are made up to 31 August 2024.

No separate SOFA has been presented for the charity alone following exemptions afforded by the Companies Act 2006 and the SORP (FRS 102).

Fund accounting

Funds held by the charitable company are either:

- **Unrestricted general funds** – these are funds, which can be used in accordance with the charitable objects at the discretion of the directors.
- **Restricted funds** – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the Memorandum and Articles of Association, or the donor, or when funds are raised for particular restricted purposes.
- **Permanent endowed funds** – these are the land and buildings of the schools and investments, which are not free for disposal without replacement.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fees receivable

Fees receivable are accounted for in the period to which they relate. The fees receivable are stated after deducting scholarships and other remissions granted by the charitable company; however, the stated fees include the contributions received from restricted funds for bursaries and other grants.

Notes (continued)

Investment income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Donations and legacies

Donations and legacies received for the general purposes of the schools are credited to unrestricted funds. Donations and legacies subject to specific wishes of the donors are carried to the relevant restricted fund or to the endowed fund.

Trading income

Trading income, including income from LSF Shop Limited and Thomas Burton Developments, is included when receivable.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on raising funds
- Expenditure on charitable activities

Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of Loughborough Schools Foundation and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Redundancy / termination payments

All redundancy and termination payments are recognised within the year.

Notes (continued)

Tangible fixed assets

The freehold land and buildings were re-valued as at 31 August 2014 and on adoption of FRS 102 SORP this was taken as "deemed cost".

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land and listed buildings	-	No depreciation charge
Other freehold buildings	-	5 – 50 years
Furniture and fittings	-	10 years
Equipment	-	4 – 10 years

Items costing less than £500 are written off as an expense when acquired.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in '(loss)/gains' on revaluation of investments' in the SoFA. No depreciation is charged on investment properties in accordance with the Charities SORP.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'gains/(losses) on revaluation of investments' in the SoFA. Realised gains and losses are calculated as the difference between sale proceeds and original cost.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Operating Leases

Operating lease rentals are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Deferred income

Prepaid fees are held as creditors until the start of the term to which they relate. They are then transferred to the statement of financial activities and recognised as income.

Taxation

Loughborough Schools Foundation is exempt from income tax and capital gains tax under Section 505 ICTA1988.

Pension schemes

Teachers' Pension Scheme

The Foundation withdrew from the TPS on 31 August 2021, and on 1 September 2022 the Foundation re-joined the TPS. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Notes (continued)

Defined Contribution Scheme

The School pays contributions on behalf of its support and teaching staff, into two defined contribution pension schemes, which are managed independently of the finances of the School. The schemes are operated on a defined contribution basis, and therefore no surpluses or deficits will arise. Contributions are charged against expenditure in the year in which they fall due.

Going concern

The Trustees remain confident that the Foundation is able to meet its financial obligations as they fall due, as well as continuing to invest in the fabric of the buildings and the facilities and equipment required to provide an excellent education at the Foundation's schools. The Trust holds significant cash reserves and continues to generate sufficient funding and operating surpluses to meet its financial obligations. The Foundation prepares budgets and long-term forecasts to understand its financial position, model risks and scenarios, and continually takes action to ensure that it can remain in a financially sustainable position and deliver its charitable objectives. The longer-term forecasting undertaken during the year and since the year end included assessing the financial viability of all the Foundation's schools and, as detailed in the Trustees' report, this highlighted that Loughborough Amherst School was no longer financially viable which led to the very difficult decision to close the Loughborough Amherst School at the end of the 2024/25 academic year. Whilst the closure of Amherst School will have some short-term financial impact on the Foundation, the longer-term forecasting that has been completed, which takes into consideration the effects of the ongoing cost of living crisis, changes to the Foundation's VAT status, expected pupil numbers and changes in these and other market and regulatory changes, shows that the Foundation will continue to generate operating surpluses and maintain sufficient cash funds to continue meet all its financial obligations.

Based on this assessment the Trustees are confident that the Foundation can continue as a going concern for the foreseeable future and the financial statements have therefore been prepared on a going concern basis.

Limited by guarantee

Each member of the charitable company undertakes to contribute to such amount as may be required but not exceeding £10.

Re-statement of prior year figures

Where prior year figures are re-stated, the reason will be stated in the notes section to the financial statements.

2 Judgements and key sources of estimation uncertainty

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

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

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

Leases

The group determines whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Investment properties

Critical estimates, assumptions and judgements relate to the determination of the carrying value of investment properties at fair value. In determining this, the group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

Notes (continued)

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the statement of financial activities.

Depreciation and residual values

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

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

3 Donations and legacies

	Unrestricted £000	Restricted £000	2024 £000
Donations	-	161	161
Legacies	-	1,533	1,533
	-	1,694	1,694
	-	1,694	1,694
	Unrestricted £000	Restricted £000	2023 £000
Donations	-	392	392
Legacies	-	-	-
	-	392	392
	-	392	392

Notes (continued)

4 Other trading activities before consolidation

The Foundation owns the entire share capital of The LSF Shop Limited and Thomas Burton Development Limited. Both subsidiaries covenant any taxable profits to the Foundation. The trading results for the year ended 31 August 2024 for both entities, as extracted from their audited financial statements, are summarised below and all relate to unrestricted funds.

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2024 £000	Total 2023 £000
Turnover	279	182	461	489
Cost of sales	(180)	(7)	(187)	(205)
Gross profit	99	175	274	284
Administration	(65)	(41)	(106)	(120)
Other operating income	1	-	1	-
Operating profit	35	134	169	164
Interest payable	(1)	-	(1)	(2)
Net profit	34	134	168	162
Retained reserves bought forward	-	-	-	-
Covenant	(34)	(134)	(168)	(162)
Retained reserves carried forward	-	-	-	-

The aggregate amounts of assets, liabilities, share capital and reserves were:

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2024 £000	Total 2023 £000
Non-current assets	1	1	2	2
Current assets	359	177	536	533
Creditors: amounts falling due within one year	(359)	(178)	(537)	(535)
Net current assets / (liabilities)	-	(1)	(1)	(2)
Creditors: due after more than one year	-	-	-	-
Net assets / (liabilities)	1	-	1	-
Share capital and reserves	1	-	1	-

Lease costs of £10,290 per annum are payable by LSF Shop Ltd to the Foundation until expiration of the lease on 1 March 2026.

Notes (continued)

5 Investment income

	Unrestricted £000	Restricted £000	Endowed £000	2024 £000	2023 £000
Bank interest receivable	286	101	-	387	309
Investment income	53	63	4	120	124
Rental income	53	-	-	53	9
	<u>392</u>	<u>164</u>	<u>4</u>	<u>560</u>	<u>442</u>

6 Charitable activities

School income receivable comprised:

	2024 £000	2023 £000
Tuition fees	33,222	31,750
Boarding fees	1,267	1,548
Bursary awards and grants	(1,036)	(939)
Bursary awards and grants paid for by restricted funds	222	932
	<u>33,675</u>	<u>33,291</u>
Catering receipts	1,570	1,309
Other fees & grant	340	386
	<u>35,585</u>	<u>34,986</u>

School income was £35,585,000 (2023: £34,986,000) of which £35,585,000 (2023: £34,054,000) was attributable to unrestricted funds and £nil (2023: £932,000) was attributable to restricted funds.

Tuition fees for the year include £nil (2023: £939,000) transferred to restricted fund bursaries.

Notes (continued)

7 Charitable net income is stated after charging:

	2024	2023
	£000	£000
Auditor's remuneration:		
For audit	39	31
For other services	-	4
Governors' professional liability insurance	9	9
Depreciation of tangible fixed assets	2,184	2,101
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
7 (a) Staff costs		
Wages and salaries	20,292	19,411
Social security costs	2,046	1,881
Pension contributions	3,243	3,053
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	25,581	24,345
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

The number of employees whose contracts were terminated and who left our employment within the financial year totalled 5, with an associated cost of £133,000 (2023: 7 employees with an associated cost of £200,000).

The average number of employees in the year was 759 (2023: 741) of whom 295 (2023: 290) were teaching staff and 50 were casual staff (2023: 54).

The number of employees whose emoluments exceeded £60,000 was:

	2024	2023
£60,001 - £70,000	9	10
£70,001 - £80,000	5	3
£80,001 - £90,000	1	1
£90,001 - £100,000	-	3
£100,001 - £110,000	2	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	2
£140,001 - £150,000	1	-
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>
	20	21
	<hr style="width: 100%;"/>	<hr style="width: 100%;"/>

Contributions were made to the Teachers' Pension scheme, which is a defined benefit scheme for 9 higher paid employees (2023: 15). Contributions were paid to a defined contribution pension scheme for 11 employees (2023: 6).

Notes (continued)

8 Governors and key management personnel remuneration and expenses

The Governors consider that they, together with the Heads of the four schools and the COOs, comprise the Key Management Personnel. The Governors give of their time freely and the pay and remuneration of the Heads and the COOs are set by the Remuneration Committee and is kept under annual review. A number of criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

The total amount of employee benefits, including employers National Insurance contributions, employers pension contributions, private medical insurance and accommodation benefits, received by key management personnel is £928,090 (2023: £798,000).

The Trustees neither received nor waived any remuneration during the year (2023: £NIL).

Notes (continued)

9 Analysis of total resources expended

	Staff costs £000 (note 7)	Other £000	Depreciation £000 (note 10)	Total 2024 £000	Total 2023 £000
Cost of generating funds					
Trading	77	204	-	281	327
Financing	-	319	-	319	471
	<u>77</u>	<u>523</u>	<u>-</u>	<u>600</u>	<u>798</u>
Charitable expenditure					
Teaching costs	18,977	2,491	-	21,468	20,129
Welfare costs	113	-	-	113	290
School meals and catering	924	1,239	-	2,163	1,931
Premises	1,727	2,229	2,184	6,140	6,332
Support costs	3,368	2,009	-	5,377	5,218
Financial Assistance including Bursaries and Scholarships	-	254	-	254	1,214
Governance costs	395	48	-	443	396
	<u>25,504</u>	<u>8,271</u>	<u>2,184</u>	<u>35,959</u>	<u>35,510</u>
Total expenditure	<u>25,581</u>	<u>8,795</u>	<u>2,184</u>	<u>36,559</u>	<u>36,308</u>

Governance costs are an apportionment of the relevant peoples' salaries with regard to the long term strategic planning of the charitable company.

Resources expended total £36,559,000 (2023: £36,308,000) of which the split between funds is as follows;

	Staff costs £000	Other £000	Depreciation £000	Total 2024 £000	2023 £000
Unrestricted funds	25,581	8,491	1,071	35,143	34,018
Restricted funds	-	300	37	336	1,214
Endowment funds	-	4	1,076	1,080	1,076
	<u>25,581</u>	<u>8,795</u>	<u>2,184</u>	<u>36,559</u>	<u>36,308</u>

Bursaries and scholarship costs of £222,000 (2023: £932,000) have been charged directly to restricted funds.

Notes (continued)

10 Consolidated tangible fixed assets

	Freehold land and Buildings £000	Furniture and fittings £000	Equipment £000	Asset in the Course of Construction £000	Total £000
Cost or valuation					
Balance at 1 September 2023	74,478	2,635	10,614	-	87,727
Additions at cost	90	462	571	784	1,907
	-----	-----	-----	-----	-----
At end of year	74,568	3,097	11,185	784	89,634
	-----	-----	-----	-----	-----
Depreciation					
Balance at 1 September 2023	(12,336)	(2,066)	(9,355)	-	(23,757)
Charge for year	(1,540)	(145)	(499)	-	(2,184)
	-----	-----	-----	-----	-----
At end of year	(13,876)	(2,211)	(9,854)	-	(25,941)
	-----	-----	-----	-----	-----
Net book value					
At 31 August 2024	60,692	886	1,331	784	63,693
	=====	=====	=====	=====	=====
At 31 August 2023	62,142	569	1,259	-	63,970
	=====	=====	=====	=====	=====

The parent charitable company has elected, in accordance with S35 10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation as their deemed cost.

The value of the playing fields and listed buildings, which are not depreciated, at the end of the year was £1,600,000 (2023: £1,600,000) and £4,260,000 (2023: £4,260,000) respectively.

No value is included for land other than playing fields. The site is an integral part of the scholastic entity comprising mainly educational buildings for which no alternative purchaser is foreseen. As a consequence, any valuation of the site is impracticable at reasonable expense.

All assets are held for use in charitable activities.

There were no assets held under finance leases or hire purchase contracts.

The asset in the course of construction is the major refurbishment of the Grammar School Sixth Form Centre which was opened on 4th September 2025. This was made possible thanks to the generous support from the Shepherd family.

Notes (continued)

Charitable company tangible fixed assets

	Freehold land and buildings £000	Furniture and fittings £000	Equipment £000	Asset in the Course of Construction £000	Total £000
<i>Cost or valuation</i>					
Balance at 1 September 2023	74,478	2,635	10,598	-	87,711
Additions at cost	90	462	570	784	1,906
	-----	-----	-----	-----	-----
At end of year	74,568	3,097	11,168	784	89,614
	-----	-----	-----	-----	-----
<i>Depreciation</i>					
Balance at 1 September 2023	(12,336)	(2,066)	(9,341)	-	(23,743)
Charge for year	(1,540)	(145)	(498)	-	(2,183)
	-----	-----	-----	-----	-----
At end of year	(13,876)	(2,211)	(9,839)	-	(25,926)
	-----	-----	-----	-----	-----
<i>Net book value</i>					
At 31 August 2024	60,692	886	1,329	784	63,691
	=====	=====	=====	=====	=====
At 31 August 2023	62,142	569	1,257	-	63,968
	=====	=====	=====	=====	=====

There were no assets held under finance leases or hire purchase contracts.

Notes (continued)

11 Investments

Consolidated and charitable company	Freehold property £000	Listed and managed investments £000	Total £000
Balance at 1 September 2023	1,210	3,585	4,795
Disposal of property	-	-	-
Additions at cost	-	95	95
Disposals	-	(123)	(123)
Change in market value of investments	-	319	319
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2024	1,210	3,876	5,086
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The listed and managed investments of £3,876,000 (2023: £3,585,000) comprise £2,201,000 (2023: £2,038,000) charity investments and £1,675,000 (2023: £1,547,000) investments directly listed in the United Kingdom.

There were no investments that constituted over 5% of the market value of the listed investment portfolio.

The freehold property has been revalued based on the independent valuations by qualified chartered surveyors, which were completed in March 2021 for buildings and August 2022 for land.

12 Stocks

	2024		2023	
	Consolidated £000	Charitable company £000	Consolidated £000	Charitable Company £000
Stocks	37	38	44	44
Subsidiaries' stocks	175	-	170	-
	<hr/>	<hr/>	<hr/>	<hr/>
	212	38	214	44
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

13 Debtors

	2024		2023	
	Consolidated	Charitable Company	Consolidated	Charitable company
	£000	£000	£000	£000
Fees receivable	3	3	403	403
Other debtors, prepayments and accrued income	1,101	1,028	446	422
Trade debtors	27	-	56	-
Due from group undertakings	-	461	-	517
	<u>1,131</u>	<u>1,492</u>	<u>905</u>	<u>1,342</u>

14 Creditors: amounts falling due within one year

	2024		2023	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£000
Prepaid fees	2,522	2,522	1,715	1,715
Fee guarantees	104	104	74	74
Taxation and social security	563	552	509	502
Trade Creditors	1,165	1,122	779	768
Mortgage obligation	28	28	28	28
CBILs loan	613	613	1,000	1,000
Other creditors	685	663	571	571
Accruals	477	477	615	615
	<u>6,157</u>	<u>6,081</u>	<u>5,291</u>	<u>5,273</u>

Fee guarantees are repayable when pupils leave. Other creditors include £439,000 (2023: £137,000) of outstanding pension contributions.

Notes (continued)

15 Creditors: amounts falling due after one year

	2024		2023	
	Consolidated £000	Charitable Company £000	Consolidated £000	Charitable Company £000
Fee guarantees	675	675	879	805
Prepaid Fees	509	509	-	-
Mortgage obligation	534	534	558	558
CIBLs loan	562	562	1,917	1,917
	2,280	2,280	3,354	3,354
	2,280	2,280	3,354	3,354

Analysis of Mortgage Loan

Repayments are due as follows:	2024 £000	2023 £000
Amounts falling due:		
• Within one year	28	28
• Between one and two years	534	28
• Between two and five years	-	530
• After five years	-	-
	562	586
	562	586

Lender	Term	Security	Interest Rate
HSBC Bank plc	7 years	85 Castledine Street	Variable, charged at 1.55% over base rate

The terms of the mortgage allow repayment without incurring any penalty.

Analysis of CBILS Loan

Repayments are due as follows:	2024 £000	2023 £000
Amounts falling due:		
• Within one year	613	1,000
• Between one and two years	562	1,000
• Between two and five years	-	917
• After five years	-	-
	1,175	2,917
	1,175	2,917

Lender	Term	Security	Interest Rate
Natwest Bank PLC	6 years	Six residential properties owned by the Foundation, along with the Parkin Sports Hall.	1 year interest free, interest rate after 1 year 2.37% over base rate

Notes (continued)

16 Provisions

	Legal Costs	Compliance	Total
	£000	£000	£000
Balance at 1 September 2023	30	110	140
Charged in year	337	-	337
Utilised/released in year	<u>-</u>	<u>-</u>	<u>-</u>
	367	110	477
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

Legal costs relate to provisions to defend both known claims and potential litigation regarding employment related matters.

Compliance provisions relate to potential risks that have been identified but were not fully resolved by the year end.

Notes (continued)

17. Analysis of net assets between funds 2024

	Tangible Fixed assets	Investments	Net current assets/ (liabilities)	Non-current (liabilities) and provisions	Total
	£000	£000	£000	£000	£000
Restricted income funds					
Bursary fund	-	-	603	-	603
Burton bursaries 2	-	-	230	-	230
A & PM Shepherd bequest	532	543	798	-	1,873
HS Gym Equipment	101	-	-	-	101
BF Dyson bequest	-	163	168	-	331
Parkin bequest	371	-	-	-	371
Coltman bequest	-	8	181	-	189
Wolfson bequest	-	124	52	-	176
GN Harvey fund	9	-	-	-	9
Bancroft bequest	-	-	72	-	72
Steinway Appeal	52	-	-	-	52
Prize funds	-	8	29	-	37
Scholarships	-	146	243	-	389
New Grammar School CCF Building	95	-	-	-	95
The Old Loughburian Benevolent fund	-	146	(13)	-	133
OLAFOC fund	-	-	71	-	71
Donations restricted fund	-	-	195	-	195
Cockrell bequest	-	138	(1)	-	137
Lorraine Simmons Scholarship	-	561	31	-	592
Huston Bequest	19	-	10	-	29
Greasley Bursary Fund	-	-	1,533	-	1,533
Beryl Stringfellow	-	-	7	-	7
Sir Thomas White Charity	-	-	8	-	8
Total restricted income funds	1,179	1,836	4,217	-	7,232
Unrestricted income funds	19,211	-	(87)	(2,757)	16,367
Endowed funds	43,303	3,250	6	-	46,559
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	63,693	5,086	4,136	(2,757)	70,158
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

Analysis of net assets between funds 2023

	Tangible Fixed assets	Investments	Net current assets/ (liabilities) (restated)	Non current (liabilities) (restated)	Total
	£000	£000	£000	£000	£000
Restricted income funds					
Bursary fund	-	-	600	-	600
Burton bursaries 2	-	-	246	-	246
A & PM Shepherd bequest	-	502	1,282	-	1,784
HS Gym Equipment	119	-	-	-	119
BF Dyson bequest	-	151	167	-	318
Parkin bequest	379	-	-	-	379
Coltman bequest	-	7	187	-	194
Wolfson bequest	-	115	51	-	166
GN Harvey fund	11	-	-	-	11
Bancroft bequest	-	-	69	-	69
Steinway Appeal	57	-	-	-	57
Prize funds	-	7	30	-	37
Scholarships	-	135	260	-	395
New Grammar School CCF Building	97	-	-	-	97
The Old Loughburian Benevolent fund	-	135	(12)	-	123
OLAFOC fund	-	-	69	-	69
Donations restricted fund	-	-	164	-	164
Cockrell bequest	-	127	9	-	136
Lorraine Simmons Scholarship	-	520	28	-	548
Huston Bequest	21	-	9	-	30
Total restricted income funds	684	1,699	3,159	-	5,542
Unrestricted income funds	18,907	-	(382)	(3,494)	15,031
Endowed funds	44,379	3,096	1	-	47,476
	-----	-----	-----	-----	-----
	63,970	4,795	2,778	(3,494)	68,049
	=====	=====	=====	=====	=====

Notes (continued)

18 Movement on restricted funds 2024

	Balance at 1 September 2023 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Movements in investments £000	Balance at 31 August 2024 £000
Bursary fund	600	13	(9)	-	-	603
Burton bursaries	246	8	(24)	-	-	230
A & PM Shepherd bequest	1,784	78	(30)	-	42	1,874
HS Gym Equipment	119	-	(18)	-	-	101
BF Dyson bequest	318	12	(12)	-	13	331
Parkin bequest	379	-	(8)	-	-	371
Coltman bequest	194	9	(15)	-	1	189
Wolfson bequest	166	7	(8)	-	11	176
GN Harvey fund	11	-	(2)	-	-	9
Bancroft bequest	69	3	-	-	-	72
Steinway Appeal	57	-	(5)	-	-	52
Prize funds	37	-	-	-	-	37
Scholarships	395	78	(95)	-	10	389
New Grammar School CCF Building	97	-	(2)	-	-	95
The Old Loughburian Benevolent fund	123	4	(4)	-	10	133
OLAFOC	69	3	(1)	-	-	71
Donations restricted fund	164	34	(1)	-	-	195
Cockrell bequest	136	5	(16)	-	12	137
Lorraine Simmons Scholarship	548	18	(35)	-	61	592
Huston Bequest	30	0	(3)	-	-	27
Greasley Bursary Fund	-	1,533	-	-	-	1,533
Domitree Trust	-	32	(32)	-	-	-
Maud Elkington	-	16	(16)	-	-	-
Beryl Stringfellow	-	5	-	-	-	5
Sir Thomas White Charity	-	8	-	-	-	8
Total	5,542	1,866	(336)	-	160	7,232

The Foundation's restricted funds are made up of donations and bequests from individuals and organisations that come with conditions on how they are used. These conditions can typically be summarised as:

- Bursaries, which provide financial assistance with fees to pupils in need;
- Scholarships, which fund and part fund the tuition fees for particularly gifted pupils;
- Funding new facilities and equipment for the school, such as the Parkin Sports Centre, which was part funded from the Parkin bequest, and the Steinway pianos, which were part funded by an appeal to current parents and alumni. These assets remain restricted once purchased, with the restricted fund reduced each year in line with the depreciation of the asset; and
- Prize funds to celebrate the success of our pupils.

Notes (continued)

Movement on restricted funds 2023

	Balance at 1 September 2022 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Movements in investments £000	Balance at 31 August 2023 £000
Bursary fund	600	932	(932)	-	-	600
Burton bursaries	226	40	(20)	-	-	246
A & PM Shepherd bequest	2,067	81	(50)	(300)	(14)	1,784
HS Gym Equipment	136	-	(17)	-	-	119
BF Dyson bequest	324	12	(12)	-	(6)	318
Parkin bequest	387	-	(8)	-	-	379
Coltman bequest	186	9	-	-	(1)	194
Wolfson bequest	179	7	(7)	-	(13)	166
GN Harvey fund	12	-	(1)	-	-	11
Bancroft bequest	66	3	-	-	-	69
Steinway Appeal	62	-	(5)	-	-	57
18) Prize funds	31	7	-	-	(1)	37
Scholarships	276	170	(48)	-	(3)	395
New Grammar School CCF Building	100	-	(3)	-	-	97
The Old Loughburian Benevolent fund	130	3	(6)	-	(4)	123
OLAFOC	70	3	(4)	-	-	69
Donations restricted fund	88	144	(68)	-	-	164
Cockrell bequest	154	6	(14)	-	(10)	136
Lorraine Simmons Scholarship	253	56	(16)	300	(45)	548
Huston Bequest	32	1	(3)	-	-	30
Total	5,379	1,474	(1,214)	-	(97)	5,542

Notes (continued)

19 Reconciliation of net income to net cash flow from operating activities

	2024	2023
	£000	£000
Cash flows from operating activities		
Net Income/(expenditure) for the reporting period (as per the statement of financial activities)	2,109	79
Adjustment for:		
Depreciation charge	2,184	2,101
Dividends, interest and rents received from investments	(560)	(442)
Decrease/(increase) in stock	2	40
Decrease/(increase) in debtors	(225)	(190)
Increase/(decrease) in creditors	1,559	79
Increase/(decrease) in provisions	337	(75)
Gain/(loss) on revaluation of investments	(319)	154
Net cash (used)/provided by operating activities	5,087	1,746
	5,087	1,746

20 Analysis of changes in net debt

	Balance at 31 August 2023	Cash Flows	Non Cash Flows	Balance as at 31 August 2024
	£000	£000	£000	£000
Cash	6,950	2,000	-	8,950
Loans falling due within one year	(1,028)	1,767	(1,380)	(641)
Loans falling due after more than one year	(2,476)	-	1,380	(1,096)
Totals	3,446	3,767	-	7,213
	3,446	3,767	-	7,213

Notes (continued)

21 Pensions

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 as published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Government Actuary's Department on 27 October 2023 and by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy) from 1 April 2024 (the contribution rate to 31 March 2024 is 23.68% as set by the 31 March 2019 valuation);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million;
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of the Consumer Price Index.

The employer's pension costs paid to TPS in the period amounted to £2,464,000 (2023: £2,056,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Foundation has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Foundation has set out above the information available on the scheme.

Defined Contribution Schemes

The Foundation pays contributions on behalf of its support and certain teaching staff, into two defined contribution pension schemes, the Royal London Pension Scheme and the Aviva Pension Trust for Independent Schools scheme (APTIS). The assets of these schemes are held separately from those of the Foundation in independently administered funds.

The pension charge for the year in relation to these schemes represents the contributions payable by the Foundation to the schemes and amounted to £779,000 (2023: £997,000).

22 Governor's expenses

In connection with their role as governors of the charitable company, three governors received reimbursement amounting to £940 (2023: £450) for expenses incurred.

Notes (continued)

23 Operating Leases

As at 31 August 2024 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2024	2023
	£000	£000
Expiry date:		
Within 1 year	349	270
Between 2 and 5 years	631	390
Greater than 5 year	-	-
Total	980	660
	980	660

24 Related Party Transactions

During the year recharges of £71,000 (2023: £42,000) were charged to subsidiary undertakings.

Profits of £168,000 (2023: £162,000) were gift aided to the school in line with covenants.

Included within debtors on the charitable balance sheet are amounts owed from group undertakings of £461,000 (2023: £517,000) of which £229,000 (2023: £279,000) relates to a loan which is repayable within one year and is subject to interest at 0.5% per annum. During the year interest of £2,000 (2023: £2,000) was charged on loan accounts with group undertakings.

These transactions were made in the normal course of business.

25 Capital Commitments

There were no significant capital commitments at the end of the financial year.

26 Post Balance Sheet Events

On 14th March 2025 the Foundation announced that it would be closing the Loughborough Amherst School at the end of the 2024/25 academic year. Governors do not believe this to have a material impact on these financial statements.

Whilst the closure of Amherst School will have some short-term financial impact on the Foundation in terms of pupil numbers and staff restructuring, the full financial impact of the decision cannot be quantified at this stage. The Foundation's Leadership Team and Trustees have undertaken various longer-term financial forecasting, which takes into account the closure as well as considerations around the effects of the ongoing cost of living crisis, changes to the Foundation's VAT status, expected pupil numbers and changes in these and other market and regulatory changes, and these forecasts show that the Foundation will continue to generate operating surpluses and maintain sufficient cash funds to continue meet all its financial obligations.

27 Controlling party

The Governors consider that the company has no controlling party.

Notes (*continued*)

28 Company

Loughborough Schools Foundations has two wholly owned subsidiary undertakings which have been included in the consolidated financial statements.

Thomas Burton Developments Ltd (company number 02750735) was incorporated on 25 September 1992 and has called up share capital of £2. LSF Shop Ltd (company number 02100016) was incorporated on 16 February 1987 and has called up share capital of £2.

The subsidiary registered offices are the same as for Loughborough Schools Foundation which can be found on page 2 of the Governors' report.

LOUGHBOROUGH SCHOOLS FOUNDATION

England & Wales - Charity number 1081765

Accounts

Loughborough Schools Foundation

Governors' Report and Financial Statements

For the year ended 31 August 2023
Registered company number 4038033
Registered charity number 1081765

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Governors' report

Introduction

Governors, Trustees & Directors

The Loughborough Schools Foundation is a company limited by guarantee, number 4038033, and a registered Charity, number 1081765.

The Governors who served during the year, and up to the date of this report except where indicated, were:

Co-opted Governors:

Dr M Aslam	
Mrs K L Basey	(appointed 22 May 2023)
Mr A Bowden	(appointed 27 October 2022)
Mr J Cimurs	(appointed 15 September 2022)
Mrs A Clark	(appointed 5 September 2022)
Mrs E K Critchley	
Dr J Esson	
Dr S Gowers-Cromie	(appointed 22 May 2023)
K Green	(appointed 22 May 2023)
Mr A Harris	
Mr R Harrison	Foundation Chair
Air Vice-Marshal G Howard	Foundation Vice Chair
Mr A D Jones	(resigned 25 March 2023)
Mr S Leese	(appointed 22 May 2023)
Mrs R J E Limb	
Mr S Morris	(appointed 5 September 2022)
Mrs A Murphy	
Mr J Parkinson	(appointed 21 May 2023)
Mr S Shah	(resigned 16 March 2023)
Mr P Snelling	(resigned 22 September 2022)
Mrs L Webb	(resigned 16 December 2022)

Nominated Governor:

Sister C Leydon *Rosminian Sisters of Providence*

Directors

All Loughborough Schools Governors are registered with Companies House as Directors of the Company.

Trustees

All Loughborough Schools Governors are registered with the Charity Commission as Trustees of the Charity.

Governors' report (continued)

Professional Advisers:

Bankers:

National Westminster Bank plc
Market Place
Loughborough
LE11 3EA

Solicitors:

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5DS

Bird, Wilford and Sale
20 Church Gate
Loughborough
LE11 1UD

Auditors:

Cooper Parry Group Limited
Sky View, Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Employment Tax Adviser:

PKF Smith Cooper
Prospect House
1 Prospect Place
Derby
DE24 8HG

Investment Advisers:

Charles Stanley & Co. Limited
25 Luke Street
London
EC2A 4AR

Insurance Broker:

Hayes Parsons Insurance Brokers
Beacon Tower, Colston Street
Bristol
BS1 4XE

Land Managers:

Mather Jamie
3 Bank Court, Weldon Road
Loughborough
LE11 5RF

Registered Office:

3 Burton Walks
Loughborough
LE11 2DU

Governors' report (continued)

Reference information

Loughborough Schools Foundation is an educational charity administered by Governors who are also the Trustees of the Charity and Directors of the Company. It comprises four independent schools and one nursery, all located in Loughborough.

Loughborough Grammar School (LGS) and Loughborough High School for Girls (LHS) were founded in 1495 and 1850 respectively. Fairfield Preparatory School became autonomous in 1969 having previously operated as the junior school of Loughborough High School. On 1 September 2015 Our Lady's Convent School (founded 1850) was subsumed into the Foundation thus becoming its fourth independent school; from 1 September 2018, the school changed its name to become Loughborough Amherst School (LAS). The Nursery, established by Loughborough Amherst School, opened in October 2016. Throughout the Governors' Reports and Financial Statements, the company and charitable trust are referred to collectively as the Foundation.

Objects, aims and goals

Charitable objects

The Charity's objects, as set out in the Articles of Association are to advance education by carrying on in Great Britain a school or schools which may be day or boarding schools at which infants, children and students may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, religious, vocational, social and commercial subjects, activities and crafts of every description and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Aims

Loughborough Schools Foundation will give young people the very best start in life. The inclusive and complete educational experience we provide ensures that academic achievement stems from the happiness and fulfilment derived from tailored learning, exciting opportunities and excellent facilities.

At the core of our vision is the ambition to provide the best all round education that enables our young people to excel and to take a leading place in tomorrow's inter-connected world.

Goals

Academic Excellence

To foster intellectual curiosity, academic rigour and independent learning in our pupils by placing academic achievement, outstanding teaching and a love of learning at the heart of everything we do.

Developing our pupils

To prepare our pupils to be successful in tomorrow's challenging world we will foster resilience, integrity and self-respect while developing the highest level of personal and academic achievement.

People

To work with the whole Foundation community to forge the strongest sense of partnership through common purpose, shared ambition and quality of leadership so that together we can deliver our vision.

Community Engagement

To create outward facing schools that engage with the local community in a way which encourages mutual understanding and common benefit, promotes the reputation and interests of the schools and reflects the broader social obligations of the Foundation.

Learning Environment

Provide a forward looking and sustainable learning environment that delivers the right infrastructure and facilities that are adaptable to the future needs of our pupils and staff.

Governors' report (continued)

Sustainable Enterprise

To operate the charity with the highest standards of accountability, probity and control, and generate meaningful surpluses to meet the Foundation's charitable objects both now and in the future.

Structure, Governance and Management

The Foundation is a company limited by guarantee, number 4038033, and a registered Charity, number 108176. The Foundation is governed by its Memorandum and Articles of Association. The Foundation is comprised of four schools:

Fairfield Preparatory School	-	for boys and girls aged 3-11, day only Headmaster: Mr A R Earnshaw, BA, NPQH
Loughborough Amherst School (incorporating Loughborough Nursery)	-	for boys and girls aged 6 weeks-18, day and boarding Headmaster: Dr J Murphy, BA, DPhil (Oxon) (to August 2023) Headmaster: Mr J Neville, MA (Oxon), Mphil (Cantab), (from September 2023)
Loughborough Grammar School	-	for boys aged 10-18, day and boarding Headmaster: Dr D Koch, BA, M.St, D.Phil (Oxon) (to August 2023) Headmaster: Mrs HM Foster, BA, Med, Dip LA, (from September 2023)
Loughborough High School	-	for girls aged 11-18, day only Head: Dr F Miles (MA Cantab), MBBS
Chief Operation Officer		J W Doherty (to 31 January 2023) N E Edwards (1 March 2023 to 18 August 2023) R J Grant & R Smeeton (from 18 August 2023)

The Governors of the Foundation, as Directors of the Company, are also Charity Trustees.

The Governors determine the general policies, strategic direction of the Foundation and evaluate the risk register. A scheme of delegation formalises the responsibilities between Governors, Committees and the Executives.

The day-to-day management of educational, pupil development and pastoral issues is delegated to the Heads, supported by their senior staff. The Chief Operating Officer (COO) is answerable for the overall governance of the charity, and specifically responsible for the centralised functions of finance, human resources, estates and grounds management, health and safety, compliance, catering, network services, commercial activity, marketing and the subsidiary companies.

All Governors give their time freely and no remuneration was paid during the year. Reasonable travelling and associated expenses were paid in accordance with Foundation policy. No Trustee/Director, or person connected with a Governor, received any benefit either from a means-tested Foundation bursary or a scholarship awarded to a pupil. Professional indemnity and liability insurance is in place for Governors.

Membership of Relevant Professional Bodies

The Heads of Loughborough Amherst School, Fairfield Preparatory School, Loughborough Grammar School and Loughborough High School, are members of the CISC, IAPS, HMC, and GSA respectively. The Foundation is a member of the ISBA. These professional affiliations collectively form part of the Independent Schools' Council. Membership in these associations serves as a platform to exchange expertise, knowledge, and experiences within the independent schools' sector. Furthermore, they play a vital role in representing the sector's views to the Government and regulatory bodies.

Governors' report (continued)

Governor Recruitment and Training

The Board of Governors requires considerable breadth and depth of experience to carry out its duties effectively and efficiently. The Nominations Committee interviews prospective governors on a regular basis and maintains a list of prospective candidates to be called forward when vacancies arise and/or skill gaps in the Board become apparent. A skills matrix is maintained to inform recruitment and training priorities.

All Governors follow an induction programme on appointment including meetings with the School Heads, COO and relevant Chairs. All Governors are encouraged to attend external training to complement internal training provided. In addition to training for the Governors as a whole, individual Governors also receive training to support them in specific duties they undertake, for example safeguarding and finance. The Foundation is a member of the Association of Governing Bodies of Independent Schools (AGBIS) and Governors are encouraged to make use of the programme of conferences and seminars offered. A record of Governor training is held by the Secretary to the Board.

Governance and Committee Structure

The Board, through four functional committees, exercises the governance and control of the Foundation and Schools. The Heads and the COO attend Governors' meetings. Additionally, an individual committee known as a 'School Board' operates for each of the Schools. As the functional committees have primacy, the four School Boards have limited executive powers but were constituted to ensure that school issues are appropriately raised at Foundation Board level.

An external review of Governance was completed in March 2023 with implementation of the planned action continuing in 2023/24.

The committees in existence during the year were:

Four School Boards (Loughborough Amherst School, Fairfield Preparatory School, Loughborough Grammar School and Loughborough High School): School Boards are responsible for liaison on general matters and ensuring that school issues are represented at the appropriate functional committee and/or the Foundation Board. They have particular focus on academia and educational matters and provide the primary Governor/School interface, including representation to the ISI, in addition the Loughborough Amherst School Board exercises specific responsibilities for the Catholic life of the school. Each School Board is constituted with at least three Governors and meet on a termly basis.

The Finance Audit and Risk Committee remit is to monitor the financial performance of the Foundation and its constituent schools and to make recommendations to the Board accordingly. It oversees the external audit process as well as the programme of internal reviews and checks undertaken throughout the year, such as spot checks of the single central register, and safeguards the integrity of the Foundation's systems and internal controls. The committee is also responsible for risk management in the Foundation and for ensuring that the Foundation has a long-term financial plan, consistent with its overall strategic development and infrastructure plans. It exercises oversight of the Foundation's investments and reserves. The committee is constituted with at least three Governors and meet on a termly basis.

Operations and Compliance Committee: advises the Board on all matters relating to capital development, reactive and planned maintenance, maintenance of the grounds, human resources, networks services, catering and health and safety and compliance. The committee is constituted with at least three Governors and meet on a termly basis.

Remuneration Committee: Consisting of the four School Board Chairs, the Vice Chair and chaired by the Foundation Chair. The committee has specific responsibility for determining the remuneration of the Foundation's senior officers. The committee meets annually.

The Nominations Committee: Consisting of the four School Board Chairs and chaired by the Foundation Chair, it advises the Board on the recruitment, selection and induction of new Governors. In doing so, it makes use of the policy on the recruitment, selection and induction of Governors. The committee meet twice a year or as necessary to consider applications from prospective governors and undertake succession planning.

Governors' report (continued)

The Board also receives reports from The Subsidiary Trading Board. The Subsidiary Trading Board has three Directors, two of whom are not a trustee of Loughborough Schools Foundation. The Directors are responsible for the legal oversight of the Foundation's incorporated subsidiaries.

Investment Policy/Performance:

The investment objectives are to generate the highest possible returns, which are commensurate with a low to medium level of risk. The Foundation does not specifically invest in ethical investments.

The value of the portfolio decreased from £4,846,000 to £4,795,000, during the year. This is due to a fall in the underlying investments values during the year; caused by the sharp increase in interest rates.

The Finance, Audit and Risk Committee routinely review the investment portfolio and compare performance to relevant benchmarks, such as the FTSE 100, the FTSE All share and the MSCI PIMFA Private Investor Balanced Indices to benchmark performance. Following a detailed review this year, the Foundation consolidated and rebalanced its investment portfolio between two investment managers; Charles Stanley Wealth Managers and CCLA Investment Management Ltd.

Reserves

The Governors have established a policy on the holding of reserves, which is constituted as follows:

- a. A sum equal to 10% of working capital which for the year 2022-23 was deemed to be £1,083,000 plus;
- b. A sum no less than 5% and no more than 10% of the designated in year CAPEX requirement which for the year 2022-23 was deemed to be £48,000.

The total funds held at the end of the reporting period were £68,049,000 and of this, £53,018,000 was either restricted or endowed, and therefore not available to be used for general purpose. The Foundation holds investments sufficient to match the restricted funds as represented by the Bursary Fund, A. & P. M. Shepherd Bequest, Dyson Bequest, Coltman Bequest, 'Johnnie Johnson' Award Fund, Wolfson Fund and the various prize and scholarship funds.

The combined requirement of the reserve policy and restricted funds throughout the reporting period was £5,788,000. As at 31 August 2023 our cash and investments were £11,745,000 and therefore our policy was met.

STRATEGIC REPORT

Main Aims for the Year

The main aim for the year, together with an indication of the progress made, were:

Aims for 2022/23	Progress
Development of school strategic plans to further the delivery of the overall Foundation strategy, building on 2021/22 successes.	Schools made significant progress in the development of individual strategic plans aligned to the pursuit of excellence in education while also respecting and embracing their distinct identities.
Development of a long-term financial plan to underpin the sustainability of the Foundation that is aligned with the Foundation strategic plan and wider economic policy.	A new long-term plan has been established, aligned with the Foundation's strategic plan, demonstrating commitment to sustainable finances to support our goals. The plan acknowledges potential threats and manages the associated risks.
Support the new headmaster at Loughborough Grammar School to achieve agreed objectives.	Dr Daniel Koch achieved the objectives identified by Governors and subsequently accepted a new post at Kimbolton School. Mrs Helen Foster, the Senior Deputy Head, was appointed Head (Designate) in April 2023 and assumed the role of Head at the start of the academic year. The school's reputation for academic and pastoral excellence continues.
To review the potential to extend the boarding provision across the Foundation exploring new markets and strategic partnerships.	Significant progress was made in the strategic exploration of extending boarding provision across the Foundation. Governors are committed to further developing the boarding strategy in the coming year.
To embed the Development Strategy to deliver a sustainable and collaborative approach to philanthropy, donor and alumni relationships supporting the Foundation to further deliver its Charitable Objectives.	The Foundation is committed to the continuation and growth of an extensive Bursary program, with record-breaking pledges from alumni, parents, staff, and friends. These efforts continue to demonstrate a shared commitment to inclusivity and changing lives through education.
To continue the implementation of the Digital Transformation Strategy and develop plans for the second phase of development.	Teaching has been enhanced with a refresh of classroom technology and digital learning tools and resources. A new management information system was successfully launched in April 2023, and the new finance system went live in August 2023. The second phase of the Digital Strategy includes measures to further transform the educational experience, invest in the professional development of staff, and underpin this with fully integrated support systems.
Continue the focus on equality, diversity and inclusion (EDI) by embedding school-based EDI plans building upon the Foundation plan implemented in 2021.	Governance arrangements have been reviewed to strengthen our commitment to EDI across three key themes: Reporting and Communication, Strategy, and Oversight. The Foundation EDI Governor continues oversight of EDI strategy. The school boards remain responsible for individual school EDI action plans whilst the full board is collectively responsible for the commitment to EDI principles.

Financial Review

The Foundation benefited from a stable operating environment in 2022-23. Income was higher during the year, having increased by £2.2 million as a result of increased income from tuition and boarding fees, as well as £392,000 in donation and legacies, which are held as restricted funds and spent in line with the donors' wishes. The Foundation felt the impact of rising costs significantly during the year, with expenditure increasing by £2.8 million compared to the previous year. Expenditure outstripped income, causing income to fall from £632,000 in 2021-22 to £243,000 this year.

The continued turbulence within financial markets led to the Foundation's investments losing £154,000. This limited the growth of the Foundation's balance sheet, but overall the position remains healthy with cash balances of £7.0 million and net current assets of £2.8 million. The Foundation spent £1,078,000 on new property plant and equipment during the year, which is below the depreciation charge of £2.1 million. The Foundation's challenge for the future is ensuring that sufficient surpluses are made to continue to invest in the excellent facilities that are currently on offer.

The Foundation's two subsidiary companies had a mixed performance. The net profits from LSF Shop LTD reduced to £18,000 in 2022-23 compared to £22,000 in the previous year. This reduction is mainly due to a reduction in income as the return to school date was much later than in the previous year, therefore parents delayed their expenditure. Thomas Burton Development LTD had a good trading year and saw the net profit increase from £123,000 to £144,000. Profits from both companies are gifted to the parent charity.

Covid 19 Pandemic

Repayments for the CBILs loan (Coronavirus Business Interruption Loan Scheme) were made through 2022/23 with £2.9m outstanding at the year end. No funds were received in relation to the Covid 19 Pandemic during the year.

Philanthropy and Alumni Relations

The ability of the Foundation to offer wider access through financial support is reliant upon the ongoing generosity of the Schools' core community (parents, alumni, staff, governors and friends) alongside that from external companies, trusts and foundations.

Fundraising efforts and initiatives support bursaries and relieve hardship for parents where the pupil's education and future prospects would otherwise be at risk. During the 12-month period to August 2023 £392,000 was raised.

Grants and bursaries are awarded based on educational ability and financial circumstances, subject to the restrictions imposed by the donor of the funds.

The Foundation uses an in-house team for the purpose of fund-raising and is fully registered with the Fundraising Regulator to which it pays the statutory fundraising levy and abides by their Fundraising Code of Practice.

There have been no failures to comply with the scheme or standards and no complaints received by the Foundation about its fundraising activities. The Foundation has taken all reasonable precautions to protect vulnerable people and other members of the public from unreasonably intrusive or persistent fundraising.

Key Performance Indicators

The Foundation assess its success in the implementation and pursuit of its Charity strategy by following key performance indicators:

- Pupil numbers in the schools
- Academic results
- The achievement of pupils in all areas of education development including sport, music and drama

Pupil Numbers

The pupil numbers at the end of the year were 890 at Loughborough Grammar School, 534 at Loughborough High School, 528 at Fairfield Preparatory School and 331 at Loughborough Amherst School. An average of 107 children also attended the Nursery setting throughout the year, equivalent to 62.3 Full Time pupils.

Fees

Tuition fees were increased for the 2022/23 academic year.

Tuition fees charged during the year by Loughborough Grammar School and Loughborough High School were £4,900 per term for years 6-9 (year 6 only at LGS), £4,980 per term for years 10-11 and £4,990 for years 12-13. At Fairfield Preparatory School fees were £4,010 per term (full time) for Kindergarten, £4,120 for Pre-Prep and £4,220 for Prep. At Loughborough Amherst School the fees were £3,740 per term for Pre-Prep, £3,850 per term for Prep. In the Senior School fees were £4,780 per term for years 7-9, £4,840 for years 10-11 and £4,880 for years 12-13.

Academic

This academic year continued the return to pre-pandemic standards following the measures implemented by the Department for Education which sought to ensure that pupils were not disadvantaged by the disruption the pandemic caused.

Pupils have shown superb resilience and maturity against a backdrop of lockdowns, remote learning and disrupted teaching. The results at GCSE and A Level were an excellent reflection of the hard work of staff and pupils. A Level pupils achieved notable success in their first experience of public examinations.

At **Loughborough Amherst School**, 6% of the passes at A-Level were at grade A*, 13% at A* to A and 44% of the passes were at A*-B.

At GCSE 14% of the passes were at grade 9-8, 26% of the passes were 9-7% and 66% were 9-5.

At **Loughborough Grammar School**, 17% of the passes at A-Level were at grade A*, 47% at A* to A and 74% of the passes were at A*-B.

At GCSE 43% of the passes were at grade 9-8, 58% of the passes were 9-7% and 88% were 9-5.

At **Loughborough High School**, 16% of the passes at A-Level were at grade A*, 45% at A* to A and 73% of the passes were at A*-B.

At GCSE 61% of the passes were at grade 9-8, 73% of the passes were 9-7% and 93% were 9-5.

The excellent A Level results, combined with effective support in guiding university course choices, resulted in a very high success rate in securing first-choice university places. This success underscores the schools' continued ability to effectively prepare pupils for admission to the most competitive universities and challenging courses. The dedication and focus demonstrated by the pupils, as highlighted by the impressive academic achievements, reflect the schools' commitment to academic excellence and comprehensive guidance in shaping pupils' educational paths.

Fairfield Prep School continued to flourish and provided excellent outcomes for pupils throughout the year. This success is underscored by its positive reputation, acknowledged by the Good Schools Guide for fostering curiosity and creativity. Notable accolades include recognition in Education Today and a Highly Commended status at the Muddy Stiletto's Best Schools Awards 2023. Reaccreditation with the NACE Challenge Award attests to the school's commitment to high-quality provision for more able learners. The school's achievements in LAMDA examinations, the Royal Exhibition, and sporting successes further highlight its diverse accomplishments.

Co-Curricular

Sport remains central to our pupils' daily lives, and we've taken significant steps to enrich their experience. We've expanded our staff to include a strength and conditioning coach and qualified fitness suite personnel, resulting in an improved pupil experience. Local partnerships have been fostered with Loughborough University and Quorn FC, hosting 'Floodlight Friday' events in rugby and football.

Generous donor support has been instrumental in the establishment of sports development programs, exemplified by the successful rugby player pathway scheme, with plans currently underway for similar initiatives in hockey and cricket.

Schools have celebrated some exceptional sporting results including the Girls 1st XI reaching the National Tier 3 Hockey finals, an impressive season for the rugby 1st XV, and the 1st XI football team finishing as runners-up in the Mercian football league. Younger pupils have excelled, achieving numerous victories and earning spots in regional finals in hockey. The Foundation's commitment to pupil participation is evident, with every child in years 4 to 6 actively representing their school across various activities, showcasing a dedicated and vibrant sports culture.

Notably, Loughborough Amherst School A-Level pupil Henry Searle made history by becoming the Junior Wimbledon Boys' singles champion. Several other pupils and alumni of Loughborough Schools Foundation also delivered outstanding performances at Wimbledon, including Ranah Stoiber, Mika Stojavljevic, who were among a trio of British juniors to make it through to the Wimbledon quarter-finals.

The Music Department had an exceptional year marked by notable achievements. The De Montfort Hall concert, featuring the moving composition 'From War to Peace' and hosting the Music Teachers' Association conference, stood out as significant highlights. These events exemplified the Department's unwavering commitment to inclusivity and excellence.

The year was filled with numerous concerts, examinations, and community engagements, including the highly anticipated Al Fresco. A strong partnership with the Royal Birmingham Conservatoire and outreach projects in the local community continued to benefit both pupils and the broader community.

Employment

The Foundation is an equal opportunities employer; and has a responsible approach to employment legislation. The Foundation met the statutory requirements to provide a report on gender pay equality and will continue to monitor this area and make changes, when and where they are practicable.

The Foundation welcomes applications for employment from disabled persons and assists, whenever practicable and taking into account HR best practice, the recruitment, training, career development and promotion of disabled people. Should an employee become disabled during their employment we make all reasonable adjustments to ensure they can remain in employment; and where necessary facilitate re-training.

The Foundation encourages the continuous development and training of its employees and the provision of equal opportunities for the training and career development of all employees.

The Foundation is committed to engaging with its employees. A variety of methods are used to achieve this, including team meetings, Common Room briefings and our staff representative groups. Since early 2022 the Foundation has voluntarily recognised the teacher's trade union NASUWT.

Salaries

The arrangements for setting the pay and remuneration of the Foundation's key management personnel and any benchmarks, parameters or criteria used in setting their pay are detailed in note 8 in the notes to the financial statement.

Pension Costs

Teachers: On 31 August 2021 the Foundation left the Teachers' Pension scheme (TPS) and the default Foundation pension plan for teaching staff became the Aviva Pension Trust for Independent Schools (APTIS) this is a multi-employer defined contribution pension scheme.

The Foundation re-joined the TPS on 1 September 2022. From this date teachers have had the option of joining either the TPS or APTIS. From 1 October 2022 the TPS closed to new employees joining the Foundation with teaching staff only being eligible to join the APTIS.

The employer contribution rate for teachers for 2022/23 was 16.5% for those in APTIS and 23.68% for those in TPS (2021/22 23.68%). The default APTIS employee contribution rate is 7% but can be varied by the employee. The pension charge for the year includes contributions payable to the Schemes of £2,367,000 (2022 £1,874,000).

Non-Teachers: The LSF Group Personal Pension Plan is operated by Royal London. The pension charge for the year includes contributions payable to the personal pension plans of £688,000.

Future Plans

Initiatives for 2023/24 include:

1. Developing and implementing a marketing strategy to establish Foundation schools as the preferred choice for parents in the region, while expanding and enhancing boarding options based on the strategic groundwork laid out in 2022/2023.
2. Creating contingency plans to address potential political threats to independent schools, particularly in the event of VAT on school fees.
3. Enhancing the governance and leadership structure, ensuring that the Foundation is well-equipped to navigate the future with confidence and agility.
4. Supporting the new Headteachers at Loughborough Grammar and Loughborough Amherst Schools to achieve their agreed objectives.
5. Further improving bursary and scholarship programs, actively increasing outreach and engagement with the local community.
6. Reviewing and enhancing recruitment practices to ensure equitable and diverse employee representation.

Risk Management

The Trustees are responsible for the identification and management of the risks faced by the Foundation, including the individual schools. The day-to-day management of this requirement is delegated to the Finance, Audit and Risk Committee. Risks are identified and assessed; and controls and improvements are established, where possible, to mitigate the risks.

The Trustees have a risk management strategy which comprises:

- a differentiation between strategic and operational risks;
- clear management and review responsibilities for both operational and strategic risks, with first line and second review responsibilities identified and agreed;
- termly review of all risks by the Executive (Operational Risk) and Finance, Audit and Risk Committee (Strategic Risk);
- clear mechanism for the escalation of risks to the Governing Body;
- the establishment of policies, systems and procedures to mitigate those risks identified; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risk materialise.

The Trustees group risks into five categories:

- **Governance** – those risks which may arise from the direction, decision making or control environment. For example, the risk that governors or those charged with management may take a risk outside of their authority. Controls include the Foundation's strategy, which informs decision making, an established governance structure and a clear distinction between governance and executive management.
- **Regulatory** – these are those risks which relate to the market and environment in which the Foundation operates, and which may influence our stakeholders and/or the Foundation's business model (e.g. any change in regulatory environment). To manage risks in this area, the Foundation has established mechanisms to analyse forecasts of potential changes in the charitable and education sectors, with the aim of anticipating regulatory change and implementing any mitigating actions.
- **Financial** – those risks which relate to income and expenditure and may impact the Foundation's financial sustainability. To manage these risks the Foundation has established a 10-year financial forecasting model, which enables it to model the impact of any changes to its income or expenditure and take appropriate action.
- **Reputational** – risks to the reputation of the Foundation may arise from the decisions and actions of the Foundation, those employed by it, or pupils at its schools. Should a reputational risk arise, it could have an immediate or long-term impact on pupil numbers, and therefore the Foundation's finances. To manage these risks the Trustees have put in place appropriate policies and oversight mechanisms, including for academic quality and safeguarding.
- **Operational** – those risks arising from day-to-day operations of the Foundation and its schools, and usually related to an activity which cannot be avoided (e.g. security, health and safety). These risks therefore require active and on-going control by the executive and other managers. Each risk identified is owned by a specified member of the executive and monitored on an on-going basis by those charged with management. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular training for staff working in these operational areas.

Public Benefit

The Foundation exists to make a difference, not just to our pupils but to our wider community.

The Governors confirm that they have given due consideration to the requirements of the Charities Act 2011 and public benefit guidance published by the Charity Commission.

The range of the activity, which is defined as public benefit is as follows:

Financial Support

The Governors are proud of the Foundation's long tradition of bursary provision. Governors remain committed to broadening access to those pupils who would benefit from the opportunities provided by the Foundation's schools, but whose parents may lack the financial means to meet the fees.

- Long-term Foundation Bursaries (School Assisted Places (SAPs)) are available to entrants to Loughborough Amherst School, Loughborough Grammar School and Loughborough High School, who meet the general entry requirements at the point at which the pupil enters the school. These awards are made on the basis of parental means and involve an assessment of those means. During the year 135 pupils received assistance amounting to £998,000. Of these 20 pupils received 100% fee remission. The awards are subject to annual review.
- A further 15 existing pupils were also given means-tested financial assistance in hardship bursaries amounting to £126,000. This assistance was awarded in circumstances in which it was believed that the assistance could be required for less than 12 months, although on many occasions, a longer period of time has proved necessary. A relatively high proportion of these pupils have also been given total fee remission. This number includes 3 Ukrainian families who we have offered 100% fee remission.

- In some instances of particular hardship financial assistance has also been provided towards ancillary costs, including lunches, transportation and school uniform. This comes from a separate funding source to the above.
- The Foundation also receives funds in the form of bequests or donations that are intended to support pupils meeting specific criteria set up the donor. This year £131,000 was awarded which benefited eleven pupils, five of whom also benefited from the Foundation Bursary programme.
- The total funding for assisted places was £1,255,000. This assistance was made available to 6.15% of the pupils and represents overall 3.8% of the tuition fee income.
- In addition to means tested assistance, the Foundation also makes a limited amount of funds available to recognise its scholars and to support a small number of gifted pupils through years 12-13.
- The total amount of financial assistance (funded places and scholarships combined), excluding staff fee remission, expended during the year was £1,392,000. This represents 4.2% of the tuition fee income.
- Where appropriate we work with families to support them to access funding from other charitable sources. As these are funded externally this funding is not included here.
- The figures which have been quoted in the preceding part of this section are the direct costs of providing financial assistance to pupils. These figures do not include the significant costs of the management time at various levels of dealing with and processing these awards, or the cost of targeted advertising which aims to stimulate applications from those who are eligible.

Educational

The Foundation has continued this year to widen access to its educational resources and facilities, by bringing independent and state school communities together. Activities and partnerships include:

Educational Experiences

Our commitment to learning extends beyond those pupils who attend our schools. The Foundation supports educational initiatives in a number of local schools. We believe this interchange is mutually beneficial providing opportunities for an exchange of ideas between our staff and those working in local schools, and for our pupils to mix, learn and work alongside pupils from other schools, and develop their awareness of the wider community in which they live. Examples include:

Masterclasses organised by the three senior schools delivered significant educational benefit to the local state school community, covering subjects such as math, computing, history, art, modern and ancient languages, and English.

The language masterclass provided local Year 5 children with an introduction to six languages: French, German, Spanish, Italian, Greek, and Urdu. Approximately 20 local primary schools nominate up to five children each, resulting in around 100 attendees. The primary aim is to inspire young learners to embrace new languages and generate interest in this curriculum aspect.

The science masterclass programme engaged with primary schools in the area to ignite interest in the sciences and foster enthusiasm and enquiry. Year 12 and 13 pupils actively volunteer, sharing their passion for the sciences and inspiring younger pupils.

For adults in the community, the senior schools hosted masterclasses in Classics, Art, and Computing, with over 120 participants across the series of events. In addition, Loughborough Grammar School's Classics department hosted quarterly online lectures attracting a global audience including pupils, educators, and the public. The lectures appealed to a wide audience while supporting A-level and GCSE learning. The most attended session drew 350

participants from diverse countries and involved over 40 UK schools. This initiative, evolving during and post-COVID, emphasises public benefit through its global accessibility and direct links to advancing education.

Loughborough High School collaborated with Loughborough University, supporting a research team whose studies will shape the future of food and art education in schools. This partnership grants access to subjects for insightful research, fostering innovation in educational practices.

The Loughborough Amherst School Debating Day for Year 5 pupils, involving five local state schools and one smaller independent school, has successfully run for four years. The initiative focuses on developing oracy skills through shared expertise, engaging 210 state school pupils, with 21 participating in the day's activities. Staff feedback highlights notable improvements in participants' self-esteem, vocabulary, and bravery. This initiative exemplifies the school's dedication to fostering educational growth, enhancing skills, and positively impacting the wider community.

Educational Expertise – Educational Training and Support

As the Trustees of an education charity, Governors recognise the importance of sharing not only our physical resources, but also the expertise and experience of our staff, to support local schools and other organisations. Our approach underscores our dedication to fostering meaningful partnerships, sharing expertise, and actively contributing to the continuous advancement of education within our community.

The Foundation approach to partnership working and advancing education was reflected in partnerships including:

- Teacher Training Placements - The Foundation supports Loughborough University hosting PGCE placements, and Nottingham Trent University supporting apprentice teachers.
- External Examinations - Staff from Loughborough Grammar School actively contribute to external examinations as team leaders and assistant examiners.
- Expertise Sharing - Loughborough High School contributes to local state schools by sharing expertise through structured subject network meetings and collaborative sports moderation practices.
- NVQ Student Placements - Fairfield Preparatory School provides essential placements for NVQ students, enriching their learning experience.
- Supporting Governance Roles - The Foundation supports teaching and support staff to serve as governors at local schools, providing them with the necessary time and resources to fulfil their governance duties.

Community

The Foundation is a well-established part of the Loughborough and Leicestershire community. Embracing the spirit of collaboration, the Foundation offers support to the community, extending contributions in both facilities and expertise across the following areas:

Music

The Music School actively contributed to various community events and groups throughout the year, including:

- Church Concert Series - Providing musicians to perform, supporting the church community.
- Loughborough Open Music Competitions - Offering a platform for nearly 200 young musicians to compete and showcase their talents.
- Supporting Local Events and Charities - Involvement in events such as the Rainbows Christmas Concert, the opening of the Loughborough Fair, and the Christmas Light Ceremony, providing performers.
- Weekly Open Access Community Choir - Hosting a weekly open-access community choir, welcoming members from the local community to participate.

Sport

The Sports Department actively collaborates with local state schools and community groups, hosting a range of competitions and events to promote sports participation. In 2022/23 this included:

- Hosted the Leicester Tigers Community Rugby Competition (80+ participants) and a local rugby club tag rugby competition (100+ participants from 10 clubs).
- Hosted Leicestershire netball competitions for local state secondary schools (50+ participants).
- Hosted Leicestershire County cricket finals (50+ participants from local state secondary schools).
- Hosted Area Athletics Finals for U13, U15, and U17 age groups (75+ participants) and the Loughborough Town athletics competition for local state primary schools (100+ pupils from 8 schools).

- Organised the Leicester Foxes Girls football competition for local clubs with Leicester Foxes' support (150+ local players).

Sharing our Facilities

Throughout the year, the Foundation made its grounds and facilities available, either free of charge or at a reduced rate, to local groups, societies and local charities, many on a weekly basis. In 2022/23 these included:

- Loughborough Lightning - Utilised indoor sports facilities and outdoor courts for netball training.
- Loughborough Town Cricket - Access to pitches for cricket matches.
- Loughborough College Triathlon Club - Conducted pool training sessions.
- Leicester Riders Basketball - Access to the indoor sports centre.
- Army Reserves - Weekly use of the sports hall.
- Hathern Community Band - Held rehearsals in Hodson Hall.
- Badminton Club - Utilised the Sports Hall for their activities.
- Community Events:
 - Rainbows It's a Knock Out event.
 - Robbie's Rugby Festival – a charity event supporting the Robbie Anderson Cancer Trust.

A reduced rate for facility use was extended to the following organizations, providing additional benefits to Foundation pupils:

- Tom Flowers Cricket Camp - Conducted holiday courses in the Sports Hall.
- Leicester Tigers Rugby Camp - Held holiday courses on Quorn pitches.

Volunteering

The Foundation is dedicated to instilling in pupils not only academic knowledge but also a sense of responsibility towards their community. In pursuit of this goal, staff and pupils can engage in voluntary roles, contributing positively to the community, including local primary schools and care homes.

Pupils from Loughborough High School and Loughborough Grammar School actively volunteer at Connaught House, providing companionship to older adults and alleviating feelings of loneliness. Additionally, community seniors attend events like the Tableaux performance and a Christmas celebration tea party.

All three Senior Schools' pupils run a Voluntary Service Unit, supporting various local organisations. The schools serve as hosts for units of Rainbows, Brownies, Guides, and Scouts, with Foundation staff, pupils, and parents actively involved in community events and volunteering.

As a community benefit, Loughborough High School annually provides staff assistance for the Loughborough parkrun. Additionally, the Combined Cadet Force contributes one of the two marching bands and a contingent of approximately 200 cadets and 20 staff for the Remembrance Day Parade. This contingent constitutes the single largest formation within the Remembrance march-past, witnessed by a typical crowd of several thousand from the local community.

Pupils from all three senior schools contribute to the local community through volunteering as part of the Duke of Edinburgh Awards. Their activities range from working in local charity shops to assisting with merchandise at Rainbows Hospice and providing support to elderly individuals in the community.

Charitable Donations and Fundraising

As well as giving of time, pupils across our family of schools actively engaged in fundraising for a diverse range of causes. They recognise that they understand that their efforts make a meaningful impact on the lives of people of all ages who are less fortunate.

Collectively, pupils from across the Foundation raised £39,360 through a series of events, including non-uniform days, bake sales, and competitions. The breakdown of contributions from each school is as follows:

Loughborough Amherst School	£12,951
Fairfield Preparatory School	£ 7,239

Loughborough Grammar School	£ 7,434
Loughborough High School	£11,736

In our senior schools, the commitment to charitable activities is led by Charity Prefects. Senior pupils actively participate in the collection and distribution of food items donated by pupils across all four schools through events like harvest festivals. These donations benefit local community groups and food banks.

Throughout the year, our schools supported various charities, including Cancer Research, Dogs Trust, The Laura Centre, NHS England, Kalgidhar Trust, Ronald McDonald House Charities, RNLI, AOK 5000, and Amnesty International.

Economic Impact

In addition to the public benefit arising from the Foundation's charitable activities, the Foundation makes a significant positive contribution to the local economy.

In 2022/23 it employed on average 741 people, and 77.8% of the £19.4 million paid in salaries (£18.3 million in 2021/22) remained in Leicestershire, with an estimated 93.7% remaining in the East Midlands.

We support local businesses. In 2022/23 our total direct spend was circa £9.0 million (£7.8 million in 2021/22), of which £3.6 million was spent in the East Midlands economy.

We estimate that in providing an education to more than 2,283 local children, the exchequer collectively save more than £12.2 million a year which it would otherwise cost to educate those children in local maintained schools.

Section 172 Statement

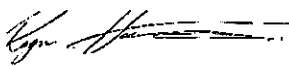
The Trustees have acted in a way in which they consider, in good faith, promoted the success of the Foundation for the benefit of all beneficiaries and wider stakeholder groups. The ways in which they have done this are described in further detail throughout this report, specifically:

Stakeholder	Section
Employees	Page 10 ("Employment")
Beneficiaries	Pages 9-10 (Academic) and Pages 11-12 ("Financial Support")
Community	Pages 14-16 ("Public Benefit")
Economic benefit	Page 16 ("Economic Impact")

Carbon Report

UK Greenhouse gas emissions and energy use data for the period 1 September 2022 to 31 August 2023:

	2022/23	2021/22 (Restated due to missing figures)
Energy consumption used to calculate emissions (kWh)	9,714,594	10,386,484
Energy consumption breakdown (kWh) :		
• gas	7,409,821	7,638,434
• electricity	2,203,773	2,656,960
• transport fuel	101,000	91,090
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption	1,362.44	1,404.48
Owned transport – mini-buses	12.32	11.47
Total Scope 1	<u>1,374.76</u>	<u>1,415.95</u>
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	513.79	540.16
Renewable electricity purchased	-505.95	
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee owned vehicles	5.57	4.48
Total gross emissions in metric tonnes CO₂e	1,390.18	1,960.59
Intensity ratio Tonnes CO₂e per pupil	0.61	0.87



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.

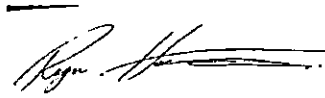
Intensity measurement

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

We have installed smart meters across all sites and increased video conferencing technology to facilitate staff to work from home and not travel to work for meetings.

Approved by the Board on 7 December 2023 and signed on its behalf by:



Roger Harrison
Chairman

Trustees' responsibilities statement

The Trustees (who are also directors of Loughborough Schools Foundation for the purposes of company law) are responsible for preparing the Governors' Annual Report, including the Strategic 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 Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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 Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable companies website. Legislation in the United Kingdom governing the preparation and dissemination may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinion

We have audited the financial statements of Loughborough Schools Foundation ("the company") and its subsidiaries ("the group") for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Cashflow Statement and the related notes 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 (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2023 and of the incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 Foundation'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 Governors' report, other than the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 19, the Governors (who are Trustees of the charitable company for the purpose of charity law and 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 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 groups' and 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Use of our report

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

Simon Atkins FCA
Senior Statutory Auditor

A handwritten signature in cursive script that reads "Cooper Parry Group Limited".

For and on behalf of:

COOPER PARRY GROUP LIMITED
Statutory Auditors

Date: 19 February 2024

Sky View, Argosy Road, East Midlands Airport, Castle Donington, Derby, DE74 2SA

**Consolidated statement of financial activities
for the year ended 31 August 2023**

	Note	Unrestricted income Funds £000	Restricted income funds £000	Endowed funds £000	2023 Total funds £000	2022 Total funds £000
Income and endowments from:						
Donations and legacies	3	-	392	-	392	377
Other trading activities	4	489	-	-	489	528
Investments	5	292	150	-	442	218
Charitable activities	6	34,054	932	-	34,986	32,794
Other		242	-	-	242	186
Total income and endowments		<u>35,077</u>	<u>1,474</u>	<u>-</u>	<u>36,551</u>	<u>34,103</u>
Expenditure on:						
Raising funds:						
Financing costs	9	471	-	-	471	314
Trading operations	9	327	-	-	327	382
Charitable activities	9	33,220	1,214	1,076	35,510	32,775
Total expenditure		<u>34,018</u>	<u>1,214</u>	<u>1,076</u>	<u>36,308</u>	<u>33,471</u>
Net income/(expenditure) before gains/(losses) on investments and transfers		1,059	260	(1,076)	243	632
Gain/(Loss) on sale of investments		-	(6)	(4)	(10)	9
Gain/(Loss) on investment assets	11	-	(91)	(63)	(154)	(406)
Net income/(expenditure) before transfers		<u>1,059</u>	<u>163</u>	<u>(1,143)</u>	<u>79</u>	<u>235</u>
Transfers between funds		-	-	-	-	-
Net movements in funds		1,059	163	(1,143)	79	235
Reconciliation of funds						
Total funds brought forward		13,972	5,379	48,619	67,970	67,735
Total funds carried forward		<u>15,031</u>	<u>5,542</u>	<u>47,476</u>	<u>68,049</u>	<u>67,970</u>

All incoming resources and resources expended derive from continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 52 form part of these financial statements.

**Consolidated summary income and expenditure accounts
for the year ended 31 August 2023**

	<i>Note</i>	2023	2022
		£000	£000
Income from charitable related activities		35,620	33,358
Income from non-charitable trading activities		489	527
Interest and investment income	5	442	218
		<hr/>	<hr/>
Gross income in the reporting period		36,551	34,103
		<hr/>	<hr/>
Expenditure on charitable activities		(33,451)	(30,597)
Expenditure on non-charitable trading activities	9	(327)	(382)
Interest payable		(471)	(314)
Depreciation and charges for impairment of fixed assets		(983)	(1,103)
		<hr/>	<hr/>
Total expenditure in the reporting period		(35,232)	(32,396)
		<hr/>	<hr/>
Net income for the year		1,319	1,707
		<hr/> <hr/>	<hr/> <hr/>

The income for the year arises from continuing activities.

A detailed analysis of the subsidiaries' trading results are set out in note 4.

Detailed analysis of the expenditure is provided in the statement of financial activities and note 9.

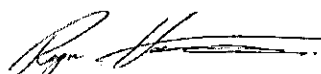
The summary income and expenditure account excludes endowed funds and unrealised gains/(losses) in accordance with Companies Act 2006. The account is derived from the statement of financial activities on page 24 which together with the notes to the financial statements provides information on the movement during the year of the funds of the group.

The notes on pages 29 to 52 form part of these financial statements.

Consolidated balance sheet
at 31 August 2023

	Note	2023	2022
		£000	£000
Fixed assets			
Tangible assets	10	63,970	64,993
Investments	11	4,795	4,846
		<u>68,765</u>	<u>69,839</u>
Current assets			
Stock	12	214	254
Debtors	13	905	715
Cash at bank and in hand		6,950	6,971
		<u>8,069</u>	<u>7,940</u>
Liabilities: amounts falling due within one year			
Creditors	14	(5,291)	(5,170)
Net current assets		<u>2,778</u>	<u>2,770</u>
Total assets less current liabilities		<u>71,543</u>	<u>72,609</u>
Creditors: amounts falling due after more than one year	15	(3,354)	(4,424)
Provisions for liabilities			
Provisions	16	(140)	(215)
Net assets		<u>68,049</u>	<u>67,970</u>
Funds			
Endowed funds	18	47,476	48,619
Restricted income funds	18, 19	5,542	5,379
Unrestricted income funds	18	15,031	13,972
Total funds		<u>68,049</u>	<u>67,970</u>

The financial statements were approved by the board of directors on 7 December 2023 and were signed on its behalf by:



Roger Harrison
Chairman

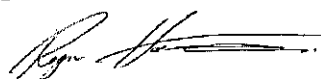
Company registered number: 4038033

The notes on pages 29 to 52 form part of these financial statements.

Charitable balance sheet
at 31 August 2023

	Note	2023		2022	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		63,968		64,987
Investments	11		4,795		4,846
			<u>68,763</u>		<u>69,833</u>
Current assets					
Stock	12	44		54	
Debtors	13	1,342		1,137	
Cash at bank and in hand		6,667		6,683	
			<u>8,053</u>	<u>7,874</u>	
Liabilities: amounts falling due within one year					
Creditors	14	(5,273)		(5,098)	
Net current assets			<u>2,780</u>		<u>2,776</u>
Total assets less current liabilities			<u>71,543</u>		<u>72,609</u>
Creditors: amounts falling due after more than one year					
	15		(3,354)		(4,424)
Provisions for liabilities					
Provisions	16		(140)		(215)
Net assets			<u>68,049</u>		<u>67,970</u>
Funds					
Endowed funds	18		47,476		48,619
Restricted income funds	18, 19		5,542		5,379
Unrestricted income funds	18		15,031		13,972
Total funds			<u>68,049</u>		<u>67,970</u>

The financial statements were approved by the board of directors on 7 December 2023 and were signed on its behalf by:



Roger Harrison
Chairman

Company registered number: 4038033
The notes on pages 29 to 52 form part of these financial statements.

Consolidated statement of cash flows
for the year ended 31 August 2023

	Note	2023 £000	2022 £000
Net cash flow from operating activities			
Net cash flow (used)/provided by operating activities	20	1,746	2,557
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(1,078)	(843)
Purchase of investments	11	(1,207)	(492)
Proceeds from sale of investments	11	1,104	292
Dividends, interest and rents received from investments	5	442	218
Net cash used in investing activities		1,007	1,732
Cash flows from financing activities			
Repayment of finance leases		-	(124)
Repayment of Loan and Mortgage		(1,028)	(1,028)
New loan		-	-
Net cash generated in financing activities		(1,028)	(1,152)
Change in cash and cash equivalents in the reporting period		(21)	580
Cash and cash equivalents at the beginning of the reporting year		6,971	6,391
Cash and cash equivalents at the end of the reporting year		6,950	6,971

The notes on pages 29 to 52 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting Policies

Loughborough Schools Foundation is a company limited by guarantee and is incorporated and domiciled in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operation and principal activities is to provide a day or boarding school for boys and girls of all ages.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £'000.

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

Basis of consolidation

The group financial statements are the result of the consolidation of the financial statements of the company and its subsidiaries LSF Shop Limited, Thomas Burton Developments Limited and Loughborough Schools International (Qingdao) Limited (dormant and dissolved 20 June 2023). The financial statements of all companies are made up to 31 August 2023.

No separate SoFA has been presented for the charity alone following exemptions afforded by the Companies Act 2006 and the SORP (FRS 102).

Fund accounting

Funds held by the charitable company are either:

- **Unrestricted general funds** – these are funds, which can be used in accordance with the charitable objects at the discretion of the directors.
- **Restricted funds** – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the Memorandum and Articles of Association, or the donor, or when funds are raised for particular restricted purposes.
- **Permanent endowed funds** – these are the land and buildings of the schools and investments, which are not free for disposal without replacement.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fees receivable

Fees receivable are accounted for in the period to which they relate. Each year an overall amount of 5% of the fees received is allocated to the bursary fund. The fees receivable are stated after deducting scholarships and other remissions granted by the charitable company; however, the stated fees include the contributions received from restricted funds for bursaries and other grants.

Notes (continued)

Investment income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Donations

Donations received for the general purposes of the schools are credited to unrestricted funds. Donations subject to specific wishes of the donors are carried to the relevant restricted fund or to the endowed fund.

Trading income

Trading income, including income from LSF Shop Limited and Thomas Burton Developments, is included when receivable.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on raising funds
- Expenditure on charitable activities

Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of Loughborough Schools Foundation and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Redundancy / termination payments

All redundancy and termination payments are recognised within the year.

Notes (continued)

Tangible fixed assets

The freehold land and buildings were re-valued as at 31 August 2014 and on adoption of FRS 102 SORP this was taken as "deemed cost".

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land and listed buildings	-	No depreciation charge
Other freehold buildings	-	5 – 50 years
Furniture and fittings	-	10 years
Equipment	-	4 – 10 years

Items costing less than £500 are written off as an expense when acquired.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in '(loss)/gains' on revaluation of investments' in the SoFA. No depreciation is charged on investment properties in accordance with the Charities SORP.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'gains/(losses) on revaluation of investments' in the SoFA. Realised gains and losses are calculated as the difference between sale proceeds and original cost.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Operating Leases

Operating lease rentals are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Deferred income

Prepaid fees are held as creditors until the start of the term to which they relate. They are then transferred to the statement of financial activities and recognised as income.

Taxation

Loughborough Schools Foundation is exempt from income tax and capital gains tax under Section 505 ICTA1988.

Notes (continued)

Pension schemes

Teachers' Pension Scheme

The Foundation withdrew from the TPS on 31 August 2021, on 1 September 2022 the Foundation re-joined the TPS. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Defined Contribution Scheme

The School pays contributions on behalf of its support and teaching staff, into two defined contribution pension schemes, which are managed independently of the finances of the School. The schemes are operated on a defined contribution basis, and therefore no surpluses or deficits will arise. Contributions are charged against expenditure in the year in which they fall due.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. After taking into consideration the effects of the cost of living crisis and the prospect of changes to the Foundation's VAT status, Governors are still satisfied that the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Limited by guarantee

Each member of the charitable company undertakes to contribute to such amount as may be required but not exceeding £10.

Re-statement of prior year figures

Where prior year figures are re-stated, the reason will be stated in the notes section of the accounts.

2 Judgements and key sources of estimation uncertainty

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

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

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

Leases

The group determines whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Notes (continued)

Investment properties

Critical estimates, assumptions and judgements relate to the determination of the carrying value of investment properties at fair value. In determining this, the group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the statement of financial activities.

Depreciation and residual values

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

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

3 Donations and legacies

	Unrestricted £000	Restricted £000	2023 £000
Donations	-	392	392
Legacies	-	-	-
	-	392	392
	-	392	392

	Unrestricted £000	Restricted £000	2022 £000
Donations	-	377	377
Legacies	-	-	-
	-	377	377
	-	377	377

Notes (continued)

4 Other trading activities before consolidation

The Foundation owns the entire share capital of The LSF Shop Limited and Thomas Burton Development Limited. Both subsidiaries covenant any taxable profits to the Foundation. The trading results for the year ended 31 August 2023 for both entities, as extracted from their audited accounts, are summarised below and all relate to unrestricted funds.

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2023 £000	Total 2022 £000
Turnover	290	199	489	528
Cost of sales	(201)	(4)	(205)	(261)
Gross profit	89	195	284	267
Administration	(70)	(50)	(120)	(120)
Other operating income	-	-	-	-
Operating profit	19	145	164	147
Interest payable	(1)	(1)	(2)	(2)
Net profit	18	144	162	145
Retained reserves bought forward	-	-	-	-
Covenant	(18)	(144)	(162)	(145)
Retained reserves carried forward	-	-	-	-

The aggregate amounts of assets, liabilities, share capital and reserves were:

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2023 £000	Total 2022 £000
Non-current assets	-	2	2	6
Current assets	315	218	533	514
Creditors: amounts falling due within one year	(315)	(220)	(535)	(535)
Net current liabilities	-	(2)	(2)	(6)
Creditors: due after more than one year	-	-	-	-
Net liabilities	-	-	-	-
Share capital and reserves	-	-	-	-

Lease costs of £10,290 per annum are payable by LSF shop to the Foundation until expiration of the lease on 1 March 2026.

Notes (continued)

5 Investment income

	Unrestricted £000	Restricted £000	2023 £000	2022 £000
Bank interest receivable	215	94	309	73
Investment income	68	56	124	130
Rental income	9	-	9	15
	<hr/>	<hr/>	<hr/>	<hr/>
	292	150	442	218
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6 Charitable activities

School income receivable comprised:

	2023 £000	2022 £000
Tuition fees	31,750	29,611
Boarding fees	1,548	1,600
Bursary awards and grants	(939)	(897)
Bursary awards and grants paid for by restricted funds	932	897
	<hr/>	<hr/>
	33,291	31,211
Catering receipts	1,309	1,234
Other fees & grant	386	349
	<hr/>	<hr/>
	34,986	32,794
	<hr/> <hr/>	<hr/> <hr/>

School income was £34,986,000 (2022: £32,794,000) of which £34,054,000 (2022: £31,897,000) was attributable to unrestricted funds and £932,000 (2022: £897,000) was attributable to restricted funds.

Tuition fees for the year include £939,000 (2022: £897,000) transferred to restricted fund bursaries.

Bursary awards, grants and scholarships were made to 158 pupils (2022: 177) from restricted funds.

Notes (continued)

7 Charitable net income is stated after charging:

	2023	2022
	£000	£000
Auditor's remuneration:		
For audit	31	34
For other services	4	5
Governors' professional liability insurance	9	9
Depreciation of tangible fixed assets	2,101	2,213
	<hr/>	<hr/>
Staff costs		
Wages and salaries	19,411	18,181
Social security costs	1,881	1,836
Pension contributions	3,053	2,348
	<hr/>	<hr/>
	24,345	22,365
	<hr/>	<hr/>

The number of employees whose contracts were terminated and who left our employment within the financial year totalled 7, with an associated cost of £200k.

The average number of employees in the year was 741 (2022: 708) of whom 290 (2022: 282) were teaching staff and 54 were casual staff. Neither the governors nor persons connected with them received any remuneration or other benefits from the charitable company or any connected organisation.

The number of employees whose emoluments exceeded £60,000 was:

	2023	2022
£60,001 - £70,000	10	13
£70,001 - £80,000	3	6
£80,001 - £90,000	1	2
£90,001 - £100,000	3	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	2	2
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	-	1
	<hr/>	<hr/>
	21	26
	<hr/>	<hr/>

Contributions were made to the Teachers' Pension scheme, which is a defined benefit scheme for 15 higher paid employees (2022: 0). Contributions were paid to a defined contribution pension scheme for 6 employees (2022: 25).

Notes (continued)

8 Governors and key management personnel remuneration and expenses

The Governors consider that they, together with the Heads of the four schools and the COO comprise the Key Management Personnel. The Governors give of their time freely and the pay and remuneration of the Heads and the COO is set by the Remuneration Committee and is kept under annual review. A number of criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

The total amount of employee benefits received by key management personnel is £798,000 (2022 : £831,000).

The Trustees neither received nor waived any remuneration during the year (2022: £NIL).

Notes (continued)

9 Analysis of total resources expended

	Staff costs £000 (note 7)	Other £000	Depreciation £000 (note 10)	Total 2023 £000	Total 2022 £000
Cost of generating funds					
Trading	84	239	4	327	382
Financing	-	471	-	471	314
	<u>84</u>	<u>710</u>	<u>4</u>	<u>798</u>	<u>696</u>
Charitable expenditure					
Teaching costs	18,052	2,077	-	20,129	19,084
Welfare costs	290	-	-	290	325
School meals and catering	701	1,230	-	1,931	1,599
Premises	1,620	2,652	2,060	6,332	5,761
Support costs	3,369	1,849	-	5,218	4,657
Financial Assistance including Bursaries and Scholarships	-	1,177	37	1,214	1,032
Governance costs	313	83	-	396	317
	<u>24,345</u>	<u>9,068</u>	<u>2,097</u>	<u>35,510</u>	<u>32,775</u>
Total expenditure	<u>24,429</u>	<u>9,778</u>	<u>2,101</u>	<u>36,308</u>	<u>33,471</u>

Governance costs are an apportionment of the relevant peoples' salaries with regard to the long term strategic planning of the charitable company.

Resources expended total £36,308,000 (2022: £33,471,000) of which the split between funds is as follows;

	Staff costs £000	Other £000	Depreciation £000	Total 2023 £000	2022 £000
Unrestricted funds	24,429	8,601	988	34,018	31,333
Restricted funds	-	1,177	37	1,214	1,063
Endowment funds	-	-	1,076	1,076	1,075
Total expenditure	<u>24,429</u>	<u>9,778</u>	<u>2,101</u>	<u>36,308</u>	<u>33,471</u>

Bursaries and scholarship costs of £1,066,000 (2022: £1,032,000) have been charged directly to restricted funds.

Notes (continued)

10 Consolidated tangible fixed assets

	Freehold land and Buildings £000	Furniture and fittings £000	Equipment £000	Total £000
Cost or valuation				
Balance at 1 September 2022	74,110	2,569	9,970	86,649
Additions at cost	368	66	644	1,078
	-----	-----	-----	-----
At end of year	74,478	2,635	10,614	87,727
	-----	-----	-----	-----
Depreciation				
Balance at 1 September 2022	(10,807)	(1,944)	(8,905)	(21,656)
Charge for year	(1,529)	(122)	(450)	(2,101)
	-----	-----	-----	-----
At end of year	(12,336)	(2,066)	(9,355)	(23,757)
	-----	-----	-----	-----
Net book value				
At 31 August 2023	62,142	569	1,259	63,970
	=====	=====	=====	=====
At 31 August 2022	63,303	625	1,065	64,993
	=====	=====	=====	=====

The parent charitable company has elected, in accordance with S35 10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation as their deemed cost.

The value of the playing fields and listed buildings, which are not depreciated, at the end of the year was £1,600,000 (2022: £1,600,000) and £4,260,000 (2022: £4,260,000) respectively.

No value is included for land other than playing fields. The site is an integral part of the scholastic entity comprising mainly educational buildings for which no alternative purchaser is foreseen. As a consequence, any valuation of the site is impracticable at reasonable expense.

All assets are held for use on charitable activities.

There were no assets held under finance leases or hire purchase contracts.

Notes (continued)

Charitable company tangible fixed assets

	Freehold land and buildings £000	Furniture and fittings £000	Equipment £000	Total £000
<i>Cost or valuation</i>				
Balance at 1 September 2022	74,110	2,569	9,954	86,633
Additions at cost	368	66	644	1,078
	-----	-----	-----	-----
At end of year	74,478	2,635	10,598	87,711
	-----	-----	-----	-----
<i>Depreciation</i>				
Balance at 1 September 2022	(10,807)	(1,944)	(8,895)	(21,646)
Charge for year	(1,529)	(122)	(446)	(2,097)
	-----	-----	-----	-----
At end of year	(12,336)	(2,066)	(9,341)	(23,743)
	-----	-----	-----	-----
<i>Net book value</i>				
At 31 August 2023	62,142	569	1,257	63,968
	=====	=====	=====	=====
At 31 August 2022	63,303	625	1,059	64,987
	=====	=====	=====	=====

There were no assets held under finance leases or hire purchase contracts.

Notes (continued)

11 Investments

Consolidated and charitable company	Freehold property £000	Listed and managed investments £000	Total £000
Balance at 1 September 2022	1,210	3,636	4,846
Disposal of property	-	-	-
Additions at cost	-	1,207	1,207
Disposals	-	(1,104)	(1,104)
Change in market value of investments	-	(154)	(154)
Balance at 31 August 2023	1,210	3,585	4,795

The listed and managed investments of £3,585,000 (2022: £3,636,000) comprise £2,038,000 (2022: £1,071,000) charity investments and £1,547,000 (2022: £2,565,000) investments directly listed in the United Kingdom.

There were no investments that constituted over 5% of the market value of the listed investment portfolio.

The freehold property has been revalued based on the independent valuations by qualified chartered surveyors, which were completed in March 2021 for buildings and August 2022 for land.

12 Stocks

	2023		2022	
	Consolidated £000	Charitable company £000	Consolidated £000	Charitable Company £000
Stocks	44	44	54	54
Subsidiaries' stocks	170	-	200	-
	214	44	254	54

Notes (continued)

13 Debtors

	2023		2022	
	Consolidated £000	Charitable Company £000	Consolidated £000	Charitable company £000
Fees receivable	403	403	191	191
Other debtors	446	422	499	499
Trade debtors	56	-	25	-
Due from group undertakings	-	517	-	447
	<u>905</u>	<u>1,342</u>	<u>715</u>	<u>1,137</u>

14 Creditors: amounts falling due within one year

	2023		2022	
	Consolidated £000	Charitable company £000	Consolidated £000	Charitable Company £000
Prepaid fees	1,715	1,715	2,101	2,101
Fee guarantees	74	74	80	80
Taxation and social security	509	502	509	502
Net obligations under hire purchase contracts	-	-	-	-
Mortgage obligation	28	28	28	28
CBILs loan	1,000	1,000	1,000	1,000
Other creditors	1,350	1,339	998	933
Accruals	615	615	454	454
	<u>5,291</u>	<u>5,273</u>	<u>5,170</u>	<u>5,098</u>

Net obligations under hire purchase contracts are secured on the assets to which they relate. Fee guarantees are repayable when pupils leave. Other creditors include £137,000 (2022: £312,000) of outstanding pension contributions.

Notes (continued)

15 Creditors: amounts falling due after one year

	2023		2022	
	Consolidated £000	Charitable Company £000	Consolidated £000	Charitable Company £000
Fee guarantees	879	879	805	805
Prepaid Fees	-	-	116	116
Mortgage obligation	558	558	586	586
CIBLs loan	1,917	1,917	2,917	2,917
	<u>3,354</u>	<u>3,354</u>	<u>4,424</u>	<u>4,424</u>

Analysis of Mortgage Loan

Repayments are due as follows:	2023 £000	2022 £000
Amounts falling due:		
• Within one year	28	28
• Between one and two years	28	28
• Between two and five years	530	558
• After five years	-	-
	<u>586</u>	<u>614</u>

Lender	Term	Security	Interest Rate
HSBC Bank plc	7 years	85 Castledine Street	Variable, charged at 1.55% over base rate

The terms of the mortgage allow repayment without incurring any penalty.

Analysis of CBiLS Loan

Repayments are due as follows:	2023 £000	2022 £000
Amounts falling due:		
• Within one year	1,000	1,000
• Between one and two years	1,000	1,000
• Between two and five years	917	1,917
• After five years	-	-
	<u>2,917</u>	<u>3,917</u>

Lender	Term	Security	Interest Rate
Natwest Bank PLC	6 years	Six residential properties owned by the Foundation, along with the Parkin Sports Hall.	1 year interest free, interest rate after 1 year 2.37% over base rate

Notes (continued)

16 Provisions

	Legal Costs	Compliance	Total
	£000	£000	£000
Balance at 1 September 2022	105	110	215
Charged in year	29	-	29
Utilised/released in year	<u>(104)</u>	<u>-</u>	<u>(104)</u>
	30	110	140
	<u> </u>	<u> </u>	<u> </u>

Legal costs relate to provisions to defend both known and potential litigation regarding employment matters and capital projects.

Compliance provisions relate to potential risks that have been identified but were not fully resolved by the year end.

17 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023		2022	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£000
Within one year	-	-	-	-
Between 1-5 years	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes (continued)

18. Analysis of net assets between funds 2023

	Tangible Fixed assets	Investments	Net current assets/ (liabilities)	Non current (liabilities) and provisions	Total
	£000	£000	£000	£000	£000
Restricted income funds					
Bursary fund	-	-	600	-	600
Burton bursaries 2	-	-	246	-	246
A & PM Shepherd bequest	-	502	1,282	-	1,784
HS Gym Equipment	119	-	-	-	119
BF Dyson bequest	-	151	167	-	318
Parkin bequest	379	-	-	-	379
Coltman bequest	-	7	187	-	194
Wolfson bequest	-	115	51	-	166
GN Harvey fund	11	-	-	-	11
Bancroft bequest	-	-	69	-	69
Steinway Appeal	57	-	-	-	57
Prize funds	-	7	30	-	37
Scholarships	-	135	260	-	395
New Grammar School CCF Building	97	-	-	-	97
The Old Loughburian Benevolent fund	-	135	(12)	-	123
OLAFOC fund	-	-	69	-	69
Donations restricted fund	-	-	164	-	164
Cockrell bequest	-	127	9	-	136
Lorraine Simmons Scholarship	-	520	28	-	548
Huston Bequest	21	-	9	-	30
Total restricted income funds	684	1,699	3,159	-	5,542
Unrestricted income funds	18,907	-	(382)	(3,494)	15,031
Endowed funds	44,379	3,096	1	-	47,476
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	63,970	4,795	2,778	(3,494)	68,049
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

Analysis of net assets between funds 2022

	Tangible Fixed assets	Investments	Net current assets/ (liabilities) (restated)	Non current (liabilities) (restated)	Total
	£000	£000	£000	£000	£000
Restricted income funds					
Bursary fund	-	-	600	-	600
Burton bursaries 2	-	-	226	-	226
A & PM Shepherd bequest	-	775	1,292	-	2,067
HS Gym Equipment	136	-	-	-	136
BF Dyson bequest	-	156	168	-	324
Parkin bequest	387	-	-	-	387
Coltman bequest	-	8	178	-	186
Wolfson bequest	-	126	53	-	179
GN Harvey fund	12	-	-	-	12
Bancroft bequest	-	-	66	-	66
Steinway Appeal	62	-	-	-	62
Prize funds	-	8	23	-	31
Scholarships	-	138	138	-	276
New Grammar School CCF Building	100	-	-	-	100
The Old Loughburian Benevolent fund	-	140	(10)	-	130
OLAFOC fund	-	-	70	-	70
Donations restricted fund	-	-	88	-	88
Cockrell bequest	-	137	17	-	154
Lorraine Simmons Scholarship	-	195	58	-	253
Huston Bequest	24	-	8	-	32
Total restricted income funds	721	1,683	2,975	-	5,379
Unrestricted income funds (restated)	18,817	-	(206)	(4,639)	13,972
Endowed funds	45,455	3,163	1	-	48,619
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	64,993	4,846	2,654	(4,639)	67,970
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The unrestricted income funds have been restated to correct the misclassification of £116,000 of non-current liabilities as current liabilities.

Notes (continued)

19 Movement on restricted funds 2023

	Balance at 1 September 2022 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Movements in investments £000	Balance at 31 August 2023 £000
Bursary fund	600	932	(932)	-	-	600
Burton bursaries	226	40	(20)	-	-	246
A & PM Shepherd bequest	2,067	81	(50)	(300)	(14)	1,784
HS Gym Equipment	136	-	(17)	-	-	119
BF Dyson bequest	324	12	(12)	-	(6)	318
Parkin bequest	387	-	(8)	-	-	379
Coltman bequest	186	9	-	-	(1)	194
Wolfson bequest	179	7	(7)	-	(13)	166
GN Harvey fund	12	-	(1)	-	-	11
Bancroft bequest	66	3	-	-	-	69
Steinway Appeal	62	-	(5)	-	-	57
Prize funds	31	7	-	-	(1)	37
Scholarships	276	170	(48)	-	(3)	395
New Grammar School CCF Building	100	-	(3)	-	-	97
The Old Loughburian Benevolent fund	130	3	(6)	-	(4)	123
OLAFOC	70	3	(4)	-	-	69
Donations restricted fund	88	144	(68)	-	-	164
Cockrell bequest	154	6	(14)	-	(10)	136
Lorraine Simmons Scholarship	253	56	(16)	300	(45)	548
Huston Bequest	32	1	(3)	-	-	30
Total	5,379	1,474	(1,214)	-	(97)	5,542

The Foundation's restricted funds are made up of donations and bequests from individuals and organisations that come with conditions on how they are used. These conditions can typically be summarised as:

- Bursaries, which provide financial assistance with fees to pupils in need;
- Scholarships, which fund and part fund the tuition fees for particularly gifted pupils;
- Funding new facilities and equipment for the school, such as the Parkin Sports Centre, which was part funded from the Parkin bequest, and the Steinway pianos, which were part funded by an appeal to current parents and alumni. These assets remain restricted once purchased, with the restricted fund reduced each year in line with the depreciation of the asset; and
- Prize funds to celebrate the success of our pupils.

Notes (continued)

Movement on restricted funds 2022

	Balance at 1 September 2021 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Movements in investments £000	Balance at 31 August 2022 £000
Bursary fund	600	897	(897)	-	-	600
Burton bursaries	188	66	(15)	(13)	-	226
A & PM Shepherd bequest	2,165	52	(52)	-	(98)	2,067
HS Gym Equipment	62	-	(12)	86	-	136
BF Dyson bequest	339	8	(8)	-	(15)	324
Parkin bequest	396	-	(9)	-	-	387
Coltman bequest	183	5	-	-	(2)	186
Wolfson bequest	205	7	(9)	-	(24)	179
GN Harvey fund	18	-	(1)	-	(5)	12
Bancroft bequest	65	1	-	-	-	66
Steinway Appeal	67	-	(5)	-	-	62
Prize funds	31	-	-	-	-	31
Scholarships	256	45	(14)	-	(11)	276
New Grammar School CCF Building	102	-	(2)	-	-	100
The Old Loughburian Benevolent fund	136	4	(5)	(73)	(5)	130
OLAFOC	72	1	(3)	-	-	70
Donations restricted fund	151	25	(15)	-	-	88
Cockrell bequest	188	7	(14)	-	(27)	154
Lorraine Simmons Scholarship	-	250	-	-	3	253
Huston Bequest	31	1	-	-	-	32
Total	5,255	1,369	(1,061)	-	(184)	5,379

Notes (continued)

20 Reconciliation of net income to net cash flow from operating activities

	2023	2022
	£000	£000
Cash flows from operating activities		
Net Income/(expenditure) for the reporting period (as per the statement of financial activities)	79	235
Adjustment for:		
Depreciation charge	2,101	2,213
Dividends, interest and rents received from investments	(442)	(218)
Decrease/(increase) in stock	40	28
Decrease/(increase) in debtors	(190)	(179)
Increase/(decrease) in creditors	79	245
Increase/(decrease) in provisions	(75)	(173)
Gain/(loss) on revaluation of investments	154	406
	<hr/>	<hr/>
Net cash (used)/provided by operating activities	1,746	2,557
	<hr/> <hr/>	<hr/> <hr/>

21 Analysis of changes in net debt

	Balance at 31 August 2022	Cash Flows	Non Cash Flows	Balance as at 31 August 2023
	£000	£000	£000	£000
Cash	6,971	(21)	-	6,950
Loans falling due within one year	(1,028)	1,028	(1,028)	(1,028)
Loans falling due after more than one year	(3,503)	-	1,028	(2,475)
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	2,440	1,007	-	3,447
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

22 Pensions

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 as published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Government Actuary's Department on 27 October 2023 and by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy) from 1 April 2024 (the contribution rate to 31 March 2024 is 23.68% as set by the 31 March 2019 valuation);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million;
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of the Consumer Price Index.

The employer's pension costs paid to TPS in the period amounted to £2,056,000 (2022: £NIL).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Foundation has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Foundation has set out above the information available on the scheme.

23 Governor's expenses

In connection with their role as governors of the charitable company, three governors received reimbursement amounting to £450 (2022: £1,652) for expenses incurred.

Notes (continued)

24 Operating Leases

As at 31 August 2023 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2023	2022
	£000	£000
Expiry date:		
Within 1 year	270	144
Between 2 and 5 years	390	201
Greater than 5 year	-	-
	<hr/>	<hr/>
Total	660	345
	<hr/> <hr/>	<hr/> <hr/>

25 Related Party Transactions

During the year recharges of £42,000 (2022: £55,000) were charged to subsidiary undertakings.

Profits of £162,000 (2022: £145,000) were gift aided to the school in line with covenants.

Included within debtors on the charitable balance sheet are amounts owed from group undertakings of £517,000 (2022: £447,000) of which £279,000 (2022: £145,000) relates to a loan which is repayable within one year, and is subject to interest at 0.5% per annum. During the year interest of £2,000 (2022: £1,000) was charged on loan accounts with group undertakings.

The transactions were made in the normal course of business.

26 Capital Commitments

There were no significant capital commitments at the end of the financial year.

27 Post Balance Sheet Events

There were no post balance sheet events to report.

28 Controlling party

The Governors consider that the company has no controlling party.

Notes (continued)

29 Company

Loughborough Schools Foundations has three wholly owned subsidiary undertakings which have been included in the consolidated financial statements.

Thomas Burton Developments Ltd (company number 02750735) was incorporated on 25 September 1992 and has called up share capital of £2. LSF Shop Ltd (company number 02100016) was incorporated on 16 February 1987 and has called up share capital of £2. The third subsidiary, Loughborough Schools International (Qingdao) Limited (company number 12510335) was incorporated on 11 March 2020 and was dissolved on 20 June 2023.

The subsidiary registered offices are the same as for Loughborough Schools Foundation which can be found on page 2 of the Governors' report.

LOUGHBOROUGH SCHOOLS FOUNDATION

England & Wales - Charity number 1081765

Accounts

Loughborough Schools Foundation

Governors' Report and Financial Statements

For the year ended 31 August 2022
Registered company number 4038033
Registered charity number 1081765

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Governors' report

Introduction

The Foundation comprises four independent schools and one nursery, all located in Loughborough. The Loughborough Schools Foundation was regulated as a charity by a number of earlier schemes made by the Board of Education and the Charity Commission. On 20 July 2000 the charity was incorporated as a company limited by guarantee (number 4038033). At the same time, the former charitable trust was dissolved and the permanent endowment was placed within a new charitable trust (number 1081765). All Governors are Directors of the Loughborough Schools Foundation company and Trustees of the Charitable Trust formed on 28 July 2000. By order of the Charity Commission, these accounts consolidate the accounts of the Loughborough Schools Foundation Company limited by guarantee and the Loughborough Schools Foundation Charitable Trust.

Loughborough Grammar School (LGS) and Loughborough High School for Girls (LHS) were founded in 1495 and 1850 respectively. Fairfield Preparatory School became autonomous in 1969 having previously operated as the junior school of Loughborough High School. On 1 September 2015 Our Lady's Convent School (founded 1850) was subsumed into the Foundation thus becoming its fourth independent school; from 1 September 2018, the school changed its name to become Loughborough Amherst School (LAS). The Nursery, established by Loughborough Amherst School, opened in October 2016. Throughout the Governors' Reports and Financial Statements, the company and charitable trust are referred to collectively as the Foundation.

Trustees & Directors

Loughborough Schools Foundation is an educational charity administered by Governors who are also the Trustees of the Charity and Directors of the Company. The Governors who served during the year, and up to the date of this report except where indicated, were:

Co-opted Governors:

Dr M Aslam (appointed 1 September 2021)
Mr A Bowden (appointed 27 October 2022)
Mr J Cimurs (appointed 15 September 2022)
Mrs A Clark (appointed 5 September 2022)
Mrs E K Critchley
Professor A Dodson (resigned 17 March 2022)
Dr J Esson (appointed 1 September 2021)
Professor J Feather (resigned 17 March 2022)
Mr A Harris
Mr R Harrison, Foundation Chair from 5 September 2022
Mr K M Higginson (resigned 23 June 2022)
Air Vice-Marshal G Howard
Mr A D Jones, Foundation Chair 18 December 2021 to 4 September 2022
Mrs R J E Limb
Mr Simon Morris (appointed 5 September 2022)
Mrs A Murphy
Mrs G Richards (resigned 17 August 2022)
Mr S Shah
Mr P Snelling (resigned 22 September 2022)
Admiral Sir Trevor Soar (Foundation Chair to 17 December 2021, resigned as Governor 17 December 2021)
Mrs L Webb

Nominated Governor:

Sister C Leydon *Rosminian Sisters of Providence*

Company Secretary:

J W Doherty

Governors' report (continued)

All Governors give up their time freely and no remuneration was paid during the course of the year. Reasonable travelling and associated expenses were paid in accordance with Foundation policy. No Trustee/Director, or person connected with a Governor, received any benefit either from a means-tested Foundation bursary or a scholarship awarded to a pupil.

Registered Office:	3 Burton Walks Loughborough LE11 2DU
Professional Advisers:	
Bankers:	National Westminster Bank plc Market Place Loughborough LE11 3EA
Solicitors:	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5DS Bird, Wilford and Sale 20 Church Gate Loughborough LE11 1UD
Auditors:	Cooper Parry Group Limited Sky View, Argosy Road East Midlands Airport Castle Donington Derby DE74 2SA
Employment Tax Adviser:	PKF Smith Cooper Prospect House 1 Prospect Place Derby DE24 8HG
Investment Advisers:	Charles Stanley & Co. Limited 25 Luke Street London EC2A 4AR
Insurance Broker:	Hayes Parsons Insurance Brokers Beacon Tower, Colston Street Bristol BS1 4XE
Land Managers:	Mather Jamie 3 Bank Court, Weldon Road Loughborough LE11 5RF

Governors' report (continued)

Objects

The object for which the Foundation is established is to advance education by carrying on in Great Britain a school or schools which may be day or boarding schools at which infants, children and students may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, religious, vocational, social and commercial subjects, activities and crafts of every description and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Structure, Governance and Management

The Governors determine the policies of the Foundation and the individual schools. The day-to-day management of educational, pupil development and pastoral issues is delegated to the Heads, supported by their senior staff. The Chief Operating Officer (COO) is answerable for the overall governance of the charity, and specifically responsible for the centralised functions of finance, human resources, estates and grounds management, health and safety, compliance, catering, network services, commercial activity, marketing and three subsidiary companies, he is also the Company and Charity Secretary. All of these functions are embedded within the Foundation. The Foundation is governed by its Memorandum and Articles of Association. The Heads and the COO attend Governors' meetings.

The Foundation is comprised of four schools:

Fairfield Preparatory School	-	for boys and girls aged 3-11 Headmaster: Mr A R Earnshaw, BA, NPQH
Loughborough Amherst School (incorporating Loughborough Nursery)	-	for boys and girls aged 6 weeks-18 Headmaster: Dr J Murphy, BA, DPhil (Oxon)
Loughborough Grammar School	-	for boys aged 10-18 Headmaster (Interim): Dr C A Barnett, ME (to 31 August 2022) Headmaster: Dr D Koch, BA, M.St, D.Phil (Oxon) (from 1 September 2022)
Loughborough High School	-	for girls aged 11-18 Headmistress: Dr F Miles (MA Cantab) MBBS

The schools are principally day schools. However, the Loughborough Grammar School also provides boarding facilities for 73 boys. Since September 2019, Loughborough Amherst School has provided boarding for up to 17 pupils (boys and girls) as part of the Foundation's partnership with the Lawn Tennis Association and University of Loughborough.

Membership of Relevant Professional Bodies

The Heads of Loughborough Amherst School, Fairfield Preparatory School, Loughborough Grammar School and Loughborough High School, are members of the CISC, IAPS, HMC, and GSA respectively. The COO is a member of the ISBA. All of these professional bodies are in membership of the Independent Schools' Council. Membership of these associations provides an opportunity to share expertise, knowledge and experience across the independent schools' sector. These professional associations also facilitate representation to the Government and regulators on the views of the sector.

Governor Recruitment and Training

The Board of Governors requires considerable breadth and depth of experience to carry out its duties effectively and efficiently. The Nominations Committee interviews prospective governors on a regular basis and maintains a list of prospective candidates to be called forward when vacancies arise and/or skill gaps in the Board become apparent. A skills matrix is maintained to inform recruitment and training priorities.

Governors' report (continued)

All Governors follow an induction programme on appointment including meetings with the School Heads, COO and relevant Chairs. All Governors are encouraged to attend external training to complement internal training provided. In addition to training for the governors as a whole, individual governors also receive training to support them in specific duties they undertake, for example safeguarding and finance. The Foundation is a member of the Association of Governing Bodies of Independent Schools (AGBIS) and Governors are encouraged to make use of the programme of conferences and seminars offered. A record of Governor training is held by the Secretary to the Board.

Governance and Committee Structure

The Board, through four functional committees, exercises the management and control of the Foundation and Schools. Additionally, an individual committee known as a 'School Board' operates for each of the Schools. As the functional committees have primacy, the four School Boards have limited executive powers but were constituted to ensure that school issues are appropriately raised at Foundation Board level.

A full review of the Governance structures, and in particular the size and composition of the Board and the role and composition of the School Boards was completed in March 2021, with implementation of the changes during 2021/22.

The committees in existence during the year were:

Four School Boards (Loughborough Amherst School, Fairfield Preparatory School, Loughborough Grammar School and Loughborough High School): School Boards are responsible for liaison on general matters and ensuring that school issues are represented at the appropriate functional committee and/or the Foundation Board. They have particular focus on academia and educational matters and provide the primary Governor/School interface, including representation to the ISI, in addition the Loughborough Amherst School Board exercises specific responsibilities for the Catholic life of the School. Each School Board is constituted with at least three Governors and meet on a termly basis.

The Finance Audit and Risk Committee remit is to monitor the financial performance of the Foundation and its constituent schools and to make recommendations to the Board accordingly. It oversees the external audit process as well as the programme of internal reviews and checks undertaken throughout the year, such as spot checks of the single central register, and safeguards the integrity of the Foundation's systems and internal controls. The committee is also responsible for risk management in the Foundation and for ensuring that the Foundation has a long-term financial plan, consistent with its overall strategic development and infrastructure plans. It exercises oversight of the Foundation's investments and reserves. The committee is constituted with at least three Governors and meet on a termly basis.

Operations and Compliance Committee: advises the Board on all matters relating to capital development, reactive and planned maintenance, maintenance of the grounds, human resources, networks services, catering and health and safety and compliance. The committee is constituted with at least three Governors and meet on a termly basis.

Remuneration Committee: Consisting of the four School Board Chairs, the Vice Chair and chaired by the Foundation Chair, it advises the Board on salaries and conditions of service for Foundation staff, teachers and schools' support staff. The committee has specific responsibility for determining the remuneration of the Foundation's senior officers. The committee meets annually.

The Nominations Committee: Consisting of the four School Board Chairs and chaired by the Foundation Chair, it advises the Board on the recruitment, selection and induction of new Governors. In doing so, it makes use of the policy on the recruitment, selection and induction of Governors. The committee meet twice a year or as necessary to consider applications from prospective governors and undertake succession planning.

The Board also receives reports from The Subsidiary Trading Board. The Subsidiary Trading Board has three Directors, one of whom is not a trustee of Loughborough Schools Foundation. The Directors are responsible for the legal oversight of the Foundation's incorporated subsidiaries, which are currently:

- Thomas Burton Developments Limited

Governors' report (continued)

- LSF Shop Ltd
- Loughborough Schools International (Qingdao) Limited (dormant)

Investment Policy/Performance:

The investment objectives are to generate the highest possible returns, which are commensurate with a low to medium level of risk. The Foundation does not specifically invest in ethical investments.

The bulk of the Foundation's investment portfolio is held in funds managed by Charles Stanley Wealth Managers who act as the investment adviser on this element of the portfolio. The majority of the remainder is managed by CCLA Investment Management Ltd.

The value of the portfolio decreased from £5,052,000 to £4,846,000, during the course of the year. The Finance, Audit and Risk Committee reviews the performance of the portfolio regularly, using the FTSE 100, the FTSE All share and the MSCI PIMFA Private Investor Balanced Indices to benchmark performance.

Reserves

The Governors have established a policy on the holding of reserves, which is constituted as follows:

- a. A sum equal to 10% of working capital which for the year 2021-22 was deemed to be £989,000 plus;
- b. A sum no less than 5% and no more than 10% of the designated in year CAPEX requirement which for the year 2021-22 was deemed to be £51,000.

The total funds held at the end of the reporting period were £67,970,000 and of this, £53,998,000 was either restricted or endowed, and therefore not available to be used for general purpose. The Foundation holds investments sufficient to match the restricted funds as represented by the Bursary Fund, A. & P. M. Shepherd Bequest, Dyson Bequest, Coltman Bequest, 'Johnnie Johnson' Award Fund, Wolfson Fund and the various prize and scholarship funds.

The combined requirement of the free reserve and restricted funds throughout the reporting period was £5,652,000. As at 31 August 2022 our liquid funds were £11,817,000 and therefore our policy was met.

STRATEGIC REPORT

Main Aims for the Year

The main aim for the year, together with an indication of the progress made, were:

1. AIM

Stability: Following two years of unprecedented disruption to the life of our schools, to provide a clear focus on the development of individual schools during 2021/22 and 2022/23. This will include the development (by Head and School Boards) of School Strategic Plans.

PROGRESS

2021/22 has been a year of great achievement. All four schools were judged excellent in all areas of a Foundation wide Independent Schools Inspectorate (ISI) Education Quality Inspection carried out in December 2021. The inspection found the academic achievement and personal development of pupils in all schools to be of the highest standards. Governors are delighted that the standard and quality of education and development provided across the Foundation received such strong external endorsement for which they are grateful to the significant efforts of both school and central support staff.

The COVID-19 pandemic has challenged many assumptions about how we work and how pupils learn. Enforced closures prompted a broader rethink about the potential of technology in education and accelerated the delivery of the Foundation Digital Transformation Strategy. A significant focus for our schools during the year has been the continued upgrading of infrastructure and information technology expertise that will ultimately enhance improvements in educational outcomes. The impact of this development was recognised in the ISI inspection which commended how “the use of mobile devices is seamlessly embedded as a learning tool because of forward thinking investment by governors in resources and training in the application of technology.”

All three senior schools delivered strong academic results with a welcome return to external exams. Despite the disruption of Covid, results have shown an improvement on pre-pandemic attainment.

School internal self-evaluation, outcomes of the ISI inspections and exam analysis have informed the development of school strategic plans which will be finalised in early 22/23.

2. AIM

To ensure that the Foundation undertakes a thorough search and selection process to identify and appoint a new Head of Loughborough Grammar School and ensure a smooth and effective transition from the Interim Headmaster.

PROGRESS

Dr Daniel Koch was appointed as the permanent Headmaster following a rigorous recruitment and selection process undertaken by Governors. The appointment will further strengthen the academic development and outstanding reputation of the School.

3. AIM

To support the interim Headmaster of Loughborough Grammar School to achieve the agreed objectives and ensure continued progress during the interim year.

PROGRESS

Dr Christopher Barnett completed a successful interim Headship, achieving the objectives set by Governors. His commitment to lead Loughborough Grammar School during the year ensured strong academic performance and increased demand for school places.

4. AIM

To ensure the Foundation acts to address financial pressures and actions agreed as part of the post-Covid recovery strategy.

PROGRESS

A thorough review of activities and associated costs has been undertaken across the Foundation. The medium term financial plan is being reviewed and when implemented will further strengthen our financial position.

5. AIM

Following the difficult discussions surrounding the proposal to withdraw from the Teachers' Pension Scheme (TPS), the Board is committed to identifying and implementing ways to improve the visibility and engagement of the Governing Body with all staff. The Teaching Body in each school will meet regularly with the School Board Chair. The Foundation has also entered into a voluntary recognition agreement with NASUWT.

PROGRESS

Governors have sought to deliver on their commitment to develop engagement with staff through several ways. The implementation of staff forums with Governors in each school has provided a valuable conduit for information and developed a more detailed understanding of the Schools and their prevailing cultures. In response to staff voice, Governors approved flexible pension arrangements in the form of a 'tandem' scheme introduced from September 2022. Governors have continued to develop relations with NASUWT, working together to reach agreement on organisational issues and changes. A pay award for the two years to September 2024 has been agreed with staff. School Board Chairs meet regularly with their respective heads to improve partnership working and maintain high levels of communication.

6. AIM

Embed the revised committee structure and roles agreed following the Governance Review such that the new model is fully operational by September 2022.

PROGRESS

2021/22 was a year of transition to a new committee structure and roles. The Board has managed a reduction in governors from 22 to 16, the optimal board size determined by the internal review of governance. A key focus is developing an increasingly diverse Board in terms of demographic and professional diversity aligning the skills of Governors with the Foundation's strategic goals.

7. AIM

Ensure the Schools and Foundation take visible action to become a more diverse and inclusive organisation.

PROGRESS

The development of an Equality, Diversity and Inclusion (EDI) action plan aimed to make EDI central to the Foundation's culture. Governors have received regular reports to evidence progress against the plan. To support the vision for equality, an EDI Governor and an EDI lead on each School Board have been appointed and will be further developed in the year ahead. Additional training has been identified to provide the necessary knowledge and understanding of equality and diversity. This range of mechanisms is assisting Governors in their oversight of equality within the Foundation.

Teachers' Pension Scheme (TPS)

The Foundation withdrew from the TPS on 31 August 2021.

On 12 November 2021 the Foundation announced an agreement to operate a tandem pension scheme for teaching staff from 1 September 2022. This allowed teaching staff employed by the Foundation before 30 September 2022 to choose either TPS or APTIS as their pension scheme on a "total reward" basis. Teaching staff joining after 1 October 2022 will only be eligible to join APTIS.

The TPS Scheme closed to new members on 1 October 2022, when the Foundation joined the phased withdrawal TPS scheme.

Financial Review

Compared to the previous years that were affected by the Covid-19 pandemic, the Foundation benefited from a more stable operating environment in 2021-22. This led to a return to a positive net income before gains and losses on investments and transfers of £632,000, up from a net expenditure of £970,000 in the previous year. Higher income is the primary cause of this, having increased by £2.3 million as a result of increased income from tuition and boarding fees, as well as £378,000 in donation and legacies, which are held as restricted funds and spent in line with the donors' wishes. The Foundation was relatively shielded from the affects of increasing inflation during the year, with expenditure increasing by just £666,000 overall. Rising finance and catering costs were particularly noticeable and inflation remains an area of increasing concern for the upcoming financial year.

The turbulent financial markets experienced during the year had a negative impact on the Foundation's investments, which lost of £406,000. This limited the growth of the Foundation's balance sheet, but overall the position remains healthy with cash balances of £7.0 million and net current assets of £2.7 million. The Foundation spent £843,000 on new property plant and equipment during the year, which is significantly below the depreciation charge of £2.2 million. The Foundation's challenge for the future is ensuring that sufficient surpluses are made to continue to invest in the excellent facilities that are currently on offer.

The Foundation's two subsidiary companies had a mixed performance. The net profits from LSF Shop LTD fell to from £77,000 last year to £22,000, although this is because the Shop benefited from having two major "kit-outs" in the previous year. Thomas Burton Development LTD was able to start trading normally again, after the disruptions caused by the Covid-19 pandemic leading to net profit increasing from £49,000 last year to £123,000 in 2021-22. Profits from both companies are gifted to the parent charity.

Covid 19 Pandemic

Repayments for the CBILs loan (Coronavirus Business Interruption Loan Scheme) were made through 2021/22 but no funds were received in relation to the Covid 19 Pandemic.

Philanthropy and Alumni Relations

Loughborough Schools Foundation believe that fundraising from the Schools' core community (parents, alumni, staff, governors and friends) alongside that from external companies, trusts and foundations is essential to increase the financial resources required to achieve the Loughborough Schools Foundation's charitable objectives.

We aim to build a bursary fund that is large enough to enable bursary awards to be made available to all children from families who would otherwise not be able to afford the fees but who qualify to access the education we offer.

We wish to be acknowledged nationally as a school with thriving alumni contacts, fund raising achievements and using alumni mentoring activity and networks to further support the social mobility agenda.

A new Director of Development was appointed in October 2021. The School's Bursary Fund is growing as fundraising efforts and initiatives continue to bring in funds to support bursaries and to relieve hardship for parents where the pupil's education and future prospects would otherwise be at risk.

We have made good progress with plans to expand our fundraising efforts to be able to increase the number of means-tested bursaries and to support further capital developments. This year £378k was raised.

We are extremely grateful to all who have shown their generosity by donating. More detail on how this has been utilised can be found in the financial support section.

Grants and bursaries are awarded on the basis of educational ability and financial circumstances, subject to the restrictions imposed by the donor of the funds.

The charity uses an in-house team for the purpose of fund-raising and is fully registered with the Fundraising Regulator to which it pays the statutory fundraising levy and abides by their Fundraising Code of Practice.

There have been no failures to comply with the scheme or standards and no complaints received by the charity about its fundraising activities. The charity has taken all reasonable precautions to protect vulnerable people and other members of the public from unreasonably intrusive or persistent fundraising.

Pupil Numbers

The pupil numbers at the end of the year were 871 at Loughborough Grammar School, 515 at Loughborough High School, 538 at Fairfield Preparatory School and 321 at Loughborough Amherst School. An average of 107 children also attended the Nursery setting throughout the year, equivalent to 69.0 Full Time pupils.

Fees

Tuition fees were increased for the 2021/22 academic year, having held them during 2020/21, post Covid.

Tuition fees charged during the year by Loughborough Grammar School and Loughborough High School were £4,640 per term for years 6-9 (year 6 only at LGS), £4,714 per term for years 10-11 and £4,735 for years 12-13. At Fairfield Preparatory School fees were £3,800 per term (full time) for Kindergarten, £3,910 for Pre-Prep and £3,995 for Prep. At Loughborough Amherst School the fees were £3,545 per term for Pre-Prep, £3,630 per term for Prep. In the Senior School fees were £4,420 per term for years 7-9, £4,473 for years 10-11 and £4,515 for years 12-13.

Academic

This academic year was an important step back towards normality with the return to exams and other formal assessments. As we move back to pre-pandemic standards, the measures implemented by the Department for Education sought to ensure that pupils were not disadvantaged by the disruption the pandemic caused. Overall results were expected to be lower than in 2021 when teacher-assessed grades were used, but higher than in 2019 when summer exams were last held.

Students have shown superb resilience and maturity against a backdrop of lockdowns, remote learning and disrupted teaching together with uncertainty over the format of their GCSE and A-Level assessments.

At **Loughborough Amherst School**, 14% of the passes at A-Level were at grade A*, 33% at A*-A and 65% of the passes were at A*-B.

At GCSE 25% of the passes were at 9-8 grade, 37% of the passes were 9-7 grade and 75% were 9-5.

At **Loughborough Grammar School**, 30% of the passes at A-Level were at A*, 56% of the passes were at grade A*-A and 79% of the passes were at A*-B.

At GCSE 45% of the passes were at 9-8 grade, 66% of the passes were 9-7 grade and 93% were 9-5.

At **Loughborough High School** 33% of the passes at A-Level were at A*, 59% of the passes were at grade A*/A and 86% of the passes were A*/B.

At GCSE 65% were at 9-8 grade, 80% of the passes were 9-7 grade and 95% were 9-5.

Despite the uncertainties and disruption of the pandemic, our pupils continued to achieve success in securing places for further study. Of those applying for university places in 2022, 84% of pupils at Loughborough High School and 71% at Loughborough Grammar School were successful in obtaining places at their first choice institution.

We continue to successfully prepare pupils for the most competitive universities and courses. Across the Foundation, 31 pupils have gone on to study medical degrees (medicine, dentistry and veterinary sciences), 96 pupils have gone on to study at Russell Group Universities and 9 pupils have taken up places at Oxbridge Colleges to continue their studies. In addition, pupils also secured places at prestigious institutions to study music and drama, including the Royal Northern College of Music.

Fairfield Preparatory School continued to flourish and provided excellent outcomes for pupils. The December 2021, Independent Schools Inspectorate (ISI) Focused Compliance Inspection and Educational Quality Reports delivered impressive findings.

Fairfield Preparatory School has been judged to be fully compliant across all eight regulatory standards during a Focused Compliance Inspection, with no action points recommended within the report.

The Educational Quality Inspection focuses on the two key outcomes:

- The achievement of the pupils, including their academic development.
- The personal development of the pupils.

In both categories the school received the highest grade possible: Excellent.

Co-Curricular

Governors were delighted to see a full return of the sporting co-curricular offer. A key area of development has been fostering strategic partnerships to expand the club links programme and the addition of clubs from our partners Loughborough Town Badminton Club and Leicester Riders Basketball. As part of our aim for pupils to get the best possible experience of sport from the earliest possible age, we have broadened the range of activities on offer with clubs in gymnastics, dance, trampolining as well as girls rugby and football. We have also grown our swimming and triathlon clubs and the age ranges that these are offered to. The introduction of the Parkin strength and conditioning suite has provided students from all three senior schools for additional exercise opportunities at lunchtimes and after school. We are now looking to further grow the range of fitness classes in the fitness studio as we move into 2023.

The Music Department has been able to offer a full range of high-quality concerts this year. De Montfort Hall concert was a real highlight, with performances from the Symphonic Wind Band, String Ensemble, Symphony Orchestra and Choirs, with Y13 soloists representing the very best of musical talent. Al Fresco made a welcome return in July 2022 with four hours of back-to-back music, reaching an audience of well over 1000. Lunchtime concerts, Lunchtime Live and Soundbites continue to be extremely popular, and our aim was to extend this opportunity to the younger age groups to inspire a love of music. In September 2021 we introduced a pre-prep concert 'Minibites' and in the summer term 'KindieBites'. The Parish Church concert series Tasting Notes is a fantastic opportunity for our most able musicians and scholars to shine, and our other external events for example the Sax Ensemble performance at the switching on of the Loughborough Christmas Lights enabled us to contribute as fully as possible to the local community.

Employment

The Foundation is an equal opportunities employer; and has a responsible approach to employment legislation. The Foundation met the statutory requirements to provide a report on gender pay equality and will continue to monitor this area and make changes, when and where they are practicable.

The Foundation welcomes applications for employment from disabled persons and assists, whenever practicable and taking into account HR best practice, the recruitment, training, career development and promotion of disabled people. Should an employee become disabled during their employment we make all reasonable adjustments to ensure they can remain in employment; and where necessary facilitate re-training.

The Foundation encourages the continuous development and training of its employees and the provision of equal opportunities for the training and career development of all employees.

The Foundation is committed to engaging with its employees. A variety of methods are used to achieve this, including team meetings, Common Room briefings and our staff representative groups. Since early 2022 the Foundation has voluntarily recognised the trade union NASUWT.

Salaries

The arrangements for setting the pay and remuneration of the Foundation's key management personnel and any benchmarks, parameters or criteria used in setting their pay are detailed in note 8 in the notes to the financial statement.

Pension Costs

Teachers: On 31 August 2021 the Foundation left the Teachers' Pension scheme (TPS) and the default Foundation pension plan for teaching staff became the Aviva Pension Trust for Independent Schools (APTIS) this is a multi-employer defined contribution pension scheme.

The employer contribution rate for teachers for 2021/22 was 16.5% (2020/21 23.68%). The default employee contribution rate is 7% but can be varied by the employee. The pension charge for the year includes contributions payable to the Scheme of £1,874,000 (2021 £2,534,000).

The Foundation re-joined the TPS on 1 September 2022. From this date teachers have had the option of joining either the TPS or APTIS. From 1 October 2022 the TPS closed to new employees joining the Foundation with teaching staff only being eligible to join the APTIS.

Non-Teachers: The LSF Group Personal Pension Plan is operated by Royal London. The pension charge for the year includes contributions payable to the personal pension plans of £479,000.

Future Plans

The plans for the coming year include:

1. Development of school strategic plans to further the delivery of the overall Foundation strategy, building on 2021/22 successes.
2. Development of a long-term financial plan to underpin the sustainability of the Foundation that is aligned with the Foundation strategic plan and wider economic policy.
3. Support the new headmaster at Loughborough Grammar School to achieve agreed objectives.
4. To review the potential to extend the boarding provision across the Foundation exploring new markets and strategic partnerships.

5. To embed the Development Strategy to deliver a sustainable and collaborative approach to philanthropy, donor and alumni relationships supporting the Foundation to further deliver its Charitable Objectives.
6. To continue the implementation of the Digital Transformation Strategy and develop plans for the second phase of development.
7. Continue the focus on equality, diversity and inclusion (EDI) by embedding school-based EDI plans building upon the Foundation plan implemented in 2021.

Risk Management

The Trustees are responsible for the identification and management of the risks faced by the Foundation, including the individual schools. The day-to-day management of this requirement is delegated to the Finance, Audit and Risk Committee. Risks are identified and assessed; and controls and improvements are established, where possible, to mitigate the risks.

The Trustees have a risk management strategy which comprises:

- a differentiation between strategic and operational risks;
- clear management and review responsibilities for both operational and strategic risks, with first line and second review responsibilities identified and agreed;
- termly review of all risks by the Executive (Operational Risk) and Finance, Audit and Risk Committee (Strategic Risk);
- clear mechanism for the escalation of risks to the Governing Body;
- the establishment of policies, systems and procedures to mitigate those risks identified; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risk materialise.

The Trustees group risks into five categories:

- **Governance** – those risks which may arise from the direction, decision making or control environment. For example, the risk that governors or those charged with management may take a risk outside of their authority. Controls include the Foundation's strategy, which informs decision making, an established governance structure and a clear distinction between governance and executive management.
- **Regulatory** – these are those risks which relate to the market and environment in which the Foundation operates and which may influence our stakeholders and/or the Foundation's business model (e.g. any change in regulatory environment). To manage risks in this area, the Foundation has established mechanisms to analyse forecasts of potential changes in the charitable and education sectors, with the aim of anticipating regulatory change and implementing any mitigating actions.
- **Financial** – those risks which relate to income and expenditure and may impact the Foundation's financial sustainability. To manage these risks the Foundation has established a 10 year financial forecasting model, which enables it to model the impact of any changes to its income or expenditure and take appropriate action.
- **Reputational** – risks to the reputation of the Foundation may arise from the decisions and actions of the Foundation, those employed by it, or pupils at its schools. Should a reputational risk arise it could have an immediate or long-term impact on pupil numbers, and therefore the Foundation's finances. To manage these risks the Trustees have put in place appropriate policies and oversight mechanisms, including for academic quality and safeguarding.
- **Operational** – those risks arising from day-to-day operations of the Foundation and its schools, and usually related to an activity which cannot be avoided (e.g. security, health and safety). These risks therefore require active and on-going control by the executive and other managers. Each risk identified is owned by

a specified member of the executive and monitored on an on-going basis by those charged with management. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular training for staff working in these operational areas.

Public Benefit

The Foundation exists to make a difference, not just to our pupils but to our wider community. As we moved into a new phase of the pandemic, 2021/22 provided greater opportunity for our schools, pupils and staff to serve the wider community.

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

The range of the activity, which is defined as public benefit is as follows:

Financial Support

The Governors are conscious of the long tradition of charitable provision, primarily in the form of bursaries, on the part of the Loughborough Schools Foundation and have maintained the status quo. These awards are financed mainly through general fee income, however this is augmented by the income derived from a small number of donations and bequest funds.

The schools which form the Foundation have a well-established tradition of providing excellent educational opportunities to children from the Loughborough and wider Leicestershire area. Governors remain committed to taking action to ensuring that support is available to those pupils who would benefit from the opportunities provided by the Foundation's schools, but whose parents may lack the financial means to meet the fees.

- Long-term Foundation Bursaries (School Assisted Places (SAPs)) are available to entrants to Loughborough Amherst School, Loughborough Grammar School and Loughborough High School, who meet the general entry requirements at the point at which the pupil enters the school. These awards are made on the basis of parental means and involve an assessment of those means. During the year 128 pupils received assistance amounting to £1,038,000. Of these 17 pupils received 100% fee remission. The awards are subject to annual review.
- A further 12 existing pupils were also given means-tested financial assistance in hardship bursaries amounting to £84,000. This assistance was awarded in circumstances in which it was believed that the assistance could be required for less than 12 months, although on many occasions, a longer period of time has proved necessary. A relatively high proportion of these pupils have also been given total fee remission. This number includes some Ukrainian families who we have offered 100% fee remission.
- In some instances of particular hardship financial assistance has also been provided towards ancillary costs, including lunches, transportation and school uniform. This comes from a separate funding source to the above.
- The Foundation also receives funds in the form of bequests or donations that are intended to support pupils meeting specific criteria set up the donor. This year £48,000 was awarded which benefited five pupils, two of whom also benefited from the Foundation Bursary programme.
- The total funding for assisted places was £1,170,000. This assistance was made available to 6.49% of the pupils and represents overall 3.8% of the tuition fee income.
- In addition to means tested assistance, the Foundation also makes a limited amount of funds available to recognise its scholars and to support a small number of gifted students through years 12-13.

- The total amount of financial assistance (funded places and scholarships combined), excluding staff fee remission, expended during the year was £1,307,000. This represents 4.3% of the tuition fee income.
- Where appropriate we work with families to support them to access funding from other charitable sources. As these are funded externally this funding is not included here.
- The figures which have been quoted in the preceding part of this section are the direct costs of providing financial assistance to pupils. These figures do not include the significant costs of the management time at various levels of dealing with and processing these awards, or the cost of targeted advertising which aims to stimulate applications from those who are eligible.

Educational

The Foundation has continued this year to widen access to its educational resources and facilities, by bringing independent and state school communities together.

Educational Experiences

Our commitment to learning extends beyond those pupils who attend our schools. The Foundation supports educational initiatives in a number of local schools. We believe this interchange is mutually beneficial providing opportunities for an exchange of ideas between our staff and those working in local schools, and for our pupils to mix, learn and work alongside pupils from other schools, and develop their awareness of the wider community in which they live.

Loughborough Grammar School supported Year 10 students from Woodbrook Vale School to enter a STEM project for national STEM competitions. Through the STEM Sunday initiative, students from Woodbrook Vale School came in during the Autumn and Spring terms and worked with staff from Loughborough Grammar School and STEM ambassadors to complete their entries. One of the three teams from Woodbrook Vale School made it through to the finals of the TeenTech competition and all teams managed to secure a Silver CREST award. Loughborough Grammar School also carried out the STEM Leaders award with 60 Year 5 students at St Bartholomew's, and 74 Year 4 & 5 students from Falcons Primary School in Leicester. The students met the NAO robot and completed the STEM Leaders award.

Loughborough Amherst School delivered a workshop to over 180 pupils from local state schools to help them develop their debating skills, developing higher order thinking and critical thinking skills. The schools worked with their pupils and six teams returned for a final debating contest hosted by Loughborough Amherst School. The event was valued by the primary partners and feedback evidenced that pupils were really inspired and schools saw an increase in interest in their debate clubs.

Loughborough Grammar School, working with local primary partners and home-schooled children, hosted visits to experience in-school drama productions. Local secondary pupils were able to benefit from Splendid Productions' Dr Faustus and take part in workshops to extend and provoke their idea of what theatre is, supporting them to build cultural capital.

Educational Expertise – Educational Training and Support

As the Trustees of an education charity, Governors recognise the importance of sharing not only our physical resources, but also the expertise and experience of our staff, to support local schools and other organisations.

The pandemic has thrown a spotlight on social and educational inequality. Research is giving clear evidence that the disruption in childrens' learning over the last 18 months has caused gaps to widen. By working with our local partners, we are helping young people in our community by providing access to further educational and enrichment opportunities.

In 2021/22 we were delighted to return to hosting masterclasses in maths, science and ancient languages for the benefit of over 150 local state school pupils. Loughborough High School supported 100 local state school pupils in

their preparation for higher education and hosted over 200 secondary schools in the region, to learn from and boost entrance to Oxbridge.

Our approach to partnership working was reflected in other aspects of our work during 2021/22, including:

- PGCE and graduate students – a number of Universities were supported to undertake placements at our schools. This requires a commitment of time to support those training, and to report as required by the placement programme.
- NVQ students were supported with placements at Fairfield Preparatory School.
- A number of teaching and support staff are supported by the Foundation to be governors at local schools. The Foundation allows them time to fulfil their duties.

Community

The Foundation is a well-established part of the wider community of Loughborough and Leicestershire, and where the Foundation can support other parts of the community, it is delighted to do so. The Foundation contributes facilities and expertise in the following areas:

Music

The Music department was delighted to be able to provide support to a variety of community events and groups across the year, including:

- Church concert series, supporting the church community by providing musicians to perform
- Loughborough Open Music Competitions - offering nearly 200 young musicians the opportunity to compete and showcase their talents
- Supporting local events and charities including providing performers for the Rainbows Christmas Concert; opening of the Loughborough Fair and singing session for a local charity supporting adults with disabilities
- Weekly open access community choir

Sharing our Facilities

Throughout the year, the Foundation made its grounds and facilities available, free of charge, to local groups, societies and local charities, many on a weekly basis. In 2021/22 these included:

- Loughborough Lightning - Netball training and tournament. Indoor sports centre and outdoor courts
- Loughborough Town Cricket - Pitches at LGS and Quorn for matches
- Leicester Riders Basketball - Indoor sports centre
- Army Reserves - LGS Sports Hall, weekly use
- Scouts Group - LGS Scout Hut, weekly use
- Loughborough Badminton Club (Juniors) - LGS Sports Hall
- Syston Rugby Club - Quorn rugby pitches and pavilion.
- Rainbows It's a Knock Out event
- Robbie's Rugby Festival – charity event raising funds for the Robbie Anderson Cancer Trust
- Leicestershire Chess Championships – local school competition

Reduced rate of facility use was provided to the following organisations as below, with the Foundation providing security, caretaking and event support at its own cost:

- Tom Flowers Cricket Camp - Holiday courses. LGS Sports Hall.

Volunteering

The Foundation is committed to ensuring that as well as providing academic education, our pupils learn the importance of playing a positive role in their community. To this end, we provide many opportunities for staff and students to engage in voluntary roles within the community, including local primary schools and care homes. Students from all three Senior Schools participate in the school's voluntary service unit, supporting local organisations.

Our schools host units of the Rainbows, Brownies, Guides and Scouts. Supported by Foundation staff, pupils and parents these groups play a role in the community in community events and volunteering.

Pupils from all three senior schools support the local community through volunteering as part of the Duke of Edinburgh Awards. Activities that pupils have engaged in include working in local charity shops, assisting with merchandise at Rainbows Hospice and supporting elderly people in the local community.

As a community benefit, Loughborough Amherst School, provided pupils and staff to assist with the running of the Loughborough parkrun twice a year and support the local swimming club providing coaching and officials for galas.

Charitable Donations and Fundraising

As well as giving of time, pupils at our family of schools are strongly engaged in fundraising for a wide variety of causes, and understand that their efforts help to change the lives of many people of all ages who are less fortunate than themselves. This begins at our Preparatory Schools with our youngest children raising money for local, national and international causes through a variety of activities. Pupils from across the Foundation raised £28,700 through a variety of events including non-uniform days, bake sales, and competitions.

Loughborough Amherst School	£5,902
Fairfield Preparatory School	£6,414
Loughborough Grammar School	£6,697
Loughborough High School	£9,685

Within the senior schools, activities are led by a dedicated team of Senior Charity prefects. Senior pupils in all three schools support the collection and distribution of food items donated by pupils at all four schools via harvest festivals and other events to local community groups including the Ukraine Appeal, The Falcon Centre appeal for the Homeless, Christmas cakes for Connaught House and the Salvation Army Toy Appeal.

Economic Impact

In addition to the public benefit arising from the Foundation's charitable activities, the Foundation makes a significant positive contribution to the local economy.

In 2021/22 it employed on average 708 people, and 81.4% of the £18.3 million paid in salaries (£17.2 million in 2020/21) remained in Leicestershire, with an estimated 97.2% remaining in the East Midlands.

We support local businesses. In 2021/22 our total direct spend was circa £7.8 million (£6.6 million in 2020/21), of which £3.2 million was spent in the East Midlands economy.

We estimate that in providing an education to more than 2,245 local children, the exchequer collectively save more than £11.6 million a year which it would otherwise cost to educate those children in local maintained schools.

Section 172 Statement

The Trustees have acted in a way in which they consider, in good faith, promoted the success of the Foundation for the benefit of all beneficiaries and wider stakeholder groups. The ways in which they have done this are described in further detail throughout this report, specifically:

Stakeholder	Section
Employees	Page 11 ("Employment")
Beneficiaries	Pages 9-10 (Academic) and Pages 13-14 ("Financial Support")
Community	Pages 15-16 ("Public Benefit")
Economic benefit	Page 16 ("Economic Impact")

Carbon Report

UK Greenhouse gas emissions and energy use data for the period 1 September 2021 to 31 August 2022:

	2021/22	2020/21 (Restated due to missing figures)
Energy consumption used to calculate emissions (kWh)	10,386,484	10,510,440
Energy consumption breakdown (kWh) :		
• gas	7,638,434	8,279,614
• electricity	2,656,960	2,184,082
• transport fuel	91,090	46,744
Scope 1 emissions in metric tonnes CO2e		
Gas consumption	1,404.48	1,522.37
Owned transport – mini-buses	11.47	6.68
Total Scope 1	<u>1,415.95</u>	<u>1,529.06</u>
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	540.16	508.00
Scope 3 emissions in metric tonnes CO2e		
Business travel in employee owned vehicles	4.48	1.08
Total gross emissions in metric tonnes CO2e	1,960.59	2,038.14
Intensity ratio Tonnes CO2e per pupil	0.87	0.91

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

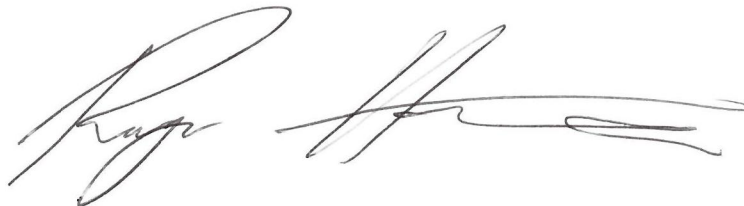
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology to facilitate staff to work from home and not travel to work for meetings.

Approved by the Board on 1 December 2022 and signed on its behalf by:

Roger Harrison
Chairman

A handwritten signature in black ink, appearing to read 'Roger Harrison', written in a cursive style.

Trustees' responsibilities statement

The Trustees (who are also directors of Loughborough Schools Foundation for the purposes of company law) are responsible for preparing the Governors' Annual Report, including the Strategic 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 Trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Trustees 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 Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable companies website. Legislation in the United Kingdom governing the preparation and dissemination may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinion

We have audited the financial statements of Loughborough Schools Foundation ("the company") and its subsidiaries ("the group") for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Cashflow Statement and the related notes 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 (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2022 and of the incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 Foundation'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 Governors' report, other than the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 19, the Governors (who are Trustees of the charitable company for the purpose of charity law and 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 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 groups' and 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Use of our report

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



Simon Atkins FCA
Senior Statutory Auditor

For and on behalf of:

COOPER PARRY GROUP LIMITED
Chartered Accountants
Statutory Auditors

Date: 12 / 12 / 2022

Sky View, Argosy Road, East Midlands Airport, Castle Donington, Derby, DE74 2SA

**Consolidated statement of financial activities
for the year ended 31 August 2022**

	Note	Unrestricted income Funds £000	Restricted income funds £000	Endowed funds £000	2022 Total funds £000	2021 Total funds £000
Income and endowments from:						
Donations and legacies	3	-	377	-	377	111
Other trading activities	4	528	-	-	528	523
Investments	5	122	96	-	218	138
Charitable activities	6	31,897	897	-	32,794	31,018
Other		186	-	-	186	45
Total income and endowments		<u>32,733</u>	<u>1,370</u>	<u>-</u>	<u>34,103</u>	<u>31,835</u>
Expenditure on:						
Raising funds:						
Financing costs	9	314	-	-	314	135
Trading operations	9	382			382	395
Charitable activities	9	30,637	1,063	1,075	32,775	32,275
Total expenditure		<u>31,333</u>	<u>1,063</u>	<u>1,075</u>	<u>33,471</u>	<u>32,805</u>
Net income/(expenditure) before gains/(losses) on investments and transfers						
		1,400	307	(1,075)	632	(970)
Gain/(Loss) on sale of investments		-	(1)	10	9	11
Gain/(Loss) on investment assets	11	-	(184)	(222)	(406)	907
Net income/(expenditure) before transfers		<u>1,400</u>	<u>122</u>	<u>(1,287)</u>	<u>235</u>	<u>(52)</u>
Transfers between funds		<u>7</u>	<u>2</u>	<u>(9)</u>	<u>-</u>	<u>-</u>
Net movements in funds		1,407	124	(1,296)	235	(52)
Reconciliation of funds						
Total funds brought forward		12,565	5,255	49,915	67,735	67,786
Total funds carried forward		<u>13,972</u>	<u>5,379</u>	<u>48,619</u>	<u>67,970</u>	<u>67,735</u>

All incoming resources and resources expended derive from continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 52 form part of these financial statements.

**Consolidated summary income and expenditure accounts
for the year ended 31 August 2022**

	<i>Note</i>	2022	2021
		£000	£000
Income from charitable related activities		33,358	31,174
Income from non-charitable trading activities		527	523
Interest and investment income	5	218	138
Gain on sale of investment assets	19	-	-
		<hr/>	<hr/>
Gross income in the reporting period		34,103	31,835
		<hr/>	<hr/>
Expenditure on charitable activities		(30,597)	(30,078)
Expenditure on non-charitable trading activities	9	(382)	(395)
Interest payable		(314)	(135)
Depreciation and charges for impairment of fixed assets		(1,103)	(1,013)
		<hr/>	<hr/>
Total expenditure in the reporting period		(32,396)	(31,621)
		<hr/>	<hr/>
Net income for the year		1,707	214
		<hr/> <hr/>	<hr/> <hr/>

The income for the year arises from continuing activities.

A detailed analysis of the subsidiaries' trading results are set out in note 4.

Detailed analysis of the expenditure is provided in the statement of financial activities and note 9.

The summary income and expenditure account excludes endowed funds and unrealised gains/(losses) in accordance with Companies Act 2006. The account is derived from the statement of financial activities on page 24 which together with the notes to the financial statements provides information on the movement during the year of the funds of the group.

The notes on pages 29 to 52 form part of these financial statements.

Consolidated balance sheet
at 31 August 2022

	Note	2022		2021	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		64,993		66,363
Investments	11		4,846		5,052
			<u>69,839</u>		<u>71,415</u>
Current assets					
Stock	12	254		282	
Debtors	13	715		536	
Cash at bank and in hand		6,971		6,391	
			<u>7,940</u>		<u>7,209</u>
Liabilities: amounts falling due within one year					
Creditors	14	(5,170)		(5,185)	
Net current assets			<u>2,770</u>		<u>2,024</u>
Total assets less current liabilities			<u>72,609</u>		<u>73,439</u>
Creditors: amounts falling due after more than one year					
	15		(4,424)		(5,316)
Provisions for liabilities					
Provisions	16		(215)		(388)
Net assets			<u>67,970</u>		<u>67,735</u>
Funds					
Endowed funds	18		48,619		49,915
Restricted income funds	18, 19		5,379		5,255
Unrestricted income funds	18		13,972		12,565
Total funds			<u>67,970</u>		<u>67,735</u>

The financial statements were approved by the board of directors on 1 December 2022 and were signed on its behalf by:

Roger Harrison
Chairman



Company registered number: 4038033

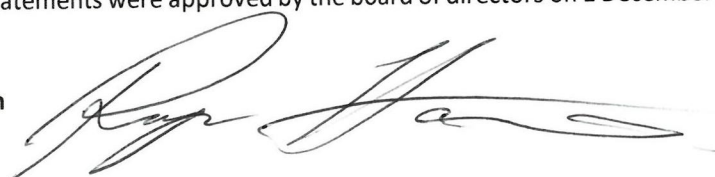
The notes on pages 29 to 52 form part of these financial statements.

Charitable balance sheet
at 31 August 2022

	Note	2022		2021	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		64,987		66,354
Investments	11		4,846		5,052
			<u>69,833</u>		<u>71,406</u>
Current assets					
Stock	12	54		48	
Debtors	13	1,137		743	
Cash at bank and in hand		6,683		6,311	
		<u>7,874</u>		<u>7,102</u>	
Liabilities: amounts falling due within one year					
Creditors	14	(5,098)		(5,069)	
Net current assets			<u>2,776</u>		<u>2,033</u>
Total assets less current liabilities			72,609		73,439
Creditors: amounts falling due after more than one year			(4,424)		(5,316)
Provisions for liabilities			(215)		(388)
Provisions	16		<u>(215)</u>		<u>(388)</u>
Net assets			<u>67,970</u>		<u>67,735</u>
Funds					
Endowed funds	18		48,619		49,915
Restricted income funds	18, 19		5,379		5,255
Unrestricted income funds	18		13,972		12,565
Total funds			<u>67,970</u>		<u>67,735</u>

The financial statements were approved by the board of directors on 1 December 2022 and were signed on its behalf by:

Roger Harrison
Chairman



Company registered number: 4038033

The notes on pages 29 to 52 form part of these financial statements.

Consolidated statement of cash flows
for the year ended 31 August 2022

	<i>Note</i>	2022	2021
		£000	£000
Net cash flow from operating activities			
Net cash flow (used)/provided by operating activities	20	1,529	2,959
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(843)	(1,093)
Purchase of investments	11	(492)	(187)
Proceeds from sale of investments	11	292	108
Dividends, interest and rents received from investments	5	218	138
Net cash used in investing activities		704	1,925
Cash flows from financing activities			
Repayment of finance leases		(124)	(124)
New loan		-	-
Net cash generated in financing activities		(124)	(124)
Change in cash and cash equivalents in the reporting period		580	1,801
Cash and cash equivalents at the beginning of the reporting year		6,391	4,590
Cash and cash equivalents at the end of the reporting year		6,971	6,391

The notes on pages 29 to 52 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting Policies

Loughborough Schools Foundation is a company limited by guarantee and is incorporated and domiciled in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operation and principal activities is to provide a day or boarding school for boys and girls of all ages.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £'000.

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

Basis of consolidation

The group financial statements are the result of the consolidation of the financial statements of the company and its subsidiaries LSF Shop Limited, Thomas Burton Developments Limited and Loughborough Schools International (Qingdao) Limited (dormant). The financial statements of all companies are made up to 31 August 2022.

No separate SoFA has been presented for the charity alone following exemptions afforded by the Companies Act 2006 and the SORP (FRS 102).

Fund accounting

Funds held by the charitable company are either:

- **Unrestricted general funds** – these are funds, which can be used in accordance with the charitable objects at the discretion of the directors.
- **Restricted funds** – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the Memorandum and Articles of Association, or the donor, or when funds are raised for particular restricted purposes.
- **Permanent endowed funds** – these are the land and buildings of the schools and investments, which are not free for disposal without replacement.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fees receivable

Fees receivable are accounted for in the period to which they relate. Each year an overall amount of 5% of the fees received is allocated to the bursary fund. The fees receivable are stated after deducting scholarships and other remissions granted by the charitable company; however, the stated fees include the contributions received from restricted funds for bursaries and other grants.

Notes (continued)

Investment income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Donations

Donations received for the general purposes of the schools are credited to unrestricted funds. Donations subject to specific wishes of the donors are carried to the relevant restricted fund or to the endowed fund.

Trading income

Trading income, including income from LSF Shop Limited and Thomas Burton Developments, is included when receivable.

Government Grants

Income from the Coronavirus Job Retention Scheme (CJRS) is recognised as grant income in the period it relates to using the accruals method.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on raising funds
- Expenditure on charitable activities

Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of Loughborough Schools Foundation and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Redundancy / termination payments

All redundancy and termination payments are recognised within the year.

Notes (continued)

Tangible fixed assets

The freehold land and buildings were re-valued as at 31 August 2014 and on adoption of FRS 102 SORP this was taken as "deemed cost".

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold land and listed buildings	-	No depreciation charge
Other freehold buildings	-	5 – 50 years
Furniture and fittings	-	10 years
Equipment	-	4 – 10 years

Items costing less than £500 are written off as an expense when acquired.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in '(loss)/gains' on revaluation of investments' in the SoFA. No depreciation is charged on investment properties in accordance with the Charities SORP.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'gains/(losses) on revaluation of investments' in the SoFA. Realised gains and losses are calculated as the difference between sale proceeds and original cost.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Operating Leases

Operating lease rentals are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Hire Purchase Contracts & Finance Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Deferred income

Prepaid fees are held as creditors until the start of the term to which they relate. They are then transferred to the statement of financial activities and recognised as income.

Taxation

Loughborough Schools Foundation is exempt from income tax and capital gains tax under Section 505 ICTA1988.

Notes (continued)

Pension schemes

Teachers' Pension Scheme

The Foundation withdrew from the TPS on 31 August 2021, on 1 September 2022 the Foundation re-joined the TPS. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Defined Contribution Scheme

The School pays contributions on behalf of its support and teaching staff, into two defined contribution pension schemes, which are managed independently of the finances of the School. The schemes are operated on a defined contribution basis, and therefore no surpluses or deficits will arise. Contributions are charged against expenditure in the year in which they fall due.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. After taking into consideration the effects of COVID-19 and the cost of living crisis, Governors are still satisfied that the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Limited by guarantee

Each member of the charitable company undertakes to contribute to such amount as may be required but not exceeding £10.

Re-statement of prior year figures

Where prior year figures are re-stated, the reason will be stated in the notes section of the accounts.

2 Judgements and key sources of estimation uncertainty

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

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

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

Leases

The group determines whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Notes (continued)

Investment properties

Critical estimates, assumptions and judgements relate to the determination of the carrying value of investment properties at fair value. In determining this, the group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the statement of financial activities.

Depreciation and residual values

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

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

3 Donations and legacies

	Unrestricted £000	Restricted £000	2022 £000
Donations	-	377	377
Legacies	-	-	-
	<hr/>	<hr/>	<hr/>
	-	377	377
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	Unrestricted £000	Restricted £000	2021 £000
Donations	-	111	111
Legacies	-	-	-
	<hr/>	<hr/>	<hr/>
	-	111	111
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

4 Other trading activities before consolidation

The Foundation owns the entire share capital of The LSF Shop Limited and Thomas Burton Development Limited. Both subsidiaries covenant any taxable profits to the Foundation. The trading results for the year ended 31 August 2022 for both entities, as extracted from their audited accounts, are summarised below and all relate to unrestricted funds.

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2022 £000	Total 2021 £000
Turnover	353	175	528	523
Cost of sales	(260)	(1)	(261)	(294)
Gross profit	93	174	267	229
Administration	(70)	(50)	(120)	(109)
Other operating income		-	-	8
Operating profit	23	124	147	128
Interest payable	(1)	(1)	(2)	(2)
Net profit	22	123	145	126
Retained reserves bought forward	-		-	(8)
Covenant	(22)	(123)	(145)	(118)
Retained reserves carried forward	-	-	-	-

The aggregate amounts of assets, liabilities, share capital and reserves were:

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2022 £000	Total 2021 restated £000
Non-current assets	-	6	6	9
Current assets	356	158	514	338
Creditors: amounts falling due within one year	(356)	(164)	(520)	(347)
Net current liabilities	-	(6)	(6)	(9)
Creditors: amounts falling due after more than one year	-	-	-	-
Net liabilities	-	-	-	-
Share capital and reserves	-	-	-	-

Notes (continued)

Lease costs of £10,290 per annum are payable by LSF shop to the Foundation until expiration of the lease on 1 March 2026.

5 Investment income

	Unrestricted £000	Restricted £000	2022 £000	2021 £000
Bank interest receivable	32	41	73	26
Investment income	75	55	130	93
Rental income	15	-	15	19
	<hr/>	<hr/>	<hr/>	<hr/>
	122	96	218	138
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
2021	81	57		
	<hr/> <hr/>	<hr/> <hr/>		

6 Charitable activities

School income receivable comprised:

	2022 £000	2021 £000
Tuition fees	29,611	28,392
Boarding fees	1,600	1,192
Bursary awards and grants	(897)	(1,072)
Bursary awards and grants paid for by restricted funds	897	1,142
	<hr/>	<hr/>
	31,211	29,654
Government Grants	-	219
Catering receipts	1,234	968
Other fees & grant	349	177
	<hr/>	<hr/>
	32,794	31,018
	<hr/> <hr/>	<hr/> <hr/>

School income was £32,794,000 (2021: £31,018,000) of which £31,897,000 (2021: £29,876,000) was attributable to unrestricted funds and £897,000 (2021: £1,142,000) was attributable to restricted funds.

Tuition fees for the year include £897,000 (2021: £1,072,000) transferred to restricted fund bursaries.

Bursary awards, grants and scholarships were made to 177 pupils (2021: 246) from restricted funds.

Notes (continued)

7 Charitable net income is stated after charging:

	2022	2021
	£000	£000
Auditor's remuneration:		
For audit	34	29
For other services	5	4
Governors' professional liability insurance	9	9
Depreciation of tangible fixed assets	2,213	2,231
	<hr/>	<hr/>
Staff costs		
Wages and salaries	18,181	17,496
Social security costs	1,836	1,632
Pension contributions	2,348	2,989
	<hr/>	<hr/>
	22,365	22,117
	<hr/>	<hr/>

The number of employees whose contracts were terminated and who left our employment within the financial year totalled three.

The average number of employees in the year was 708 (2021: 679) of whom 282 (2021: 275) were teaching staff. Neither the governors nor persons connected with them received any remuneration or other benefits from the charitable company or any connected organisation.

The number of employees whose emoluments exceeded £60,000 was:

	2022	2021
£60,001 - £70,000	13	8
£70,001 - £80,000	6	4
£80,001 - £90,000	2	1
£90,001 - £100,000	-	1
£100,001 - £110,000	-	2
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	2	1
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	1	-
	<hr/>	<hr/>
	26	19
	<hr/>	<hr/>

Contributions were made to the Teachers' Pension scheme, which is a defined benefit scheme for no higher paid employees (2021: 14). Contributions were paid to a defined contribution pension scheme for 25 employees (2021: 5). One employee was not a member of any pension scheme.

Notes (continued)

8 Governors and key management personnel remuneration and expenses

The Governors consider that they, together with the Heads of the four schools and the COO comprise the Key Management Personnel. The Governors give of their time freely and the pay and remuneration of the Heads and the COO is set by the Remuneration Committee and is kept under annual review. A number of criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

The total amount of employee benefits received by key management personnel is £831,000 (2021 : £838,000).

The Trustees neither received nor waived any remuneration during the year (2021: £NIL).

Notes (continued)

9 Analysis of total resources expended

	Staff costs £000	Other £000	Depreciation £000	Total 2022 £000	Total 2021 £000
	(note 7)		(note 10)		
Cost of generating funds					
Trading	93	285	4	382	395
Financing	-	314	-	314	135
	<u>93</u>	<u>599</u>	<u>4</u>	<u>696</u>	<u>530</u>
Charitable expenditure					
Teaching costs	16,878	2,206	-	19,084	19,053
Welfare costs	325	-	-	325	283
School meals and catering	593	1,006	-	1,599	1,371
Premises	1,511	2,041	2,209	5,761	5,565
Support costs	2,818	1,839	-	4,657	4,475
Financial Assistance including Bursaries and Scholarships		1,032	-	1,032	1,237
Governance costs	240	77	-	317	291
	<u>22,365</u>	<u>8,201</u>	<u>2,209</u>	<u>32,775</u>	<u>32,275</u>
Total expenditure	<u>22,458</u>	<u>8,800</u>	<u>2,213</u>	<u>33,471</u>	<u>32,805</u>

Governance costs are an apportionment of the relevant peoples' salaries with regard to the long term strategic planning of the charitable company.

Resources expended total £33,471,000 (2021: £32,805,000) of which the split between funds is as follows;

	Staff costs £000	Other £000	Depreciation £000	Total 2022 £000	2021 £000
Unrestricted funds	22,458	7,768	1,107	31,333	30,353
Restricted funds	-	1,032	31	1,063	1,268
Endowment funds	-	-	1,075	1,075	1,184
Total expenditure	<u>22,458</u>	<u>8,800</u>	<u>2,213</u>	<u>33,471</u>	<u>32,805</u>

Bursaries and scholarship costs of £1,032,000 (2021: £1,237,000) have been charged directly to restricted funds.

Notes (continued)

10 Consolidated tangible fixed assets

	Freehold land and Buildings £000	Furniture and fittings £000	Equipment £000	Total £000
Cost or valuation				
Balance at 1 September 2021	73,906	2,386	9,514	85,806
Additions at cost	258	131	454	843
Transfer between classes	(54)	52	2	-
	-----	-----	-----	-----
At end of year	74,110	2,569	9,970	86,649
	-----	-----	-----	-----
Depreciation				
Balance at 1 September 2021	(9,308)	(1,819)	(8,316)	(19,443)
Charge for year	(1,499)	(125)	(589)	(2,213)
	-----	-----	-----	-----
At end of year	(10,807)	(1,944)	(8,905)	(21,656)
	-----	-----	-----	-----
Net book value				
At 31 August 2022	63,303	625	1,065	64,993
	=====	=====	=====	=====
At 31 August 2021	64,598	567	1,198	66,363
	=====	=====	=====	=====

The parent charitable company has elected, in accordance with S35 10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation as their deemed cost.

The value of the playing fields and listed buildings, which are not depreciated, at the end of the year was £1,600,000 (2021: £1,600,000) and £4,260,000 (2021: £4,260,000) respectively.

No value is included for land other than playing fields. The site is an integral part of the scholastic entity comprising mainly educational buildings for which no alternative purchaser is foreseen. As a consequence, any valuation of the site is impracticable at reasonable expense.

All assets are held for use on charitable activities.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £000	2021 £000
Equipment	-	199
Depreciation	-	49
	=====	=====

Notes (continued)

Charitable company tangible fixed assets

	Freehold land and buildings £000	Furniture and fittings £000	Equipment £000	Total £000
Cost or valuation				
Balance at 1 September 2021	73,906	2,386	9,498	85,790
Additions at cost	258	131	454	843
Transfer between classes	(54)	52	2	-
	-----	-----	-----	-----
At end of year	74,110	2,569	9,954	86,633
	-----	-----	-----	-----
Depreciation				
Balance at 1 September 2021	(9,308)	(1,819)	(8,309)	(19,436)
Charge for year	(1,499)	(125)	(586)	(2,210)
	-----	-----	-----	-----
At end of year	(10,807)	(1,944)	(8,895)	(21,646)
	-----	-----	-----	-----
Net book value				
At 31 August 2022	63,303	625	1,059	64,987
	=====	=====	=====	=====
At 31 August 2021	64,598	567	1,189	66,354
	=====	=====	=====	=====

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2022 £000	2021 £000
Equipment	-	199
Depreciation	-	49
	=====	=====

Notes (continued)

11 Investments

Consolidated and charitable company	Freehold property £000	Listed and managed investments £000	Total £000
Balance at 1 September 2021	1,081	3,971	5,052
Disposal of property	-	-	
Additions at cost	-	492	492
Disposals		(292)	(292)
Change in market value of investments	129	(535)	(406)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2022	1,210	3,636	4,846
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The listed and managed investments of £3,636,000 (2021: £3,971,000) comprise £1,071,000 (2021: £1,139,000) investment in CCLA's charitable funds and £2,565,000 (2021: £2,833,000) investments directly listed in the United Kingdom.

There were no investments that constituted over 5% of the market value of the listed investment portfolio.

The freehold property has been revalued based on the independent valuations by qualified chartered surveyors, which were completed in March 2021 for buildings and August 2022 for land.

12 Stocks

	2022		2021	
	Consolidated £000	Charitable company £000	Consolidated £000	Charitable Company £000
Stocks	54	54	48	48
Subsidiaries' stocks	200	-	234	-
	<hr/>	<hr/>	<hr/>	<hr/>
	254	54	282	48
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

13 Debtors

	2022		2021	
	Consolidated	Charitable Company	Consolidated	Charitable company
	£000	£000	£000	£000
Fees receivable	191	191	123	123
Other debtors	499	499	389	389
Trade debtors	25	-	24	-
Due from group undertakings	-	447	-	231
	<u>715</u>	<u>1,137</u>	<u>536</u>	<u>743</u>

14 Creditors: amounts falling due within one year

	2022		2021	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£000
Prepaid fees	2,101	2,101	1,747	1,747
Fee guarantees	80	80	74	74
Taxation and social security	509	502	484	474
Net obligations under hire purchase contracts	-	-	124	124
Mortgage obligation	28	28	28	28
CBILs loan	1,000	1,000	1,000	1,000
Other creditors	998	933	1,339	1,234
Accruals	454	454	389	388
	<u>5,170</u>	<u>5,098</u>	<u>5,185</u>	<u>5,069</u>

Net obligations under hire purchase contracts are secured on the assets to which they relate. Fee guarantees are repayable when pupils leave. Other creditors include £312,000 (2021: £303,000) of outstanding pension contributions.

Notes (continued)

15 Creditors: amounts falling due after one year

	2022		2021	
	Consolidated £000	Charitable Company £000	Consolidated £000	Charitable Company £000
Fee guarantees	805	805	785	785
Prepaid Fees	116	116	-	-
Mortgage obligation	586	586	614	614
CIBLs loan	2,917	2,917	3,917	3,917
	4,424	4,424	5,316	5,316
	4,424	4,424	5,316	5,316

Analysis of Mortgage Loan

	2022 £000	2021 £000
Repayments are due as follows:		
Amounts falling due:		
• Within one year	28	28
• Between one and two years	28	28
• Between two and five years	558	586
• After five years	-	-
	614	642
	614	642

Lender	Term	Security	Interest Rate
HSBC Bank plc	7 years	85 Castledine Street	Variable, charged at 1.55% over base rate

The terms of the mortgage allow repayment without incurring any penalty.

Analysis of CBILS Loan

	2022 £000	2021 £000
Repayments are due as follows:		
Amounts falling due:		
• Within one year	1,000	1,000
• Between one and two years	1,000	1,000
• Between two and five years	1,917	2,000
• After five years	-	917
	3,917	4,917
	3,917	4,917

Lender	Term	Security	Interest Rate
Natwest Bank PLC	6 years	Six residential properties owned by the Foundation, along with the Parkin Sports Hall.	1 year interest free, interest rate after 1 year 2.37% over base rate

Notes (continued)

16 Provisions

	Legal Costs	Compliance	Total
	£000	£000	£000
Balance at 1 September 2021	102	286	388
Charged in year	74	47	121
Utilised/released in year	<u>(71)</u>	<u>(223)</u>	<u>(294)</u>
	105	110	215
	<u>=====</u>	<u>=====</u>	<u>=====</u>

Legal costs relate to provisions to defend both known and potential litigation regarding employment matters and capital projects. These are expected to be resolved by the end of the 2022/23 financial year.

Compliance provisions relate to potential risks that have been identified but were not fully resolved by the year end. They are currently expected to be largely resolved by the end of the 2022/23 financial year.

17 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022		2021	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£000
Within one year	-	-	124	124
Between 1-5 years	-	-	-	-
	<u>-----</u>	<u>-----</u>	<u>-----</u>	<u>-----</u>
	-	-	124	124
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

Notes (continued)

18. Analysis of net assets between funds 2022

	Tangible Fixed assets	Investments	Net current assets/ (liabilities)	Non current (liabilities) and provisions	Total
	£000	£000	£000	£000	£000
Restricted income funds					
Bursary fund	-	-	600	-	600
Burton bursaries 2	-	-	226	-	226
A & PM Shepherd bequest	-	775	1,292	-	2,067
HS Gym Equipment	136	-	-	-	136
BF Dyson bequest	-	156	168	-	324
Parkin bequest	387	-	-	-	387
Coltman bequest	-	8	178	-	186
Wolfson bequest	-	126	53	-	179
GN Harvey fund	12	-	-	-	12
Bancroft bequest	-	-	66	-	66
Steinway Appeal	62	-	-	-	62
Prize funds	-	8	23	-	31
Scholarships	-	138	138	-	276
New Grammar School CCF Building	100	-	-	-	100
The Old Loughburian Benevolent fund	-	140	(10)	-	130
OLAFOC fund	-	-	70	-	70
Donations restricted fund	-	-	88	-	88
Cockrell bequest	-	137	17	-	154
Lorraine Simmons Scholarship	-	195	58	-	253
Huston Bequest	24	0	8	-	32
Total restricted income funds	721	1,683	2,975	-	5,379
Unrestricted income funds	18,817	-	(322)	(4,523)	13,972
Endowed funds	45,455	3,163	1	-	48,619
	-----	-----	-----	-----	-----
	64,993	4,846	2,654	(4,523)	67,970
	=====	=====	=====	=====	=====

Notes (continued)

Analysis of net assets between funds 2021

	Tangible Fixed assets	Investments	Net current assets/ (liabilities)	Non current (liabilities)	Total
	£000	£000	£000	£000	£000
Restricted income funds					
Bursary fund	-	-	600	-	600
Burton bursaries 2	-	-	188	-	188
A & PM Shepherd bequest	-	873	1,292	-	2,165
HS Gym Equipment	62	-	-	-	62
BF Dyson bequest	-	172	167	-	339
Parkin bequest	396	-	-	-	396
Coltman bequest	-	9	174	-	183
Wolfson bequest	2	150	53	-	205
GN Harvey fund	14	4	-	-	18
Bancroft bequest	-	-	65	-	65
Steinway Appeal	67	-	-	-	67
Prize funds	-	10	21	-	31
Scholarships	-	149	138	-	287
New Grammar School CCF Building	102	-	-	-	102
The Old Loughburian Benevolent fund	-	145	(9)	-	136
OLAFOC fund	-	-	72	-	72
Donations restricted fund	-	-	151	-	151
Cockrell bequest	-	164	24	-	188
Total restricted income funds	643	1,676	2,936	-	5,255
Unrestricted income funds	19,181	-	(912)	(5,704)	12,565
Endowed funds	46,539	3,376	-	-	49,915
	-----	-----	-----	-----	-----
	66,363	5,052	2,024	(5,704)	67,735
	=====	=====	=====	=====	=====

Notes (continued)

19 Movement on restricted funds 2022

	Balance at 1 September 2021 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Investment gains on revaluation £000	Investment gains on sales £000	Balance at 31 August 2022 £000
Bursary fund	600	897	(897)	-	-	-	600
Burton bursaries	188	66	(15)	(13)	-	-	226
A & PM Shepherd bequest	2,165	52	(52)	-	(98)	-	2,067
HS Gym Equipment	62	-	(12)	86	-	-	136
BF Dyson bequest	339	8	(8)	-	(15)	-	324
Parkin bequest	396	-	(9)	-	-	-	387
Coltman bequest	183	5	-	-	(2)	-	186
Wolfson bequest	205	7	(9)	-	(24)	-	179
GN Harvey fund	18	-	(1)	-	(5)	-	12
Bancroft bequest	65	1	-	-	-	-	66
Steinway Appeal	67	-	(5)	-	-	-	62
Prize funds	31	-	-	-	-	-	31
Scholarships	256	45	(14)	-	(11)	-	276
New Grammar School CCF Building	102	-	(2)	-	-	-	100
The Old Loughburian Benevolent fund	136	4	(5)	-	(5)	-	130
OLAFOC	72	1	(3)	-	-	-	70
Donations restricted fund	151	25	(15)	(73)	-	-	88
Cockrell bequest	188	7	(14)	-	(27)	-	154
Lorraine Simmons Scholarship	-	250	-	-	3	-	253
Huston Bequest	31	1	-	-	-	-	32
Total	<u>5,255</u>	<u>1,369</u>	<u>(1,061)</u>	<u>-</u>	<u>(184)</u>	<u>-</u>	<u>5,379</u>

The Foundation's restricted funds are made up of donations and bequests from individuals and organisations that come with conditions on how they are used. These conditions can typically be summarised as:

- Bursaries, which provide financial assistance with fees to pupils in need;
- Scholarships, which fund and part fund the tuition fees for particularly gifted pupils;
- Funding new facilities and equipment for the school, such as the Parkin Sports Centre, which was part funded from the Parkin bequest, and the Steinway pianos, which were part funded by an appeal to current parents and alumni. These assets remain restricted once purchased, with the restricted fund reduced each year in line with the depreciation of the asset; and
- Prize funds to celebrate the success of our pupils.

As part of the Foundation's deeds, a proportion of fees received should be used to provide bursaries to pupils in need of financial assistance for fees. The percentages for this year were 6% for Loughborough Grammar School and Loughborough High School, and 1% for Fairfield Preparatory School. These fees are the noted as Bursary Funds above, with £897,000 of support provided during the year.

Notes (continued)

During 2021-22 the Foundation received a donation of £250,000 to create the Lorraine Simmons Scholarship, which will be used to fund the secondary education of children at either Loughborough Grammar School or Loughborough High School.

Movement on restricted funds 2021

	Balance at 1 September 2020 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Investment gains on revaluation £000	Investment gains on sales £000	Balance at 31 August 2021 £000
Bursary fund	600	1,072	(1,072)	-	-	-	600
Burton bursaries	171	47	(30)	-	-	-	188
A & PM Shepherd bequest	2,022	29	(29)	1	142	-	2,165
HS Gym Equipment	69	-	(8)	1	-	-	62
BF Dyson bequest	306	7	(6)	-	32	-	339
Parkin bequest	402	2	(8)	-	-	-	396
Coltman bequest	185	1	(3)	-	-	-	183
Wolfson bequest	173	2	(7)	(2)	39	-	205
GN Harvey fund	19	-	(1)	-	-	-	18
Bancroft bequest	65	1	-	(1)	-	-	65
Steinway Appeal	72	-	(5)	-	-	-	67
Hammersley bequest	-	-	-	-	-	-	-
Prize funds	29	2	-	-	-	-	31
Scholarships	260	94	(84)	-	17	-	287
New Grammar School CCF Building	105	-	(3)	-	-	-	102
The Old Loughburian Benevolent fund	117	4	(5)	(1)	21	-	136
OLAFOC	74	-	(2)	-	-	-	72
Donations restricted fund	154	44	(3)	(44)	-	-	151
Cockrell bequest	142	3	-	-	43	-	188
Total	4,965	1,308	(1,266)	(46)	294	-	5,255

Notes (continued)

20 Reconciliation of net income to net cash flow from operating activities

	2022	2021
	£000	£000
Cash flows from operating activities		
Net Income/(expenditure) for the reporting period (as per the statement of financial activities)	235	(52)
Adjustment for:		
Depreciation charge	2,213	2,231
Dividends, interest and rents received from investments	(218)	(138)
Decrease/(increase) in stock	28	20
Decrease/(increase) in debtors	(179)	708
Increase/(decrease) in creditors	(783)	630
Increase/(decrease) in provisions	(173)	388
Gain/(loss) on revaluation of investments	406	(828)
	<hr/>	<hr/>
Net cash (used)/provided by operating activities	1,529	2,959
	<hr/> <hr/>	<hr/> <hr/>

21 Analysis of changes in net debt

	Balance at 31 August 2021	Cash Flows	Non Cash Flows	Balance as at 31 August 2022
	£000	£000	£000	£000
Cash	6,390	581	-	6,971
Loans falling due within one year	(1,028)	1,028	(1,028)	(1,028)
Loans falling due after more than one year	(4,531)	-	1,028	(3,503)
Finance lease obligations due within one year	(124)	124	-	-
Finance lease obligations due after more than one year	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	707	1,733	-	2,440
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

22 Pensions

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

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

Valuation of the Teachers' Pension Scheme

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

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

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the period amounted to £Nil (2021: £2,534,000), as the Foundation was not a member of the TPS during the year.

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Foundation has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Foundation has set out above the information available on the scheme.

23 Governor's expenses

In connection with their role as governors of the charitable company, three governors received reimbursement amounting to £1,652 (2021: £469) for expenses incurred.

Notes (continued)

24 Operating Leases

As at 31 August 2022 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2022	2021
	£000	£000
Expiry date:		
Within 1 year	144	138
Between 2 and 5 years	201	251
Greater than 5 year	-	-
Total	345	389

25 Related Party Transactions

During the year recharges of £55,000 (2021: £54,000) were charged to subsidiary undertakings.

Profits of £145,000 (2021: £118,000) were gift aided to the school in line with covenants.

Included within debtors on the charitable balance sheet are amounts owed from group undertakings of £447,000 (2021: £231,000) of which £145,000 (2021: £118,000) relates to a loan which is repayable within one year, and is subject to interest at 0.5% per annum. During the year interest of £1,000 (2021: £1,000) was charged on loan accounts with group undertakings.

The transactions were made in the normal course of business.

26 Capital Commitments

There were no significant capital commitments at the end of the financial year.

27 Post Balance Sheet Events

The Foundation withdrew from the TPS on 31 August 2021.

On 12 November 2021 the Foundation announced an agreement to operate a tandem pension scheme for teaching staff from 1 September 2022. This allowed teaching staff employed by the Foundation before 30 September 2022 to choose either TPS or APTIS as their pension scheme on a "total reward" basis. Teaching staff joining after 1 October 2022 will only eligible to join APTIS.

On 1 September 2022 the Foundation re-joined the TPS. The TPS Scheme closed to new members on 1 October 2022 when the Foundation joined the phased withdrawal TPS scheme.

28 Controlling party

The Governors consider that the company has no controlling party.

Notes *(continued)*

29 Company

Loughborough Schools Foundations has three wholly owned subsidiary undertakings which have been included in the consolidated financial statements.

Thomas Burton Developments Ltd has called up share capital of £2; LSF Shop Ltd has called up share capital of £2. The third subsidiary, Loughborough Schools International (Qingdao) Limited was incorporated on 11 March 2020 and is considered dormant as at 31 August 2022 and has called up share capital of £100.

The subsidiary registered offices are the same as for Loughborough Schools Foundation which can be found on page 2 of the Governors' report.

LOUGHBOROUGH SCHOOLS FOUNDATION

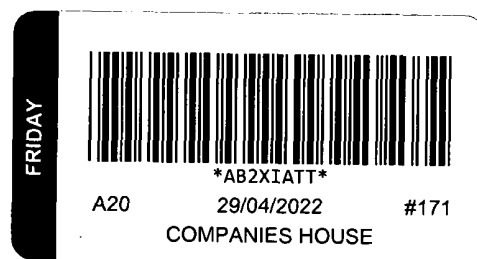
England & Wales - Charity number 1081765

Accounts

Loughborough Schools Foundation

Governors' Report and Financial Statements

For the year ended 31 August 2021
Registered company number 4038033
Registered charity number 1081765



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Governors' report (continued)

GOVERNORS' REPORT

Relevant Background

The Foundation comprises four independent schools and one nursery, all located in Loughborough. The Loughborough Schools Foundation was regulated as a charity by a number of earlier schemes made by the Board of Education and the Charity Commission. On 20 July 2000 the charity was incorporated as a company limited by guarantee (number 4038033). At the same time, the former charitable trust was dissolved and the permanent endowment was placed within a new charitable trust (number 1081765). All Governors are Directors of the Loughborough Schools Foundation company and Trustees of the Charitable Trust formed on 28 July 2000. By order of the Charity Commission, these accounts consolidate the accounts of the Loughborough Schools Foundation Company limited by guarantee and the Loughborough Schools Foundation Charitable Trust.

Loughborough Grammar School (LGS) and Loughborough High School for Girls (LHS) were founded in 1495 and 1850 respectively. Fairfield Preparatory School became autonomous in 1969 having previously operated as the junior school of Loughborough High School. On 1 September 2015 Our Lady's Convent School (founded 1850) was subsumed into the Foundation thus becoming its fourth independent school; from 1 September 2018, the school changed its name to become Loughborough Amherst School (LAS). The Nursery, established on the site of Loughborough Amherst School, opened in October 2016. Throughout the Governors' Reports and Financial Statements, the company and charitable trust are referred to collectively as the Foundation.

Trustees & Directors

Loughborough Schools Foundation is an educational charity administered by Governors who are also the Trustees of the Charity and Directors of the Company. The Governors who served during the year, and up to the date of this report except where indicated, were:

Foundation Chair:

Admiral Sir Trevor Soar KCB OBE DEng (Hon) DL

Foundation Vice Chair

Mr A D Jones BA FCA

School Board Chairs during Academic Year:

Mrs E K Critchley MA (Oxon) (LHS) (resigned as chair 31 August 2021)

Mr R Harrison MA (Cantab) Dip arch RIBA (LHS) (appointed as Chair 1 September 2021)

Mrs A Murphy BA (Hons) (Amherst)

Mrs P O'Neill MA (Cantab) (LGS) (resigned 31 July 2021)

Mr P Snelling BSc (Hons) MBA C.Eng MRAS (LGS) (appointed as Chair 1 September 2021)

Mrs G Richards BA Hons M.Ed. Hon.Ed.D (Fairfield) (resigned as chair 31 August 2021)

Mr A Harris MA (Fairfield) (appointed as Chair 1 September 2021)

Co-opted Governors:

Professor R Allison BA PhD (resigned 31 July 2021)

Dr M Aslam (appointed 1 September 2021)

Mrs E K Critchley MA (Oxon)

Professor A Dodson BSc (Hons), PhD, DSc

Dr J Esson BA, MSc, PhD (appointed 1 September 2021)

Professor J Feather MA, PhD, FRSA

Jennifer, Lady Gretton DVCO JP, LLD (Hon), D.Uni (Hon), Hon.DLitt (resigned 26 March 2021)

Mr K M Higginson BA, FCA, MIFT

Air Vice-Marshal G Howard CB, MA (appointed 1 September 2021)

Mr P M Jackson FIMI (resigned 26 March 2021)

Professor J Ketley BSc (Hons), Phd (Bham), C Biol, MSB (resigned 9 February 2021)

Mrs R J E Limb OBE MA (Cantab)

Mrs G Richards BA Hons M.Ed. Hon.Ed.D

Mr S Shah, BSc (Hons) (appointed 1 September 2021)

Mr J Stone (resigned 3 December 2020)

Mrs L Webb BSc (Hons)

Governors' report (continued)

Nominated Governor:
Sister C Leydon Rosminian Sisters of Providence

Company Secretary:
J W Doherty, ICCG, MIOD, VR

All Governors give up their time freely and no remuneration was paid during the course of the year. Reasonable travelling and associated expenses were paid in accordance with Foundation policy. No Trustee/Director, or person connected with a Governor, received any benefit either from a means-tested Foundation Bursary or a scholarship awarded to a pupil.

Registered Office: 3 Burton Walks
Loughborough
LE11 2DU

Professional Advisers:

Bankers: National Westminster Bank plc
Market Place
Loughborough
LE11 3EA

Solicitors: Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5DS

Bird, Wilford and Sale
20 Church Gate
Loughborough
LE11 1UD

Auditors: Cooper Parry Group Limited
Sky View, Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Investment Advisers: Charles Stanley & Co. Limited
25 Luke Street
London
EC2A 4AR

Insurance Broker: Aon Corporate Division
4th Floor, Insurance House
125-129 Vaughan Way
Leicester
LE1 4SB

Land Managers: Mather Jamie
3 Bank Court, Weldon Road
Loughborough
LE11 5RF

Governors' report (continued)

Objects

The object for which the Foundation is established is to advance education by carrying on in Great Britain a school or schools which may be day or boarding schools at which infants, children and students may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, religious, vocational, social and commercial subjects, activities and crafts of every description and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Structure, Governance and Management

The Governors determine the policies of the Foundation and the individual schools. The day-to-day management of educational, pupil development and pastoral issues is delegated to the Heads, supported by their senior staff. The Chief Operating Officer (COO) is answerable for the overall governance of the charity, and specifically responsible for the centralised functions of finance, human resources, estates and grounds management, health and safety, compliance, catering, network services, commercial activity, marketing and three subsidiary companies, he is also the Company and Charity Secretary. All of these functions are embedded within the Foundation. The Foundation is governed by its Memorandum and Articles of Association. The Heads and the COO attend Governors' meetings.

The Foundation is comprised of four schools:

Fairfield Preparatory School	-	for boys and girls aged 3-11 Headmaster: Mr A R Earnshaw, BA, NPQH
Loughborough Amherst School (incorporating Loughborough Nursery)	-	for boys and girls aged 6 weeks-18 Headmaster: Dr J Murphy, BA, DPhil (Oxon)
Loughborough Grammar School	-	for boys aged 10-18 Headmaster: Mr D J Byrne, MA (Cantab) Med (to 31 August 2021) Headmaster (Interim): Dr C A Barnett, ME (from 1 September 2021)
Loughborough High School	-	for girls aged 11-18 Headmistress: Dr F Miles (MA Cantab) MBBS

The schools are principally day schools. However, the Grammar School also provides boarding facilities for 72 boys. Since September 2019, Amherst School has provided boarding for up to 16 pupils (boys and girls) as part of the Foundation's partnership with the Lawn Tennis Association and University of Loughborough.

Membership of Relevant Professional Bodies

The Heads of Amherst School, Fairfield Preparatory School, the Grammar School and the High School, and are members of the CISC, IAPS, HMC, and GSA respectively. The COO is a member of the ISBA. All of these professional bodies are in membership of the Independent Schools' Council. Membership of these associations provides an opportunity to share expertise, knowledge and experience across the independent schools' sector. These professional associations also facilitate representation to the Government and regulators on the views of the sector.

Governor Recruitment and Training

The Board of Governors requires considerable breadth and depth of experience to carry out its duties effectively and efficiently. The Nominations Committee interviews prospective governors on a regular basis and maintains a list of prospective candidates to be called forward when vacancies arise and/or skill gaps in the Board become apparent. The Secretary to the Board maintains a record of the background and experience of current trustees to inform decisions on any skills gaps or priorities in recruiting new Governors.

Governors' report (continued)

A comprehensive policy exists on the recruitment, selection and induction of Governors. Moreover, in addition to having access to professional development training provided by advisers to the independent schools' sector, the Foundation has historically staged its own governors' training days, the aspiration being to hold at least one training day per annum. A record of Governor training is held by the Secretary to the Board. In addition to training for the governors as a whole, individual governors also receive training to support them in specific duties they undertake, for example safeguarding and finance. The Foundation is a member of the Association of Governing Bodies of Independent Schools (AGBIS) and Governors are encouraged to make use of the programme of conferences and seminars offered.

From September 2021, all Governors will take part in an appraisal, in the 12 months prior to the end of their current term of appointment. New Governors will have a one year 'probationary' period as part of their initial three-year term. This will allow the Board as a whole to ensure that all Governors have the time and ability to perform their role, and that the role continues to meet their expectations.

Governance and Committee Structure

The Board, through six functional committees, exercises the management and control of the Foundation and Schools. Additionally, an individual committee known as a 'School Board' operates for each of the Schools. As the functional committees have primacy, the four School Boards have limited executive powers but were constituted to ensure that school issues are appropriately raised at Foundation Board level.

During the year the Board undertook a full review of the Governance structures, and in particular the size and composition of the Board and the role and composition of the School Boards. The review reported in March 2021, with governors agreeing a number of changes:

- To seek to reduce the overall size of the Board to a maximum of fourteen Trustees
- To retain the School Boards, but with a reduced membership of three trustees
- To create specific posts on each school Board: Chair, Academic Governor, Pastoral Governor.
- To retain the Finance, Audit and Risk Committee, with a reduced membership of three
- To increase the scope of the Operations Committee to become the Operations and Compliance Committee, with a membership of three governors.
- To disband the Chairs' Committee
- To disband the Fundraising Committee and replace it, in time, with a Fundraising Campaign Board.

The aim of these changes is to provide a smaller Board, while ensuring the workload on Governors is fairly distributed.

The change in structures will take effect from 1 September 2021, with the transition to a smaller Board taking place over the course of the 2021/22 year, to ensure a smooth transfer of corporate memory and continuity of Governance.

The committees in existence during the year were:

Four School Boards (Amherst, Fairfield, Grammar and High Schools): Each consisting of four Governors, or in the case of Amherst five governors, School Boards are responsible for liaison on general matters and ensuring that school issues are represented at the appropriate functional committee and/or the Foundation Board. They have particular focus on academia and educational matters and provide the primary Governor/School interface, including representation to the ISI, in addition the Amherst School Board exercises specific responsibilities for the Catholic life of the School. The School Boards meet on a termly basis. From September 2021 the size of School Boards reduced to three members (four in the case of Amherst).

Chairs' Committee (disbanded with effect 31 August 2021): Consisting of the four School Board Chairs, the Vice Chair, the Chairs of the Finance, Audit and Risk, and Operations Committees and chaired by the Foundation Chair, this committee provided a mechanism for the identification, development and preparation of issues for Foundation Board discussion. Its primary function was to augment the flow of communication and enhance the Foundation

Governors' report (continued)

Board's capacity for strategic analysis and the consideration of Foundation level issues. The committee met on a termly basis.

The Finance Audit and Risk Committee is chaired by a Governor and consists of additional members, equally drawn from the four School Boards, and one other member who is financially qualified. The committee's remit is to monitor the financial performance of the Foundation and its component schools and to make recommendations to the Board accordingly. It oversees the external audit process as well as the programme of internal reviews and checks undertaken throughout the year, such as spot checks of the single central register, and safeguards the integrity of the Foundation's systems and internal controls. The committee is also responsible for risk management in the foundation and for ensuring that the Foundation has a long-term financial plan, consistent with its overall strategic development and infrastructure plans. It exercises oversight of the Foundation's investments and reserves. The committee meets on a termly basis. From 1 September 2021 the Committee will have three members.

Operations Committee: Consisting of five Governors it advises the Board on all matters relating to capital development, reactive and planned maintenance, maintenance of the grounds, Human Resources, Networks Services, Catering and health and safety. The committee meets on a termly basis. From 1 September the Committee will have three members, and the remit of the Committee will be broadened to include compliance.

Fundraising Committee:

Consisting of four governors, and attended by the Director of Development and the member of the Executive with responsibility for the Development Office, the Committee is responsible for overseeing the development of a fundraising strategy in-line with the Foundation's strategic plan, and to agree priorities for fundraising support. This Committee was disbanded on 31 August 2021.

Remuneration Committee: Consisting of the four School Board Chairs, the Vice Chair and chaired by the Foundation Chair, it advises the Board on salaries and conditions of service for Foundation staff, teachers and schools' support staff. The committee has specific responsibility for determining the remuneration of the Foundation's senior officers. The committee meets annually.

The Nominations Committee: Consisting of four governors and chaired by the Foundation Chair, it advises the Board on the recruitment, selection and induction of new Governors. In doing so, it makes use of the policy on the recruitment, selection and induction of Governors. The committee may meet up to three times a year to consider applications from prospective governors and undertake succession planning.

The Board also receives reports from The Subsidiary Trading Board. Subsidiary Trading Board has three Directors, one of whom is not a trustee of Loughborough School's Foundation. The Directors are responsible for the legal oversight of the Foundation's incorporated subsidiaries, which are currently:

- Thomas Burton Developments Limited
- LSF Shop Ltd
- Loughborough Schools International (Qingdao) Limited (dormant)

Investment Policy/Performance:

The investment objectives are to generate the highest possible returns, which are commensurate with a low to medium level of risk. The Foundation does not specifically invest in ethical investments.

The bulk of the Schools' investment portfolio is held in funds managed by Charles Stanley Wealth Managers who act as the investment adviser on this element of the portfolio. The majority of the remainder is managed by CCLA Investment Management Ltd.

The value of the portfolio increased from £4,145,000 to £5,052,000, during the course of the year. The Finance, Audit and Risk Committee reviews the performance of the portfolio regularly, using the FTSE 100, the FTSE All share and the APCIMS Indices to benchmark performance.

Governors' report (continued)

Reserves

The Governors have established a policy on the holding of reserves, which is constituted as follows:

- a. A sum equal to 10% of working Capital which for the year 2020-21 was deemed to be £963,000 plus;
- b. A sum no less than 5% and no more than 10% of the designated in year CAPEX requirement which for the year 2020-21 was deemed to be £61,000.

The total funds held at the end of the reporting period were £67,735,000 and of this, £55,170,000 was either restricted or endowed, and therefore not available to be used for general purpose. The Foundation also holds investments sufficient to match the restricted funds as represented by the Bursary Fund, A. & P. M. Shepherd Bequest, Dyson Bequest, Coltman Bequest, 'Johnnie Johnson' Award Fund, Wolfson Fund and the various prize and scholarship funds.

The combined requirement of the free reserve and restricted funds throughout the reporting period was £5,989,000. As at 31 August 2021 our liquid funds were £11,443,000 and therefore our policy was met.

Strategic Report (continued)

STRATEGIC REPORT

Covid 19 Pandemic

The Covid 19 pandemic continued to disrupt the operation of the Foundation and its schools during 2020/21. Governors were delighted to welcome all pupils back onto campus in September 2020, the first time our schools had been together as a community since March 2020. To ensure that this could be done safely, schools and the Foundation adopted a number of safety measures including 'pupil bubbles', additional cleaning, staggered timetables for arrival, departure and meal times and changes in the delivery of the curriculum. Where required to isolate, pupils were able to access remote learning provision.

During the second lockdown announced in January 2021 our Nursery and Kindergarten settings remained open and the Foundation was pleased to be able to offer a place to the children in other year groups of all key workers who required one. Our on-line learning provision continued to develop during the second lockdown, with pupils able to access a full timetable, including pastoral and co-curricular activities.

The requirement for mass testing of pupils before their return to school in March was met by staff from across the Foundation, with all pupils able to return on 8 March.

The cancellation of the public examinations for the second year running did not prevent our Year 11 and Year 13 pupils demonstrating their capabilities. Our continued on-line learning throughout the pandemic, meaning pupils did not miss any curriculum content, coupled with the diligent work of staff in the three senior schools to develop rigorous and robust assessment criteria and examinations ensured that pupils achieved the GCSE and A-Levels results they deserved.

The financial impact of the pandemic continued to be felt by all members of our community. In recognition of the continued financial pressures faced by a number of our families, in March the Foundation launched the 'Completion Fund' appeal within the Alumni Community. Our Alumni responded generously, with the appeal raising £44,000 in donations towards helping pupils complete their education in the Foundation's schools, all of which has been awarded to current pupils whose families are experiencing financial hardships as a result of the pandemic.

The funds received under the CBILS scheme in 2019/20 and funds received throughout the year under the continued 'furlough' arrangements supported the management of the Foundation's cash position. Repayments for the CBILS loan began in August 2021.

Main Aims for the Year

Despite the challenges posed by the Covid 19 pandemic, and the closure of the Schools, the Foundation made progress towards the priorities agreed by Trustees for the year. The main aims for the year, together with an indication of the progress made, were:

- To ensure the safe re-opening of all four schools and the return to campus of all staff and pupils following the closures required under national measures to control the pandemic disease Covid 19. The Foundation will continue to monitor and comply with Government regulations as they are published. It is reasonable to expect that there may be further disruption to the activities of the schools should further local or national measures be imposed.

Governors were delighted to welcome all pupils back onto campus in September 2020. A number of adaptations and additional safety measures were put in place to ensure that this took places safely, and give confidence to staff and pupils alike as they returned to campus. Thanks to the work of teaching and support staff to establish excellent on-line provision and our key worker setting, the second lockdown in January 2021 did not disrupt pupils' learning, with pupils continuing to benefit from remote teaching across a full timetable.

Strategic Report (continued)

- To address the financial impact of Covid 19 on the Foundation and our families to ensure long term financial sustainability.

The impact of the Covid 19 pandemic has been felt by all parts of our community. Governors are aware of the impact on our families' incomes and businesses and their ability to meet school fees. This presents a challenge for the medium term as the Foundation balances the need to maintain fees at a level which remains affordable, while generating sufficient surplus to ensure an appropriate level of investment in teaching and facilities. To support this a working group was established to identify efficiencies and wider cost savings.

To support those families facing immediate financial difficulties, the Foundation launched a fundraising campaign. The 'Completion Fund' appeal, which was responded to by our alumni community with warmth and generosity raising just under £44,000. This has allowed 19 pupils to continue to benefit from the education provided by our schools. In the longer term, Governors are committed to seeking to raise funds to widen access to our schools to those pupils whose parents lack the financial means to pay school fees.

The wider impact of Covid on the economy and our parent community will continue to be felt in the coming 12 months, and Governors will monitor indicators of pressure on affordability for parents and ensure the Foundation's planning assumptions provide for a range of possible scenarios.

- Following a decision taken on 24 September 2020, to engage in consultation with the Foundation's teaching staff regarding a possible withdrawal from the Teachers' Pension Scheme (TPS) with effect from 1 September 2021, with a defined contribution pension scheme to be proposed as an alternative.

The consultation period lasted over 90 days. During this time the teachers' representatives and governors discussed a number of possible alternatives to the proposed withdrawal. Having considered the alternatives raised, in February 2021 the Board agreed to withdraw from the TPS and offer an alternative, defined contribution pension, from 1 September 2021. This decision, and the response of staff is detailed further elsewhere in this report.

- To identify opportunities to further improve the culture of diversity and inclusion, in support of the Governors' aim that the Foundation and its schools should be a beacon for inclusivity. In particular, Trustees will seek to address the ethnic diversity of the Board of Trustees during 2020/21 so that the Board reflects more closely the diversity of our school communities.

During 2020/21 the Board worked with Dr Fiona Hammans and Dr Jeffery Quaye; independent experts in this field; who had undertaken a review of race and inclusion in the Foundation's four schools. Following this review an action plan for the Foundation, as well as specific plans for each school, were agreed by the Board. The Action Plan included commitments to staff training, development of further data and reporting on pupil outcomes, recruitment and Governance.

School staff have received training on race and inclusion. A 'Black Alumni Group' has been established at LHS. The group, which was formed from the work of black alumni last summer, meets regularly with the Head and other senior staff and provides advice and constructive challenge of issues of race. The School is seeking to widen the participation in this group to the other schools in the coming year. The Board remains committed to ensuring that it reflects the diverse community served by our schools in its own composition. Progress against the Foundation plan is monitored and discussed termly by the Operations Committee and each School provides scrutiny to the actions and progress in individual schools.

- To develop a digital strategy for the Foundation, to allow our pupils and staff to access technology in support of learning, and to continue to build on the progress made in the use of technology during the time of remote learning.

The Digital Strategy was discussed and agreed by the Heads and Chief Operating Officer during this year, and the Governors have approved the budget for the first stage. The strategy will see one to one provision of devices for teachers in all schools and upgrades to existing hardware.

Strategic Report (continued)

The Foundation has also centralised the data managers in each school into a single team. This will create greater capacity for more detailed and insightful analytics of pupil outcomes, informing interventions and support for all pupils.

- To continue to develop relationships with international partners.

This work was hampered by the on-going restrictions on international travel. The Foundation has continued to foster links in China and other countries which it is hoped will provide the basis for a meaningful partnership in future.

- To consider and implement recommendations arising from the review of governance.

Governors have undertaken a thorough review of the composition of the Board and the structure and composition of Board Committees. The review was concluded in March 2021 and the Board agreed the recommendations outlined above. The aim of the changes is to provide a smaller Board, to facilitate further debate and discussion of issues, while ensuring that the Board maintains appropriate oversight of the Schools and centrally run enabling services.

Teachers' Pension Scheme (TPS)

After considering numerous options to both increase income and / or reduce costs, the Board made the decision in September 2020 to enter into consultation to withdraw from the Teachers' Pension Scheme and replace it with a private pension scheme administered by the Aviva Pension Trust for Independent Schools (APTIS). This scheme is specific to the Independent School sector and provides staff with a competitive defined contribution pension scheme. The employer contribution into this was proposed as the equivalent of 16.5% the same level as the employer contributions into TPS, prior to the 2019 increase.

The decision to enter into consultation was taken informed by consideration both of the current and future pension costs, and the Foundation's 10 year financial plan. This plan indicated that there was a need to reduce costs.

The Foundation withdrew from the TPS on 31 August 2021.

On 12 November 2021 the Foundation announced an agreement to operate a tandem pension scheme for teaching staff from 1 September 2022. This will allow teaching staff employed by the Foundation before 1 May 2022 to choose either TPS or APTIS as their pension scheme on a "total reward" basis. The TPS Scheme will be closed to new members after this date.

Financial Review

The financial achievements and results in the year were impacted by the on-going Covid 19 pandemic; the impact of the second 'lock down' in early 2021 and the additional costs associated with ensuring that our schools operated safely. The level of school fees increased to £29,584,000 (£27,856,000 in the previous year). Cost savings achieved during the second lockdown were passed to parents in the form of a credit against the Summer Term fees. The total value of this credit was £318,000, and including grant income from the Coronavirus Job Retention Scheme (CJRS) of £219,000.

Total resources expended increased from £31,462,000 in the previous year to £32,805,000.

The net loss before adjustments for investments and transfers for the year was (£970,000). Capital expenditure was £1,093,000. Cash in hand and at bank increased from £4,590,000 in the previous year to £6,391,000.

LSF Shop Ltd opened in the Autumn term though limited sales were resumed in August 2020. A surplus of £69,000 was gifted to the parent charity. The performance of the subsidiary Thomas Burton Developments Limited, was likewise affected by the restrictions in place throughout the year which limited the use of the Charity's facilities by external hirers, meaning that income from the letting of our facilities was greatly reduced. A programme of holiday courses did resume, and £49,000 was gifted to the parent charity (a decrease on the previous year's gift aid of £80,000).

Strategic Report (continued)

Development and Fundraising

Loughborough Schools Foundation believe that fundraising from the Schools' core community (parents, alumni, staff, governors and friends) alongside that from external companies, trusts and foundations is essential to increase the financial resources required to achieve the Loughborough Schools Foundation's charitable objectives.

The Trustees also recognise that fundraising activities must be done in such a way to build and maintain the trust of our donors, pupils and parents. As such we set out our approach to fundraising in our Donor Promise. This sets out what we will and will not do, including commitments to fundraise only for purposes aligned with our charitable objectives; keep the costs of fundraising to a minimum and to be transparent in both the use of funds raised and the costs associated with fundraising activity. Further details on income received from fundraising can be found at note 3 in the accounts. The Foundation is registered with the Fundraising Regulator and committed to complying with the Fundraising Code of Practice. The Donor promise also makes clear the Foundation will not undertake excessive communications, communicate in a way which could pressure donors into giving, or contact or communicate with donors where they have asked us not to. We do not pay commissions or other income-linked payments to fundraisers. The number of official complaints received in the year relating to fundraising activity was zero.

The Development Office has established a database of over 17,000 alumni of our four schools and others in the local community who have had involvement with the Foundation's Schools.

The continued restrictions in place as a result of the pandemic have severely inhibited the work of the office and its ability to hold events for alumni and donors during the year. Plans are in place to recommence this aspect of the work of the Development Office in 2021/22 as restriction are lifted. A new Director of Development will take up the role in Autumn 2021, and will work with Governors to develop a clear strategy to meet the fundraising goals set by the Board.

Pupil Numbers

Average pupil numbers in the year were 874 at Loughborough Grammar School, 544 at Loughborough High School, 531 at Fairfield Preparatory School and 290 at Loughborough Amherst School. An average of 102 children also attended the Nursery setting throughout the year, equivalent to 64.7 Full Time pupils.

Fees

Tuition fees were not increased for the 2020/21 academic year, in response to the financial pressures on parents arising from the Covid pandemic. The impact of this was a loss of forecast income of £1.1 million for 2020/21.

Tuition fees charged during the year by the Grammar School and High School were £4,460 per term for years 6-9 (year 6 only at LGS), £4,500 per term for years 10-11 and £4,520 for years 12-13. At Fairfield Preparatory School fees were £3,660 per term (full time) for Kindergarten, £3,770 for Pre-Prep and £3,850 for Prep. At Amherst the fees were £3,410 per term for Pre-Prep, £3,490 per term for Prep. In the Senior School fees were £4,250 per term for years 7-9, £4,270 for years 10-11 and £4,310 for years 12-13.

Academic

This academic year has been unprecedented in the history of the Foundation's schools. The continued pandemic restrictions and second national lockdown meant that staff and pupils had to adapt to new ways of learning. Governors are proud of the resilience and creativity shown by our staff and pupils in adapting to the challenges posed by the restrictions. Our superb remote learning provision in all four schools ensured a continuity of education. Teachers and pupils used Teams and other remote technology to provide a full timetable of learning while schools were closed. Pupils required to isolate were able to continue to access the excellent level of education provided by their teachers.

Strategic Report (continued)

In our senior schools teaching staff worked exceptionally hard to respond to the Government direction regarding the cancellation of GCSE and A-Level examinations. Developing robust and fair systems to ensure that pupils' efforts and abilities were fairly rewarded.

The grades awarded under this year's arrangements reflect the resilience and hard work of our pupils, and the commitment and support of their parents and teachers. Pupils in all three schools achieved results above the national average.

At **Loughborough Amherst School**, 35% of the passes at A-Level were at grade A*, 68% at A*-A and 87% of the passes were at A*-B.

At GCSE 22% of the passes were at A* (9-8) grade, 42% of the passes were A*/A (9-7) grade and 93% were A*/B (9-5).

At **Loughborough Grammar School**, 36% of the passes at A-Level were at A*, 72% of the passes were at grade A*-A and 93% of the passes were at A*-B.

At GCSE 64% of the passes were at A* (9-8) grade, 82% of the passes were A*/A (9-7) grade and 99% were A*/B (9-5).

At **Loughborough High School** 58% of the passes at A-Level were at A*, 86% of the passes were at grade A*/A and 97% of the passes were A*/B.

At GCSE 71% were at A* (9-8) grade, 88% of the passes were A*/A (9-7) grade and 99% were A*/B (9-5).

Despite the extraordinary circumstances of the 2021 public examination system, and the late change in policy regarding the award of grades, our pupils continued to achieve success in securing places for further study. Of those applying for university places in 2021, 97% of pupils at Loughborough High School and 88% at Loughborough Grammar School were successful in obtaining places at their first choice institution.

We continue to successfully prepare pupils for the most competitive universities and courses. Across the Foundation, 21 pupils have gone on to study medical degrees (medicine, dentistry and veterinary sciences) with a further 12 studying allied courses including nursing, 136 pupils have gone on to study at Russell Group Universities and 9 pupils have taken up places at Oxbridge Colleges to continue their studies. In addition pupils also secured places at prestigious institutions to study music and drama, including the Royal Northern College of Music.

Co-Curricular

The restrictions also meant activities outside of the classroom had to adapt the circumstances. With restrictions on sports fixtures, the Foundation instead provided a focus on individual fitness for all pupils, becoming one of the first schools in the UK to partner with Functional Movement Systems (FMS). FMS are leaders in the field of movement. The aim of the programme is to help all pupils understand how they currently perform movements, and improve, thereby improving their fitness and guarding against injury. The programme was launched to all pupils during 2020/21.

Our music department were unable to run their usual series of concerts, due to restrictions on both audiences and gathering ensembles. The creativity and resilience of staff allowed them instead to move to a series of on-line performances. Pupils from across all four schools and all age groups were provided the opportunity to perform in the on-line Advent Calendar and in weekly 'lunchtime live' and sound bites concerts. Pupils continued to excel in Board examinations and our year 13 musicians secured places at a number of prestigious institutions to further their studies, including the Royal Northern College of Music and organ scholarships at Trinity College and Worcester Cathedral.

This year has been the first year in which the Foundation has provided a guaranteed Year 7 place for all pupils in Year 5 by the end of the summer term. This approach demonstrates the value of the 'whole Foundation' approach to pupil development, and removes the uncertainty and associated anxiety for Year 6 pupils having to sit the Year 7 entrance examinations. Under these revised arrangements Scholarships will be awarded to Fairfield's top three

Strategic Report (continued)

performing Year 6 boys and girls for Loughborough Grammar School and Loughborough High School. These six pupils will subsequently be known as the 'Fairfield Scholars'.

Employment

The Foundation is an equal opportunities employer; and has a responsible approach to employment and social legislation. The Foundation met the statutory requirements to provide a report on gender pay equality and will continue to monitor this area and make changes, when and where they are practicable.

The Trustees were pleased to note the continued progress towards closing the gender pay gap, with a continued year on year reduction in both the mean and median measures.

The Foundation welcomes applications for employment from disabled persons (having regard to their particular aptitudes and abilities) and assists, whenever practicable and taking into account HR best practice, the recruitment, training, career development and promotion of disabled people. We seek to retain, and as applicable train or re-train, those who become disabled during their employment.

Where an employee becomes disabled, all efforts are made to try to ensure the employee can continue in their current role through adjustments. However, if, due to the specific circumstances, this is not possible, every effort will be made to provide retraining for alternative employment within the Foundation. The Foundation remains supportive of the employment and advancement of disabled persons and ensures its promotion and recruitment practices are fair and objective. The Foundation encourages the continuous development and training of its employees and the provision of equal opportunities for the training and career development of all employees.

The Foundation is committed to engaging with its employees. A variety of methods are used to achieve this, including team meetings, Common Room briefings and our two staff representative groups, the Teaching Staff Representatives and the Support Staff Representatives. These Groups meet three times a year with the Foundation Chairman and serve as a mechanism by which representatives can raise issues and concerns directly with the governors. For 2021/22 this approach will be supplemented by staff engagement committees in each school, where staff representatives will meet with the Chair of the School Board to raise and discuss ideas and issues.

Strategic Report (continued)

Salaries

The arrangements for setting the pay and remuneration of the charity's key management personnel and any benchmarks, parameters or criteria used in setting their pay are detailed in note 8 in the notes to the financial statement.

Pension Costs

Teachers: The schools participate in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ('The Scheme'), for its teaching staff. It is not possible or appropriate to identify the assets and liabilities of the Scheme, which are attributable to the Schools.

The employer contribution rate for teachers for 2020/21 was 23.68% (including a 0.08% administration charge) (2019/20 23.68%). The employee contribution rates varied from 7.4% to 11.7%. The average rate paid by LSF teaching staff was 9.7%. The pension charge for the year includes contributions payable to the Scheme of £2,534,000 (2020 £2,491,000).

The Foundation exited the Teachers' Pension Scheme on 31 August 2021.

Non-Teachers: The LSF Group Personal Pension Plan is operated by Royal London. The pension charge for the year includes contributions payable to the personal pension plans of £454,000.

Future Plans

The plans for the coming year, which were formally considered and approved by the Board in June 2021 are as follows:

- **Stability:** Following two years of unprecedented disruption to the life of our schools, to provide a clear focus on the development of individual schools during 2021/22 and 2022/23. This will include the development (by Head and School Boards) of School Strategic Plans.
- To ensure that the Foundation undertakes a thorough search and selection process to identify and appoint a new Head of Loughborough Grammar School and ensures a smooth and effective transition from the Interim Headmaster.
- To support the interim Headmaster to achieve the agreed objectives and ensured continued progress during the interim year.
- To ensure the Foundation acts to address financial pressures and actions agreed as part of the post-Covid recovery strategy.
- Following the difficult discussions surrounding the proposal to withdraw from the TPS, the Board is committed to identifying and implementing ways to improve the visibility and engagement of the Governing Body with all staff. The Teaching Body in each school will meet regularly with the School Board Chair. The Foundation has also entered into a voluntary recognition agreement with both NASUWT and NEU, the two unions which represent the greatest numbers of teaching staff within the Foundation's schools.
- Embed the revised committee structure and roles agreed following the Governance Review such that the new model is fully operational by September 2022.
- Ensure the Schools and Foundation take visible action to become a more diverse and inclusive organisation.

Strategic Report (continued)

Risk Management

The trustees are responsible for the identification and management of the risks faced by the Foundation, including the individual schools. The day to day management of this requirement is delegated to the Finance, Audit and Risk Committee. Risks are identified and assessed; and controls and improvements are established, where possible, to mitigate the risks.

The trustees have a risk management strategy which comprises:

- a differentiation between strategic and operational risks;
- clear management and review responsibilities for both operational and strategic risks, with first line and second review responsibilities identified and agreed;
- termly review of all risks by the Executive (Operational Risk) and Finance, Audit and Risk Committee (Strategic Risk);
- clear mechanism for the escalation of risks to the Governing Body;
- the establishment of policies, systems and procedures to mitigate those risks identified; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risk materialise.

The Trustees group risks into five categories:

- **Governance** – those risks which may arise from the direction, decision making or control environment. For example, the risk that governors or those charged with management may take a risk outside of their authority. Controls include the Foundation's strategy, which informs decision making, an established governance structure and a clear distinction between governance and executive management.
- **Regulatory** – these are those risks which relate to the market and environment in which the Foundation operates and which may influence our stakeholders and/or the Foundation's business model (e.g. any change in regulatory environment). To manage risks in this area, the Foundation has established mechanisms to analyse forecasts of potential changes in the charitable and education sectors, with the aim of anticipating regulatory change and implementing any mitigating actions.
- **Financial** – those risks which relate to income and expenditure and may impact the Foundation's financial sustainability. To manage these risks the Foundation has established a 10 year financial forecasting model, which enables it to model the impact of any changes to its income or expenditure and take appropriate action.
- **Reputational** – risks to the reputation of the Foundation may arise from the decisions and actions of the Foundation, those employed by it, or pupils at its schools. Should a reputational risk arise it could have an immediate or long-term impact on pupil numbers, and therefore the Foundation's finances. To manage these risks the Trustees have put in place appropriate policies and oversight mechanisms, including for academic quality and safeguarding.
- **Operational** – those risks arising from day to day operations of the Foundation and its schools, and usually related to an activity which cannot be avoided (e.g. security, health and safety). These risks therefore require active and on-going control by the executive and other managers. Each risk identified is owned by a specified member of the executive and monitored on an on-going basis by those charged with management. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular training for staff working in these operational areas.

Separately during 2020/21 Trustees devoted specific attention to the reputational and financial risks arising from the industrial action by teaching staff at Loughborough Grammar School. It has made all necessary regulatory disclosures to the Charity Commission.

Strategic Report (continued)

Public Benefit

Our community must always look outwards and support our wider communities. While the national restrictions imposed in response to the pandemic curtailed some planned activities, it also presented new opportunities for our schools, pupils and staff to serve the wider community.

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

The range of the activity, which is defined as public benefit is as follows:

Financial Support

The Governors are conscious of the long tradition of charitable provision, primarily in the form of bursaries, on the part of the Loughborough Schools Foundation and have maintained the status quo. These awards are financed mainly through general fee income, however this is augmented by the income derived from a small number of bequest funds.

The schools which form the Foundation have a well-established tradition of providing excellent educational opportunities to children from the Loughborough and wider Leicestershire area. Governors remain committed to taking action to ensuring that support is available to those pupils who would benefit from the opportunities provided by the Foundation's schools, but whose parents may lack the financial means to meet the fees.

- Long-term Foundation Bursaries (School Assisted Places (SAPs)) are available to entrants to Amherst School, the Grammar School and the High School, who meet the general entry requirements at the point at which the pupil enters the school. These awards are made on the basis of parental means and involve an assessment of those means. During the year 141 pupils received assistance amounting to £1,115,000. Of these 27 pupils received 100% fee remission. The awards are subject to annual review, and means testing.
- A further 43 existing pupils were also given means-tested financial assistance in hardship bursaries amounting to £151,000. This assistance was awarded in circumstances in which it was believed that the assistance could be required for less than 12 months, although on many occasions, a longer period of time has proved necessary. A relatively high proportion of these pupils have also been given total fee remission. This number is increased from the previous year, reflecting the continued impact of the lockdown on the financial circumstances of our families.
- £55,000 of the above hardship awards provided immediate and short term help for 23 pupils of families whose incomes were affected by the pandemic. £44,000 of this was funded directly by donations made to the 'Completion Fund'.
- Part of the financial assistance provided both to those on long-term and short-term Foundation Bursaries has included assistance towards ancillary costs, including lunches, transportation and school uniform.
- Additionally, a further £12,000 was awarded in the form of financial assistance to 2 of the above pupils from designated bequest funds.
- The figures which have been quoted in the preceding part of this section are the direct costs of providing financial assistance on a means-tested basis to pupils; these figures do not include the significant costs of the management time at various levels of dealing with and processing these awards, or the cost of targeted advertising which aims to stimulate applications from those who are eligible.
- The total amount of means-tested assistance provided was £1,278,000. This assistance was made available to 8.22% of the pupils and represents overall 4.38% of the tuition fee income.

Strategic Report (continued)

- In addition to means tested assistance, the Foundation also makes a limited amount of funds available to recognise its scholars.
- The total amount of financial assistance (means tested and scholarships combined), excluding staff fee remission, expended during the year was £1,386,000. This represents 4.75% of the tuition fee income.

Educational

The Foundation has continued this year to widen access to its educational resources and facilities, by bringing independent and state school communities together.

Educational Experiences

Amherst School continued its outreach work with a local secondary school to identify Year 11 pupils who may benefit from the educational and co-curricular activities of the school, but who otherwise would not be able to afford the fees. As a result of this outreach a number of pupils have received financial support allowing them to attend the School's sixth form, and have achieved considerable success, including taking up places at prestigious universities.

Our commitment to learning extends beyond those pupils who attend our schools. The Foundation supports educational initiatives in a number of local schools. We believe this interchange is mutually beneficial providing opportunities for an exchange of ideas between our staff and those working in local schools, and for our pupils to mix, learn and work alongside pupils from other schools, and develop their awareness of the wider community in which they live.

Though these activities were limited during 2020/21 by Covid restrictions in our own school community, and those schools we would work with, Amherst School was delighted to have welcomed pupils from local primary schools to the annual debating day. Part of this event included training in debating from Amherst School staff in advance of the event.

Educational Expertise – Educational Training and Support

As the trustees of an education charity, Governors recognise the importance of sharing not only our physical resources, but also the expertise and experience of our staff, to support local schools and other organisations. In addition to the many masterclasses and other educational activities delivered by teaching staff and pupils at the senior schools, the Foundation supports its staff in providing support to other schools and organisation. These activities include supporting teachers in local schools and supporting the development of new teachers and teaching assistants.

This approach to partnership working was reflected in other aspects of our work during 2020/21, including:

- PGCE students - a number of Universities were supported to undertake placements at our schools. This requires a commitment of time to support those training, and to report as required by the placement programme.
- Teaching apprentices: The Foundation's Sport Department, supported by staff at Loughborough Grammar School, successfully supported an apprentice PE teacher through the formal qualification to achieve qualified teaching status while benefiting from the hands on experience of working in our schools. This programme will be continued in the 2021/22 academic year.
- A number of teaching and support staff are supported by the Foundation to be governors at local schools. The Foundation allows them time to fulfil their duties. As part of this commitment to supporting the governance of other schools, the Head of Preparatory at Loughborough Amherst school is supported by the school in her role as Foundation Director at the St Ralph Sherwin Multi-Academy Trust.

Strategic Report (continued)

Community

LSF is a well-established part of the wider community of Loughborough and Leicestershire, and where the Foundation can support other parts of the community, it is delighted to do so. LSF contributes facilities and expertise in the following areas:

Music

Despite events and performances being cancelled during the pandemic the Music department were delighted to be able to provide support to Rainbows Hospice on-line Christmas concert.

Sharing our Facilities

Throughout the year, LSF made its grounds and facilities available, free of charge, to local groups, societies and local charities, many on a weekly basis. In 2020/21 these included:

- Loughborough Lightning: Netball training and tournament. Indoor sports centre and outdoor courts
- Quorn Football Club Juniors: Quorn football pitches for training and matches
- Loughborough Town Cricket: Pitches at LGS and Quorn for matches
- Loughborough University, Rugby: Tournament and social. Quorn rugby pitches and pavilion.
- Loughborough Badminton Club (Juniors): LGS Sports Hall
- Army Reserves: LGS Sports Hall, weekly use

Reduced rate of facility use was provided to the following organisations as below, with the Foundation providing security, caretaking and event support at its own cost:

- Tom Flowers Cricket Camp: Holiday courses. LGS Sports Hall.
- Barrow Runners: Quorn athletics track (fortnightly)
- LAMDA Exams: Recital Hall

Volunteering

LSF is committed to ensuring that as well as providing academic education, our pupils learn the importance of playing a positive role in their community. To this end, we provide many opportunities for staff and students to engage in voluntary role within the community, including with Scouting and Girl Guiding Units. Students from all three Senior Schools participate in the school's voluntary service unit, supporting local organisations. These activities were limited during the year, due to restrictions on visits to care homes and other schools.

Governors were particularly proud of the LHS Student who undertook the training required to administer Covid vaccines, and who supported the roll out of the national Covid-19 Vaccination Programme.

Our schools host units of the Rainbows, Brownies, Guides and Scouts. Supported by LSF staff, pupils and parents these groups play a role in the community in community events and volunteering.

Charitable Donations and Fundraising

As well as giving of time, pupils at our family of schools are strongly engaged in fundraising for a wide variety of causes, and understand that their efforts help to change the lives of many people of all ages who are less fortunate than themselves. This begins at our Preparatory Schools with our youngest children raising money for local, national and international causes through a variety of activities. Pupils from across the Foundation raised £16,784 through a variety of events including non-uniform days, bake sales, and competitions.

Amherst	£1,647
Fairfield Prep	£2,162
Grammar School	£6,975
The High School	£6,000

Strategic Report (continued)

Within the senior schools, activities are led by a dedicated team of Senior Charity prefects. Senior pupils in all three schools support the collection and distribution of food items donated by pupils at all four schools via harvest festivals and other events to local community groups including Project 5000, The Bridge Project, The Carpenters Arms and the Salvation Army.

Although the continued Covid restrictions curtailed many activities, our pupils continued to demonstrate their generosity in giving of their time, skills and money. Of particular note was the Fairfield Pupil who compiled a book, the proceeds from the sale of this were donated to Rainbows Hospice.

Economic Impact

In addition to the public benefit arising from the Foundation's charitable activities, the Foundation makes a significant positive contribution to the local economy.

In 2020/21 it employed on average 665 people, and 81.5% of the £17.2 million paid in salaries (£17.2 million in 2019/20) remained in Leicestershire, with an estimated 97.1% remaining in the East Midlands.

We support local businesses. Although reduced by the closure of schools in January 2021, in 2020/21 our total direct spend was circa £6.58 million (£6.97 million in 2019/20), of which £2.4 million was spent in the East Midlands economy.

We estimate that in providing an education to more than 2,239 local children, the exchequer collectively save more than £10.4 million a year which it would otherwise cost to educate those children in local maintained schools.

Section 172 Statement

The Trustees have acted in a way in which they consider, in good faith, promoted the success of the Foundation for the benefit of all beneficiaries and wider stakeholder groups. The ways in which they have done this are described in further detail throughout this report, specifically:

Stakeholder	Section
Employees	Page 11 ("Employment")
Beneficiaries	Page 10 (Academic Report) and Page 13 ("Financial Assistance")
Community	Pages 14-17 ("Public Benefit")
Economic benefit	Pages 17-18 ("Economic Impact")

Strategic Report (continued)

Carbon Report

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)	6,698,388
Energy consumption breakdown (kWh):	
• gas	4,467,562
• electricity	2,184,082
• transport fuel	46,744
Scope 1 emissions in metric tonnes CO₂e	
Gas consumption	1,522.37
Owned transport – mini-buses	6.68
Total Scope 1	<u>1,529.06</u>
Scope 2 emissions in metric tonnes CO₂e	
Purchased electricity	500.82
Scope 3 emissions in metric tonnes CO₂e	
Business travel in employee owned vehicles	1.08
Total gross emissions in metric tonnes CO₂e	2,030.96
Intensity ratio Tonnes CO ₂ e per pupil	0.91

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

We have installed smart meters across all sites and increased video conferencing technology to facilitate staff to work from home and not travel to work for meetings.

Approved by the Board on 9 December 2021 and signed on its behalf by:



Admiral Sir Trevor Soar
 Chairman

Trustees' responsibilities statement

The trustees (who are also directors of Loughborough Schools Foundation for the purposes of company law) are responsible for preparing the Governors' Annual Report, including the Strategic 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 trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable companies website. Legislation in the United Kingdom governing the preparation and dissemination may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinion

We have audited the financial statements of Loughborough Schools Foundation ("the company") and its subsidiaries ("the group") for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Cashflow Statement and the related notes 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 (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2021 and of the incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 Trustees' Responsibilities set out on page 21, 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 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 groups' and 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

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

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

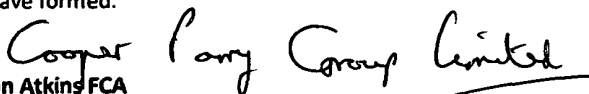
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

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

Use of our report

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


Simon Atkins FCA
Senior Statutory Auditor

For and on behalf of:

COOPER PARRY GROUP LIMITED
Chartered Accountants
Statutory Auditors

Date: 31 January 2022

Sky View, Argosy Road, East Midlands Airport, Castle Donington, Derby, DE74 2SA

**Consolidated statement of financial activities
for the year ended 31 August 2021**

	<i>Note</i>	Unrestricted income Funds £000	Restricted income funds £000	Endowed funds £000	2021 Total funds £000	2020 Total funds £000
Income and endowments from:						
Donations and legacies	3	-	111	-	111	86
Other trading activities	4	523	-	-	523	295
Investments	5	81	57	-	138	123
Charitable activities	6	29,876	1,142	-	31,018	30,049
Other		45	-	-	45	133
Total income and endowments		<u>30,525</u>	<u>1,310</u>	<u>-</u>	<u>31,835</u>	<u>30,686</u>
Expenditure on:						
Raising funds:						
Financing costs	9	135	-	-	135	90
Trading operations	9	395	-	-	395	222
Charitable activities	9	29,823	1,268	1,184	32,275	31,150
Total expenditure		<u>30,353</u>	<u>1,268</u>	<u>1,184</u>	<u>32,805</u>	<u>31,462</u>
Net income/(expenditure) before gains/(losses) on investments and transfers		172	42	(1,184)	(970)	(776)
Gain/(Loss) on sale of investments		-	-	11	11	(6)
Gain/(Loss) on investment assets	11	-	294	613	907	(91)
Net income/(expenditure) before transfers		<u>172</u>	<u>336</u>	<u>(560)</u>	<u>(52)</u>	<u>(873)</u>
Transfers between funds	19	-	(46)	46	-	-
Net movements in funds		172	290	(514)	(52)	(873)
Reconciliation of funds						
Total funds brought forward		<u>12,393</u>	<u>4,965</u>	<u>50,429</u>	<u>67,787</u>	<u>68,660</u>
Total funds carried forward		<u>12,565</u>	<u>5,255</u>	<u>49,915</u>	<u>67,735</u>	<u>67,787</u>

All incoming resources and resources expended derive from continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 52 form part of these financial statements.

**Consolidated summary income and expenditure accounts
for the year ended 31 August 2021**

	<i>Note</i>	2021	2020
		£000	£000
Income from charitable related activities		31,174	30,268
Income from non-charitable trading activities		523	295
Interest and investment income	5	138	123
Gain on sale of investment assets	19	-	-
		<hr/>	<hr/>
Gross income in the reporting period		31,835	30,686
		<hr/>	<hr/>
Expenditure on charitable activities		(30,078)	(28,992)
Expenditure on non-charitable trading activities	9	(395)	(222)
Interest payable		(135)	(90)
Depreciation and charges for impairment of fixed assets		(1,013)	(946)
		<hr/>	<hr/>
Total expenditure in the reporting period		(31,621)	(30,250)
		<hr/>	<hr/>
Net income for the year		214	436
		<hr/> <hr/>	<hr/> <hr/>

The income for the year arises from continuing activities.

A detailed analysis of the subsidiaries' trading results are set out in note 4.

Detailed analysis of the expenditure is provided in the statement of financial activities and note 9.

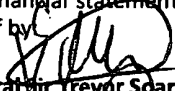
The summary income and expenditure account excludes endowed funds and unrealised gains/(losses) in accordance with Companies Act 2006. The account is derived from the statement of financial activities on page 25 which together with the notes to the financial statements provides information on the movement during the year of the funds of the group.

The notes on pages 30 to 52 form part of these financial statements.

**Consolidated balance sheet
at 31 August 2021**

	Note	2021		2020	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		66,363		67,501
Investments	11		5,052		4,145
			<u>71,415</u>		<u>71,646</u>
Current assets					
Stock	12	282		302	
Debtors	13	536		1,244	
Cash at bank and in hand		6,391		4,590	
		<u>7,209</u>		<u>6,136</u>	
Liabilities: amounts falling due within one year					
Creditors	14	(5,185)		(3,568)	
Net current assets			<u>2,024</u>		<u>2,568</u>
Total assets less current liabilities			<u>73,439</u>		<u>74,214</u>
Creditors: amounts falling due after more than one year					
	15		(5,316)		(6,427)
Provisions for liabilities					
Provisions	16		(388)		
Net assets			<u>67,735</u>		<u>67,787</u>
Funds					
Endowed funds	18		49,915		50,429
Restricted income funds	18, 19		5,255		4,965
Unrestricted income funds	18		12,565		12,393
Total funds			<u>67,735</u>		<u>67,787</u>

The financial statements were approved by the board of directors on 09 December 2021 and were signed on its behalf by


Admiral Sir Trevor Soar
Chairman


J W Doherty
Chief Operating Officer and Company Secretary

Company registered number: 4038033
The notes on pages 30 to 52 form part of these financial statements.

**Charitable balance sheet
 at 31 August 2021**

	Note	2021		2020	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		66,354		67,494
Investments	11		5,052		4,145
			<u>71,406</u>		<u>71,639</u>
Current assets					
Stock	12	48		45	
Debtors	13	743		1,537	
Cash at bank and in hand		6,311		4,478	
		<u>7,102</u>		<u>6,060</u>	
Liabilities: amounts falling due within one year					
Creditors	14	(5,069)		(3,485)	
		<u></u>		<u></u>	
Net current assets			2,033		2,575
			<u></u>		<u></u>
Total assets less current liabilities			73,439		74,214
			<u></u>		<u></u>
Creditors: amounts falling due after more than one year			(5,316)		(6,427)
			<u></u>		<u></u>
Provisions for liabilities					
Provisions	16		(388)		
			<u></u>		<u></u>
Net assets			67,735		67,787
			<u></u>		<u></u>
Funds					
Endowed funds	18		49,915		50,429
Restricted income funds	18, 19		5,255		4,965
Unrestricted income funds	18		12,565		12,393
			<u></u>		<u></u>
Total funds			67,735		67,787
			<u></u>		<u></u>

The financial statements were approved by the board of directors on 09 December 2021 and were signed on its behalf by:


 Admiral Sir Trevor Sobell
 Chairman


 J W Doherty
 Chief Operating Officer and Company Secretary

Company registered number: 4038033

The notes on pages 30 to 52 form part of these financial statements.

**Consolidated statement of cash flows
for the year ended 31 August 2021**

	<i>Note</i>	2021 £000	2020 £000
Net cash flow from operating activities			
Net cash flow (used)/provided by operating activities	20	2,959	(394)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(1,093)	(1,830)
Purchase of investments	11	(187)	(669)
Proceeds from sale of investments	11	108	576
Dividends, interest and rents received from investments	5	138	123
Net cash used in investing activities		1,925	(1,800)
Cash flows from financing activities			
Repayment of finance leases		(124)	(124)
New loan		-	5,000
Net cash generated in financing activities		(124)	4,876
Change in cash and cash equivalents in the reporting period		1,801	2,682
Cash and cash equivalents at the beginning of the reporting year		4,590	1,908
Cash and cash equivalents at the end of the reporting year		6,391	4,590

The notes on pages 30 to 52 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting Policies

Loughborough Schools Foundation is a company limited by guarantee and is incorporated and domiciled in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operation and principal activities is to provide a day or boarding school for boys and girls of all ages.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £'000.

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

Basis of consolidation

The group financial statements are the result of the consolidation of the financial statements of the company and its subsidiaries LSF Shop Limited, Thomas Burton Developments Limited and Loughborough Schools International (Qingdao) Limited (dormant). The financial statements of all companies are made up to 31 August 2021.

No separate SoFA has been presented for the charity alone following exemptions afforded by the Companies Act 2006 and the SORP (FRS 102).

Fund accounting

Funds held by the charitable company are either:

- **Unrestricted general funds** – these are funds, which can be used in accordance with the charitable objects at the discretion of the directors.
- **Restricted funds** – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the Memorandum and Articles of Association, or the donor, or when funds are raised for particular restricted purposes.
- **Permanent endowed funds** – these are the land and buildings of the schools and investments, which are not free for disposal without replacement.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fees receivable

Fees receivable are accounted for in the period to which they relate. Each year an overall amount of 5% of the fees received is allocated to the bursary fund. The fees receivable are stated after deducting scholarships and other remissions granted by the charitable company; however, the stated fees include the contributions received from restricted funds for bursaries and other grants.

Notes (continued)

Investment income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Donations

Donations received for the general purposes of the schools are credited to unrestricted funds. Donations subject to specific wishes of the donors are carried to the relevant restricted fund or to the endowed fund.

Trading income

Trading income, including income from LSF Shop Limited and Thomas Burton Developments, is included when receivable.

Government Grants

Income from the Coronavirus Job Retention Scheme (CJRS) has been recognised as grant income in the period it relates to using the accruals method.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on raising funds
- Expenditure on charitable activities

Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of Loughborough Schools Foundation and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Redundancy / termination payments

All redundancy and termination payments are recognised within the year.

Tangible fixed assets

The freehold land and buildings were re-valued as at 31 August 2014 and on adoption of FRS 102 SORP this was taken as "deemed cost".

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Notes (continued)

Freehold land and listed buildings	-	No depreciation charge
Other freehold buildings	-	5 – 50 years
Furniture and fittings	-	10 years
Equipment	-	4 – 10 years

Items costing less than £500 are written off as an expense when acquired.

No depreciation is charged against assets under construction.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in '(loss)/gains' on revaluation of investments' in the SoFA. No depreciation is charged on investment properties in accordance with the Charities SORP.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'gains/(losses) on revaluation of investments' in the SoFA. Realised gains and losses are calculated as the difference between sale proceeds and original cost.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Operating Leases

Operating lease rentals are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Hire Purchase Contracts & Finance Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Deferred income

Prepaid fees are held as creditors until the start of the term to which they relate. They are then transferred to the statement of financial activities and recognised as income.

Taxation

Loughborough Schools Foundation is exempt from income tax and capital gains tax under Section 505 ICTA1988.

Notes (continued)

Pension schemes

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Defined Contribution Scheme

The School pays contributions into private pension schemes, which are managed independently of the finances of the School in respect of its support staff. The schemes are operated on a defined contribution basis, and therefore no surpluses or deficits will arise. Contributions are charged against expenditure in the year in which they fall due.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. After taking into consideration the effects of COVID-19, Governors are still satisfied that the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. The Schools remain open and we are confident that we have a robust online facility that we can quickly put into place should remote learning be required.

Limited by guarantee

Each member of the charitable company undertakes to contribute to such amount as may be required but not exceeding £10.

Re-statement of prior year figures

Where prior year figures are re-stated, the reason will be stated in the notes section of the accounts.

2 Judgements and key sources of estimation uncertainty

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

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

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

Leases

The group determines whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Investment properties

Critical estimates, assumptions and judgements relate to the determination of the carrying value of investment properties at fair value. In determining this, the group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

Notes (continued)

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of

the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the statement of financial activities.

Depreciation and residual values

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

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

3 Donations and legacies

	Unrestricted £000	Restricted £000	2021 £000
Donations	-	111	111
Legacies	-	-	-
	-	111	111
	-	111	111
	Unrestricted £000	Restricted £000	2020 £000
Donations	-	66	66
Legacies	-	20	20
	-	86	86
	-	86	86

Notes (continued)

4 Other trading activities before consolidation

The company owns the entire share capital of The LSF Shop Limited and Thomas Burton Development Limited. It covenants any taxable profits to the company. The trading results for the year ended 31 August 2021 for both entities, as extracted from their audited accounts, are summarised below and all relate to unrestricted funds.

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2021 £000	Total 2020 £000
Turnover	434	89	523	295
Cost of sales	(293)	(1)	(294)	(120)
Gross profit	141	88	229	154
Administration	(66)	(43)	(109)	(101)
Other operating income	3	5	8	21
Operating (loss)/profit	78	50	128	74
Interest payable	(1)	(1)	(2)	(2)
Net profit	77	49	126	72
Retained loss brought forward	(8)		(8)	-
Covenant	(69)	(49)	(118)	(80)
Retained loss carried forward	-	-	-	(8)

The aggregate amounts of assets, liabilities, share capital and reserves were:

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2021 £000	Total 2020 £000
Non-current assets	-	9	9	7
Current assets	305	33	338	375
Creditors: amounts falling due within one year	(305)	(42)	(347)	(390)
Net current liabilities	-	-	-	(8)
Creditors: amounts falling due after more than one year	-	-	-	-
Net liabilities	-	-	-	(8)
Share capital and reserves	-	-	-	(8)

Notes (continued)

On 16 August 2018, LES Shop Ltd became LSF Shop Ltd, and as such a new lease agreement was signed with Loughborough Schools Foundation. Lease costs of £9,800 per annum are payable until expiration of the lease on 1 March 2022.

5 Investment Income

	Unrestricted £000	Restricted £000	2021 £000	2020 £000
Bank interest receivable	7	19	26	27
Investment income	55	38	93	80
Rental income	19	-	19	16
	81	57	138	123
	71	52		

6 Charitable activities

School income receivable comprised:

	2021 £000	2020 £000
Tuition fees	28,392	26,857
Boarding fees	1,192	999
Bursary awards and grants	(1,072)	(1,075)
Bursary awards and grants paid for by restricted funds	1,142	1,181
	29,654	27,962
Government Grants	219	1,059
Catering receipts	968	852
Other fees & grant	177	176
	31,018	30,049

Income from school income was £31,018,000 (2020: £30,049,000) of which £29,876,000 (2020: £28,868,000) was attributable to unrestricted funds and £1,142,000 (2020: £1,181,000) was attributable to restricted funds.

Tuition fees for the year include £1,072,000 (2020: £1,075,000) transferred to restricted fund bursaries.

Government grant income of £219,000 is made up of income from the Job Retention Scheme.

Bursary awards, grants and scholarships were made to 246 pupils (2020: 287) from restricted funds.

Notes (continued)

7 Charitable net income is stated after charging:

	2021	2020
	£000	£000
Auditors' remuneration:		
For audit	29	29
For other services	4	5
Governors' professional liability insurance	9	9
Depreciation of tangible fixed assets	2,231	2,202
	<hr/>	<hr/>
Staff costs		
Wages and salaries	17,496	17,221
Social security costs	1,632	1,587
Pension contributions	2,989	2,915
	<hr/>	<hr/>
	22,117	21,723
	<hr/> <hr/>	<hr/> <hr/>

The number of employees whose contracts were terminated and who left our employment within the financial year totalled 6 including 3 redundancies.

The average number of employees in the year was 679 (2020: 676) of whom 275 (2020: 275) were teaching staff. Neither the governors nor persons connected with them received any remuneration or other benefits from the charitable company or any connected organisation.

The number of employees whose emoluments exceeded £60,000 was:

	2021	2020
£60,001 - £70,000	8	9
£70,001 - £80,000	4	4
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£100,001 - £110,000	2	2
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	1
	<hr/>	<hr/>
	19	19
	<hr/> <hr/>	<hr/> <hr/>

Contributions were made to the Teachers' superannuation scheme, which is a defined benefit scheme for 14 higher paid employees (2020: 13). Contributions were paid to a defined contribution pension scheme for a further 5 employees (2020: 5).

Notes (continued)

8 Governors and key management personnel remuneration and expenses

The Governors consider that they, together with the Heads of the 4 schools and the COO comprise the Key Management Personnel. The Governors give of their time freely and the pay and remuneration of the Heads and the COO is set by the Remuneration Committee and is kept under annual review. A number of criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

The total amount of employee benefits received by key management personnel is £838,000 (2020 : £835,000).

The trustees neither received nor waived any remuneration during the year (2020: £NIL).

Notes (continued)

9 Analysis of total resources expended

	Staff costs £000 (note 7)	Other £000	Depreciation £000 (note 10)	Total 2021 £000	Total 2020 £000
Cost of generating funds					
Trading	85	306	4	395	222
Financing	-	135	-	135	90
	<u>85</u>	<u>441</u>	<u>4</u>	<u>530</u>	<u>312</u>
Charitable expenditure					
Teaching costs	17,098	1,955	-	19,053	18,810
Welfare costs	283	-	-	283	232
School meals and catering	579	792	-	1,371	1,327
Premises	1,513	1,825	2,227	5,565	5,325
Support costs	2,396	2,079	-	4,475	3,993
Financial Assistance including Bursaries and Scholarships		1,237	-	1,237	1,161
Governance costs	248	43	-	291	302
	<u>22,117</u>	<u>7,931</u>	<u>2,227</u>	<u>32,275</u>	<u>31,150</u>
Total expenditure	<u><u>22,202</u></u>	<u><u>8,372</u></u>	<u><u>2,231</u></u>	<u><u>32,805</u></u>	<u><u>31,462</u></u>

Governance costs are an apportionment of the relevant peoples' salaries with regard to the long term strategic planning of the charitable company.

Resources expended total £32,805,000 (2019: £31,462,000) of which the split between funds is as follows;

	Staff costs £000	Other £000	Depreciation £000	Total 2021 £000	2020 £000
Unrestricted funds	22,202	7,135	1,016	30,353	29,046
Restricted funds	-	1,237	31	1,268	1,204
Endowment funds	-	-	1,184	1,184	1,212
	<u>22,202</u>	<u>8,372</u>	<u>2,231</u>	<u>32,805</u>	<u>31,462</u>
Total expenditure	<u><u>22,202</u></u>	<u><u>8,372</u></u>	<u><u>2,231</u></u>	<u><u>32,805</u></u>	<u><u>31,462</u></u>

Bursaries and scholarship costs of £1,237,000 (2019: £1,161,000) have been charged directly to restricted funds.

Notes (continued)

10 Consolidated tangible fixed assets

	Freehold land and Buildings £000	Furniture and fittings £000	Equipment £000	Assets in the course of construction £000	Total £000
Cost or valuation					
Balance at 1 September 2020	72,274	2,207	9,115	1,117	84,713
Additions at cost	614	80	399	-	1,093
Transfer between classes	1,018	99	-	(1,117)	-
At end of year	73,906	2,386	9,514	-	85,806
Depreciation					
Balance at 1 September 2020	(7,816)	(1,707)	(7,689)	-	(17,212)
Charge for year	(1,492)	(112)	(627)	-	(2,231)
At end of year	(9,308)	(1,819)	(8,316)	-	(19,443)
Net book value					
At 31 August 2021	64,598	567	1,198	-	66,363
At 31 August 2020	64,458	500	1,426	1,117	67,501

The parent charitable company has elected, in accordance with S35 10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation as their deemed cost.

The value of the playing fields and listed buildings, which are not depreciated, at the end of the year was £1,600,000 (2020: £1,600,000) and £4,260,000 (2020: £4,260,000) respectively.

No value is included for land other than playing fields. The site is an integral part of the scholastic entity comprising mainly educational buildings for which no alternative purchaser is foreseen. As a consequence, any valuation of the site is impracticable at reasonable expense.

Assets in the course of construction throughout 2020 related to the new dance studio at the High School.

All assets are held for use on charitable activities.

Notes (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £000	2020 £000
Equipment	199	298
Depreciation	49	74
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Charitable company tangible fixed assets

	Freehold land and buildings £000	Furniture and fittings £000	Equipment £000	Assets in the course of construction £000	Total £000
Cost or valuation					
Balance at 1 September 2020	72,274	2,207	9,105	1,117	84,703
Additions at cost	614	80	393	-	1,087
Transfer between classes	1,018	99	-	(1,117)	-
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
At end of year	73,906	2,386	9,498	-	85,790
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Depreciation					
Balance at 1 September 2020	(7,816)	(1,707)	(7,686)	-	(17,209)
Charge for year	(1,492)	(112)	(623)	-	(2,227)
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
At end of year	(9,308)	(1,819)	(8,309)	-	(19,436)
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Net book value					
At 31 August 2021	64,598	567	1,189	-	66,354
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
At 31 August 2020	64,458	500	1,426	1,117	67,501
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £000	2020 £000
Equipment	199	298
Depreciation	49	74
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>

Notes (continued)

11 Investments

Consolidated and charitable company	Freehold property £000	Listed and managed investments £000	Total £000
Balance at 1 September 2020	1,081	3,064	4,145
Disposal of property	-	-	
Additions at cost	-	187	187
Disposals		(108)	(108)
Change in market value of investments		828	828
Balance at 31 August 2021	1,081	3,971	5,052

The listed and managed investments of £3,971,000 (2020: £3,064,000) comprise £1,139,000 (2020: £986,000) charity investments and £2,833,000 (2020: £2,078,000) investments directly listed in the United Kingdom.

There were no investments that constituted over 5% of the market value of the listed investment portfolio.

Part of the investment property portfolio was re-valued as at March 2021 by JLL, chartered Surveyors. Management consider this an immaterial change and held the value of properties at the 2014 and 2017 valuation.

12 Stocks

	2021		2020	
	Consolidated £000	Charitable company £000	Consolidated £000	Charitable Company £000
Stocks	48	48	45	45
Subsidiaries stocks	234	-	257	-
	282	48	302	45

Notes (continued)

13 Debtors

	2021		2020	
	Consolidated £000	Charitable Company £000	Consolidated £000	Charitable company £000
Fees receivable	123	123	336	336
Other debtors	389	389	898	898
Trade debtors	24	-	10	-
Due from group undertakings	-	231	-	303
	<u>536</u>	<u>743</u>	<u>1,244</u>	<u>1,537</u>

14 Creditors:

Amounts falling due within one year

	2021		2020	
	Consolidated £000	Charitable company £000	Consolidated £000	Charitable Company £000
Prepaid fees	1,747	1,747	1,242	1,242
Fee guarantees	74	74	86	86
Taxation and social security	484	474	414	415
Net obligations under hire purchase contracts	124	124	124	124
Mortgage obligation	28	28	28	28
CBILs loan	1,000	1,000	83	83
Other creditors	1,339	1,234	1,429	1,346
Accruals	389	388	162	161
	<u>5,185</u>	<u>5,069</u>	<u>3,568</u>	<u>3,485</u>

Net obligations under hire purchase contracts are secured on the assets to which they relate. Fee guarantees are repayable when pupils leave. Other creditors include £303,000 (2020: £349,000) of outstanding pension contributions. Figures have been re-stated to include fee guarantees due within one year only.

Notes (continued)

15 Amounts falling due after one year

	2021		2020	
	Consolidated	Charitable Company	Consolidated	Charitable Company
	£000	£000	£000	£000
Fee guarantees	785	785	744	744
Net obligations under hire purchase contracts	-	-	124	124
Mortgage obligation	614	614	642	642
CIBLs loan	3,917	3,917	4,917	4,917
	<u>5,316</u>	<u>5,316</u>	<u>6,427</u>	<u>6,427</u>

Net obligations under hire purchase contracts are secured on the assets to which they relate.

16 Provisions

	Legal Costs	Compliance	Total
	£000	£000	£000
Balance at 1 September 2020	-	-	-
Charged in year	102	286	388
Utilised/released in year	<u>-</u>	<u>-</u>	<u>-</u>
	<u>102</u>	<u>286</u>	<u>388</u>

Legal costs relate to provisions to defend both known and potential litigation regarding employment matters and capital projects. These are expected to be resolved by the end of the 2022/23 financial year.

Compliance provisions relate to potential risks that were identified in the year but not fully resolved by the year end. They are currently expected to be largely resolved by the end of the 2022/23 financial year.

17 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021		2020	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£000
Within one year	124	124	124	124
Between 1-5 years	-	-	124	124
	<u>124</u>	<u>124</u>	<u>248</u>	<u>248</u>

Notes (continued)

18 Analysis of net assets between funds 2021

	Tangible Fixed assets	Investments	Net current assets/ (liabilities)	Non current (liabilities) and provisions	Total
	£000	£000	£000		£000
Restricted income funds					
Bursary fund	-	-	600	-	600
Burton bursaries 2	-	-	188	-	188
A & PM Shepherd bequest	-	873	1,292	-	2,165
HS Gym Equipment	62	-	-	-	62
BF Dyson bequest	-	172	167	-	339
Parkin bequest	396	-	-	-	396
Coltman bequest	-	9	174	-	183
Wolfson bequest	2	150	53	-	205
GN Harvey fund	14	4	-	-	18
Bancroft bequest	-	-	65	-	65
Steinway Appeal	67	-	-	-	67
Hammersley bequest	-	-	-	-	-
Prize funds	-	10	21	-	31
Scholarships	-	149	138	-	287
New Grammar School CCF Building	102	-	-	-	102
The Old Loughburian Benevolent fund	-	145	(9)	-	136
OLAFOC fund	-	-	72	-	72
Donations restricted fund	-	-	151	-	151
Cockrell bequest	-	164	24	-	188
Total	643	1,676	2,936	-	5,255
Unrestricted income funds	19,181	-	(912)	(5,704)	12,565
Endowed funds	46,539	3,376	-	-	49,915
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	66,363	5,052	2,024	(5,704)	67,735
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

Analysis of net assets between funds 2020

	Tangible Fixed assets	Investments	Net current assets/ (liabilities)	Non current (liabilities)	Total
	£000	£000	£000		£000
Restricted income funds					
Bursary fund	-	-	600	-	600
Burton bursaries 2	-	-	171	-	171
A & PM Shepherd bequest	-	731	1,291	-	2,022
HS Gym Equipment	-	-	69	-	69
BF Dyson bequest	-	139	167	-	306
Parkin bequest	-	-	402	-	402
Coltman bequest	-	10	175	-	185
Wolfson bequest	8	111	54	-	173
GN Harvey fund	-	4	15	-	19
Bancroft bequest	-	-	65	-	65
Steinway Appeal	-	-	71	-	71
Hammersley bequest	1	-	-	-	1
Prize funds	-	9	20	-	29
Scholarships	-	133	127	-	260
New Grammar School CCF Building	105	-	-	-	105
The Old Loughburian Benevolent fund	-	124	(7)	-	117
OLAFOC fund	-	-	74	-	74
Donations restricted fund	-	-	154	-	154
Cockrell bequest	-	121	21	-	142
Total	114	1,382	3,469	-	4,965
Unrestricted income funds	19,721	-	(901)	(6,427)	12,393
Endowed funds	47,666	2,763	-	-	50,429
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	67,501	4,145	2,568	(6,427)	67,787
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

19 Movement on restricted funds 2021

	Balance at 1 September 2020 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Investment gains on revaluation £000	Investment gains on sales £000	Balance at 31 August 2021 £000
Bursary fund	600	1,072	(1,072)	-	-	-	600
Burton bursaries	171	47	(30)	-	-	-	188
A & PM Shepherd bequest	2,022	29	(29)	1	142	-	2,165
HS Gym Equipment	69	-	(8)	1	-	-	62
BF Dyson bequest	306	7	(6)	-	32	-	339
Parkin bequest	402	2	(8)	-	-	-	396
Coltman bequest	185	1	(3)	-	-	-	183
Wolfson bequest	173	2	(7)	(2)	39	-	205
GN Harvey fund	19	-	(1)	-	-	-	18
Bancroft bequest	65	1	-	(1)	-	-	65
Steinway Appeal	72	-	(5)	-	-	-	67
Hammersley bequest	-	-	-	-	-	-	-
Prize funds	29	2	-	-	-	-	31
Scholarships	260	94	(84)	-	17	-	287
New Grammar School CCF Building	105	-	(3)	-	-	-	102
The Old Loughburian Benevolent fund	117	4	(5)	(1)	21	-	136
OLAFOC	74	-	(2)	-	-	-	72
Donations restricted fund	154	44	(3)	(44)	-	-	151
Cockrell bequest	142	3	-	-	43	-	188
Total	4,965	1,308	(1,266)	(46)	294	-	5,255

The bursary fund represents sums transferred each year by the schools, under the terms of the trust deed, calculated as a percentage of fees excluding those received under foundation bursaries. The percentages this year were 6%, 6% and 1% for the Grammar School, the High School and Fairfield respectively. Loughborough Amherst School makes no contribution.

After a review of the usage of the bursary fund in 2018 the governors have decided to reduce the balance of the fund to £600,000. Transfers from fee income will continue to be made as described above and any difference between the transfer and the awards for the year will be adjusted by an additional transfer to maintain the fund balance at £600,000.

The restricted New Grammar School CCF building fund of £102,000 represents a contribution by the local cadet force towards the cost of a new building, which is being charged to the statement of financial activities over the life of the asset.

Notes (continued)

Movement on restricted funds 2020

	Balance at 1 September 2019 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Investment gains on revaluation £000	Investment gains on sales £000	Balance at 31 August 2020 £000
Bursary fund	600	1,075	(1,075)	-	-	-	600
Burton bursaries	170	24	(23)	-	-	-	171
A & PM Shepherd bequest	2,020	22	(22)	-	2	-	2,022
HS Gym Equipment	77	-	(8)	-	-	-	69
BF Dyson bequest	309	6	(7)	-	(2)	-	306
Parkin bequest	400	2	-	-	-	-	402
Coltman bequest	189	3	(7)	-	-	-	185
Wolfson bequest	186	6	(12)	-	(7)	-	173
GN Harvey fund	20	-	(1)	-	-	-	19
Bancroft bequest	64	1	-	-	-	-	65
Steinway Appeal	77	-	(5)	-	-	-	72
Hammersley bequest	21	-	(21)	-	-	-	-
Prize funds	30	-	-	-	-	-	29
Scholarships	252	127	(117)	-	(2)	-	260
New Grammar School CCF Building	108	-	(3)	-	-	-	105
The Old Loughburian Benevolent fund	115	4	(5)	-	3	-	117
OLAFOC	80	-	(6)	-	-	-	74
Donations restricted fund	-	46	108	-	-	-	154
Cockrell bequest	147	4	-	-	(9)	-	142
Total	4,865	1,319	(1,204)	-	(15)	-	4,965

Certain Wolfson and Hammersley bequests relating to equipment and fixtures and fittings are being charged to the statement of financial activities over the life of the asset.

The Old Loughburian Benevolent Fund represents funds to be transferred to the Foundations Schools following a decision made by the trustees of the fund during 2011. The funds will be used for objects contained in the original trust Deed of the Old Loughburian Benevolent Fund.

The A&PM Shepherd and Dyson bequests generate income used to fund scholarships awarded by Loughborough Grammar School and Loughborough High School.

The other restricted funds all relate to bequests and gifts to be used for specific prizes or scholarships (note 18).

Notes (continued)

20 Reconciliation of net income to net cash flow from operating activities

	2021	2020
	£000	£000
Cash flows from operating activities		
Net Income/(expenditure) for the reporting period (as per the statement of financial activities)	(52)	(873)
Adjustment for:		
Depreciation charge	2,231	2,205
Dividends, interest and rents received from investments	(138)	(123)
Decrease/(increase) in stock	20	(96)
Decrease/(increase) in debtors	708	(357)
Increase/(decrease) in creditors	630	(1,247)
Increase/(decrease) in provisions	388	
Gain/(loss) on revaluation of investments	(828)	91
Profit on disposal of investments	-	6
	<hr/>	<hr/>
Net cash (used)/provided by operating activities	2,959	(394)
	<hr/> <hr/>	<hr/> <hr/>

21 Analysis of changes in net debt

	Balance at 31 August 2020	Cash Flows	Non Cash Flows	Balance as at 31 August 2021
	£000	£000	£000	£000
Cash	4,590	1,800	-	6,390
Loans falling due within one year	(111)	(917)	-	(1,028)
Loans falling due after more than one year	(5,559)	1,028	-	(4,531)
Finance lease obligations due within one year	(124)	-	-	(124)
Finance lease obligations due after more than one year	(124)	80	44	-
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	(1,328)	1,991	44	707
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

22 Analysis of mortgage loan

Repayments are due as follows	2021	2020
	£000	£000
Amounts falling due:		
- Within one year	28	28
- Between one and two years	28	28
- Between two and five years	586	84
- After five years	-	530
	642	670
	642	670

Lender	Term	Security	Interest Rate
HSBC Bank plc	7 years	85 Castledine Street	Variable, charged at 1.55% over base rate

The terms of the mortgage allow repayment without incurring any penalty.

23 Analysis of CBILS loan

Repayments are due as follows	2021	2020
	£000	£000
Amounts falling due:		
- Within one year	1,000	83
- Between one and two years	1,000	1,000
- Between two and five years	2,000	3,000
- After five years	917	917
	4,917	5,000
	4,917	5,000

Lender	Term	Security	Interest Rate
Natwest Bank PLC	6 years	TBC – by November 2021	1 year interest free, interest rate after 1 year 2.37% over base rate

24 Pensions

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

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

Valuation of the Teachers' Pension Scheme.

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

Notes (continued)

report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £2,534,000 (2020: £2,491,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Foundation has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Foundation has set out above the information available on the scheme.

25 Governors expenses

In connection with their role as governors of the charitable company, the governors received reimbursement amounting to £469 (2019: £1,879) for expenses incurred.

26 Operating Leases

As at 31 August 2021 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Expiry date:		
Within 1 year	138	121
Between 2 and 5 years	251	147
Greater than 5 year	-	2
Total	389	270

Notes (continued)

27 Related Party Transactions

During the year recharges of £54,000 (2020: £66,000) were charged to subsidiary undertakings.

Profits of £118,000 (2020: £80,000) were gift aided to the school in line with covenants.

Included within debtors on the charitable balance sheet are amounts owed from group undertakings of £231,000 (2020: £303,000) of which £118,000 (2020: £230,000) relates to a loan which is repayable within one year, and is subject to interest at 0.5% per annum. During the year interest of £1,000 (2020: £1,000) was charged on loan accounts with group undertakings.

The transactions were made in the normal course of business.

28 Capital Commitments

Bluecon Construction was appointed in August 2019 for the construction of the new girl's dance studio. Bluecon has submitted a valuation for final account of £91,000 which is disputed by LSF and its QS adviser. Negotiations are continuing in this respect and settlement is expected within the next financial year.

29 Controlling party

The Governors consider that the company has no controlling party.

30 Company

Loughborough Schools Foundations has three wholly owned subsidiary undertakings which have been included in the consolidated financial statements.

Thomas Burton Developments Ltd has called up share capital of £2; LSF Shop Ltd has called up share capital of £2. The third subsidiary, Loughborough Schools International (Qingdao) Limited was incorporated on 11 March 2020 and is considered dormant as at 31 August 2020 and has called up share capital of £100.

The subsidiary registered offices are the same as for Loughborough Schools Foundation which can be found on page 2 of the Governors' report.

LOUGHBOROUGH SCHOOLS FOUNDATION

England & Wales - Charity number 1081765

Accounts

Loughborough Schools Foundation

Governors' Report and Financial Statements

For the year ended 31 August 2020
Registered company number 4038033
Registered charity number 1081765

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GOVERNORS' REPORT

Relevant Background

The Foundation comprises four independent schools and one nursery, all located in Loughborough. The Loughborough Schools Foundation was regulated as a charity by a number of earlier schemes made by the Board of Education and the Charity Commission. On 20 July 2000 the charity was incorporated as a company limited by guarantee (number 4038033). At the same time, the former charitable trust was dissolved and the permanent endowment was placed within a new charitable trust (number 1081765). All Governors are Directors of the Loughborough Schools Foundation company and the company is the Trustee of the Charitable Trust formed on 28 July 2000. By order of the Charity Commission, these accounts consolidate the accounts of the Loughborough Schools Foundation Company limited by guarantee and the Loughborough Schools Foundation Charitable Trust.

Loughborough Grammar School (LGS) and Loughborough High School for Girls (LHS) were founded in 1495 and 1850 respectively. Fairfield Preparatory School became autonomous in 1969 having previously operated as the junior school of Loughborough High School. On 1 September 2015 Our Lady's Convent School (founded 1850) was subsumed into the Foundation thus becoming its fourth independent school; from 1 September 2018, the school changed its name to become Loughborough Amherst School (LAS). The Nursery, established on the site of Loughborough Amherst School, opened in October 2016. Throughout the Governors' Reports and Financial Statements, the company and charitable trust are referred to collectively as the Foundation.

Trustees & Directors

Loughborough Schools Foundation is an educational charity administered by Governors who are also the Trustees of the Charity and Directors of the Company. The Governors who served during the year, except where indicated, were:

Foundation Chair:

Admiral Sir Trevor Soar KCB OBE DEng (Hon) DL

Foundation Vice Chair

Mr A D Jones BA FCA

School Board Chairs as at 31st August 2020:

Mrs E K Critchley MA (Oxon) (LHS)

Mrs A Murphy BA (Hons)

Mrs P O'Neill MA (Cantab) (LGS)

Mrs G Richards BA Hons M.Ed. Hon.Ed.D

Co-opted Governors:

Mr P Alexander (resigned 5 December 2019)

Professor R Allison BA PhD

Professor A Dodson BSc (Hons), PhD, DSc

Professor J Feather MA, PhD, FRSA

Jennifer, Lady Gretton DVCO JP, LLD (Hon), D.Uni (Hon), Hon.DLitt

Mr A Harris MA

Mr R Harrison MA (Cantab) Dip arch RIBA

Mr K Higginson BA, FCA, MIFT

Mr P M Jackson FIMI

Professor J Ketley BSc (Hons), Phd (Bham), CBiol, MSB

Mrs R J E Limb OBE MA (Cantab)

Mr P Middleton MA (Oxon) BA Hons (Oxon) (resigned 30 June 2020)

Mr P Snelling (Hons) MBA C.Eng MRAeS

Mr J Stone

Mrs L Webb BSc (Hons)

Governors' report (continued)

Nominated Governor:

Sister C Leydon *Rosminian Sisters of Providence*

All Governors give up their time freely and no remuneration was paid during the course of the year. Reasonable travelling and associated expenses were paid in accordance with Foundation policy. No Trustee/Director, or person connected with a Governor, received any benefit either from a means-tested Foundation Bursary or a scholarship awarded to a pupil.

Chief Operating Officer and Company Secretary: J W Doherty, ICCG, MIoD, VR

Registered Office: 3 Burton Walks
Loughborough
Leicestershire
LE11 2DU

Professional Advisers:

Bankers: National Westminster Bank plc
Market Place
Loughborough
Leicestershire
LE11 3EA

Solicitors: Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5DS

S J Roberts Esq
Bird, Wilford and Sale
20 Church Gate
Loughborough
Leicestershire
LE11 1UD

Auditors: Cooper Parry Group Limited
Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

Investment Advisers: Charles Stanley & Co. Limited
25 Luke Street
London
EC2A 4AR

Architects: GSS Architecture
35 Headlands
Kettering
Northamptonshire
NN15 7ES

Governors' report (continued)

A&G Architects
11 Leicester Road
Loughborough
LE11 2AE

Concept World
8 Main Street
Bilton
Rugby
CV22 7NB

Project Managers:

NCS
The Exchange
19 Newhall Street
Birmingham
B3 3JP

Insurance Broker:

Aon Corporate Division
4th Floor, Insurance House
125-129 Vaughan Way
Leicester
LE1 4SB

Land Managers:

Mather Jamie
3 Bank Court
Weldon Road
Loughborough
Leicestershire
LE11 5RF

Objects

The object for which the Foundation is established is to advance education by carrying on in Great Britain a school or schools which may be day or boarding schools at which infants, children and students may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, religious, vocational, social and commercial subjects, activities and crafts of every description and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Structure, Governance and Management

The Governors determine the policies of the Foundation and the individual schools. The day-to-day management of educational and pastoral issues is delegated to the Heads, supported by their senior staff. The Chief Operating Officer (COO) is answerable for the overall leadership of the charity and in particular its business development. The COO is specifically responsible for the centralised functions of finance, human resources, estates and grounds management, health and safety, compliance, catering, network services, commercial activity, marketing and three subsidiary companies, he is also the Company and Charity Secretary. All of these functions are embedded within the Foundation. The Foundation is governed by its Memorandum and Articles of Association. The Heads and the COO attend Governors' meetings.

The Foundation is comprised of four schools:

Loughborough Grammar School	-	for boys aged 10-18 Headmaster: Mr D J Byrne, MA (Cantab) Med
Loughborough High School	-	for girls aged 11-18 Headmistress: Dr F Miles (MA Cantab) MBBS

Governors' report (continued)

Fairfield Preparatory School	-	for boys and girls aged 3-11 Headmaster: Mr A R Earnshaw, BA, NPQH
Loughborough Amherst School (incorporating Loughborough Nursery)	-	for boys and girls aged 6 weeks-18 Headmaster: Dr J Murphy, BA, DPhil (Oxon)

The schools are principally day schools. However, the Grammar School also provides boarding facilities for 72 pupils. From September 2019, Amherst School has provided boarding for up to 16 pupils as part of the Foundation's partnership with the Lawn Tennis Association and University of Loughborough.

Membership of Relevant Professional Bodies

The Heads of the Grammar School, High School, Fairfield Preparatory School and Amherst School are members of the HMC, GSA, IAPS and CISC respectively. The COO is a member of the ISBA. All of these professional bodies are in membership of the Independent Schools' Council. Membership of these associations provides an opportunity to share expertise, knowledge and experience across the independent schools' sector. These professional associations also facilitate representation to the Government and regulators on the views of the sector.

Governor Recruitment and Training

The Board of Governors requires considerable breadth and depth of experience to carry out its duties effectively and efficiently. The Nominations Committee interviews prospective governors on a regular basis and maintains a list of prospective candidates to be called forward when vacancies arise and/or skill gaps in the Board become apparent.

A comprehensive policy exists on the recruitment, selection and induction of Governors. Moreover, in addition to having access to professional development training provided by advisers to the independent schools' sector, the Foundation has historically staged its own governors' training days, the aspiration being to hold at least one training day per annum. A record of Governor training is held by the Secretary to the Board. In addition to training for the governors as a whole, individual governors also receive training to support them in specific duties they undertake, for example safeguarding and finance. The Foundation is a member of the Association of Governing Bodies of Independent Schools (AGBIS) and Governors are encouraged to make use of the programme of conferences and seminars offered.

Governance and Committee Structure

The Board, through seven functional committees, exercises the management and control of the Foundation and schools. Additionally, an individual committee known as a 'School Board' operates for each of the schools. As the functional committees have primacy, the four School Boards have limited executive powers but were constituted to ensure that school issues are appropriately raised at Foundation Board level. During the year the Board reviewed the Terms of Reference of each committee and made a number of minor changes to ensure they remained appropriate.

In March 2019 the Board agreed a revised Scheme of Reservation, Management and Delegation which set out in detail the authority delegated by the Board to specific committees and individuals, as well as those matters which are reserved for the Board.

Each year the membership of each committee is reviewed, to ensure that committees have the relevant skills necessary to successfully discharge their duties and that the workload on governors is fairly distributed.

During the year the Board reviewed the role and responsibilities of the Bursary Committee, and in December 2019 took the decision to disband this committee. The responsibilities previously discharged by the Committee were delegated to the Finance Audit and Risk Committee and to members of the Executive.

The committees in existence during the year were:

Governors' report (continued)

Four School Boards (Amherst, Fairfield, Grammar and High Schools): Each consisting of four Governors, or in the case of Amherst five governors, School Boards are responsible for liaison on general matters and ensuring that school issues are represented at the appropriate functional committee and/or the Foundation Board. They have particular focus on academia and educational matters and provide the primary Governor/School interface, including representation to the ISI. The School Boards meet on a termly basis.

Chairs' Committee: Consisting of the four School Board Chairs, the Vice Chair, the Chairs of the Finance, Audit and Risk, and Operations Committees and chaired by the Foundation Chair, this committee provides a mechanism for the identification, development and preparation of issues for Foundation Board discussion. Its primary function is to augment the flow of communication and enhance the Foundation Board's capacity for strategic analysis and the consideration of Foundation level issues. The committee meets on a termly basis.

The Finance Audit and Risk Committee is chaired by a Governor and consists of additional members, equally drawn from the four School Boards, and one other member who is financially qualified. The committee's remit is to monitor the financial performance of the Foundation and its component schools and to make recommendations to the Board accordingly. It oversees the external audit process as well as the programme of internal reviews and checks undertaken throughout the year, such as spot checks of the single central register, and safeguards the integrity of the Foundation's systems and internal controls. The committee is also responsible for risk management in the foundation and for ensuring that the Foundation has a long-term financial plan, consistent with its overall strategic development and infrastructure plans. It exercises oversight of the Foundation's investments and reserves. The committee meets on a termly basis.

Operations Committee: Consisting of five Governors it advises the Board on all matters relating to capital development, reactive and planned maintenance, maintenance of the grounds, Human Resources, Networks Services, Catering and health and safety. The committee meets on a termly basis.

Fundraising Committee:

Consisting of four governors, and attended by the Director of Development and the member of the Executive with responsibility for the Development Office, the Committee is responsible for overseeing the development of a fundraising strategy in-line with the Foundation's strategic plan, and to agree priorities for fundraising support.

Remuneration Committee: Consisting of the four School Board Chairs, the Vice Chair and chaired by the Foundation Chair, it advises the Board on salaries and conditions of service for Foundation staff, teachers and schools' support staff. The committee has specific responsibility for determining the remuneration of the Foundation's senior officers. The committee meets annually.

The Nominations Committee: Consisting of four governors and chaired by the Foundation Chair, it advises the Board on the recruitment, selection and induction of new Governors. In doing so, it makes use of the policy on the recruitment, selection and induction of Governors. The committee may meet up to three times a year to consider applications from prospective governors and undertake succession planning.

The Board also receives reports from The Subsidiary Trading Board. Subsidiary Trading Board has three Directors, one of whom is not a trustee of Loughborough School's Foundation. The Directors are responsible for the legal oversight of the Foundation's incorporated subsidiaries, which are currently:

- Thomas Burton Developments Limited
- LSF Shop Ltd
- Loughborough Schools International (Qingdao) Limited (incorporated on 11 March 2020)

Investment Policy/Performance:

The investment objectives are to generate the highest possible returns, which are commensurate with a low to medium level of risk. The Foundation does not specifically invest in ethical investments.

Governors' report (continued)

The bulk of the Schools' investment portfolio is held in funds managed by Charles Stanley Wealth Managers who act as the investment adviser on this element of the portfolio. The majority of the remainder is managed by CCLA Investment Management Ltd.

The value of the portfolio decreased from £4,149,000 to £4,145,000, during the course of the year during which residential and agricultural properties held in the portfolio and valued at £330,000 were sold for a combined loss of £14,000. The proceeds of these sales were reinvested in a managed portfolio. The Finance, Audit and Risk Committee reviews the performance of the portfolio regularly, using the FTSE 100, the FTSE All share and the APCIMS Indices to benchmark performance.

Reserves

The Governors have established a policy on the holding of reserves, which is constituted as follows:

- a. A sum equal to 10% of working Capital which for the year 2019-20 was deemed to be £957,000
Plus;
- b. A sum no less than 5% and no more than 10% of the designated in year CAPEX requirement which for the year 2019-20 was deemed to be £223,000.

The total funds held at the end of the reporting period were £67,787,000 and of this, £55,394,000 was either restricted or endowed, and therefore not available to be used for general purpose. The Foundation also holds investments sufficient to match the restricted funds as represented by the Bursary Fund, A. & P. M. Shepherd Bequest, Dyson Bequest, Coltman Bequest, 'Johnnie Johnson' Award Fund, Wolfson Fund and the various prize and scholarship funds.

The combined requirement of the free reserve and restricted funds throughout the reporting period was £6,045,000. As at 31 August 2020 our liquid funds were £8,735,000 and therefore our policy was met

STRATEGIC REPORT

Covid 19 Pandemic

The Covid 19 pandemic created unprecedented challenges globally and nationally, and the impact was felt by the Foundation and its schools. The closure of schools on 20 March 2020 and the national lockdown presented immediate and significant challenges for our schools. Thanks to investment in our networks, and the creativity and adaptability of staff, all four schools offered a full curriculum of remote learning, as well as a programme of pastoral support and sport and house activities to maintain the sense of school community. It also enabled Governors to continue to meet remotely via Microsoft Teams and Avaya and to thus remain actively involved and connected.

The Foundation maintained provision for children of key workers throughout the school closure, with an average of 24 pupils attending each day, including the Easter holiday period, as the Schools supported parents working key roles. To support our wider community, we opened the Nursery Key Worker Provision to children who ordinarily attended different local settings which remained closed during the pandemic. Governors were proud that both Amherst and Fairfield Preparatory Schools were among only a small number of schools in the region that were able to open to all year groups before the end of term.

The cancellation of the public examinations presented an additional challenge; staff in the three senior schools undertook detailed work to prepare the Centre Assessed Grades for all those pupils who would have sat their A-Level or GCSE examinations in the Summer Term.

The financial impact of the pandemic was felt by all members of our community. The Foundation took immediate steps to reduce the potential financial impact, making use of the Coronavirus Job Retention Scheme (CJRS) and seeking to access the funds available under the Coronavirus Business Interruption Loans (CBIL). An average of 251 staff members were furloughed each month between April and August and a total of £1,034,000 from charitable activities and £21,000 from other trading activities was received in funding from the CJRS. The Foundation also secured a Coronavirus business interruption loan (CBILS) of £5,000,000.

Governors were aware of the financial uncertainty and concerns of the parent body, and to this end made two decisions which had a significant impact on the income of the Foundation. The first was to discount the fees for the Summer Term. The discounts offered were at differing levels depending on the stage of education. This reflected a recognition that although our home learning provision was of a high quality, it could never fully replicate the vibrant environment enjoyed by pupils in our schools. This resulted in a reduction of income in the summer term of £1,753,000.

Secondly, Governors also agreed to freeze tuition fees for 2020/21 at 2019/20 levels, to support families in managing their own financial commitments. In addition, the Foundation invited families facing immediate financial pressures as a result of the pandemic to apply for short term funding awards. 36 applications were received and 31 bursaries with a total value of £59,000 were awarded as a result.

The funds received under the CBILs and furlough schemes supported the management of the Foundation's cash position. In the medium term, Governors have established a working group to identify further measures which may be taken to support the Foundation in recovering from the financial impact of the pandemic.

Main Aims for the Year

Despite the challenges posed by the Covid 19 pandemic, and the closure of the Schools, the Foundation made progress towards the priorities agreed by Trustees for the year. The main aims for the year, together with an indication of the progress made, were:

- To resolve the issues raised by the increase in employer contributions to the Teachers' Pension Scheme for 2019/20.

The decision by the Government to increase the employer contribution to the Teachers' Pension Scheme from 16.5% to 23.7% represented a significant increase in the Foundation's cost base over around £800,000 from 1 September

Strategic Report (continued)

2019. In considering the issue in 2018/19 Governors gave careful consideration to the issue, recognising the importance of the pension offer to teaching staff, and thus to the Foundation's ability to attract and retain teaching staff. It was agreed that the Foundation would maintain its membership of the TPS for 2019/20. In order to mitigate the financial impact of this decision savings were identified in others areas of the Foundation's expenditure, including teaching staff salaries.

Governors however recognise that they have a responsibility to ensure the long-term financial sustainability of the Foundation and to that during the year monitored both the financial position of the Foundation, and the wider sector response.

- To continue to seek opportunities to explore the opportunities presented by the development of a relationship with an international partner.

The Foundation has taken steps this year to further develop its understanding of the opportunities to develop relationships with international partners, with the aim to develop a secondary income stream to support the charitable activities of the Foundation and its schools in Loughborough. To support this, an existing member of staff has been given additional duties as the Director of International Development and Partnerships; to identify opportunities with international partners and to support our work with local organisations.

- To engage the school and alumni community in fundraising to support the Foundation's charitable objectives, particularly through the provision of financial assistance.

This objective has not been met this year, largely due to the Covid 19 pandemic. Planned fundraising and alumni engagement activities have had to be postponed. This remains a key priority for the Trustees and they expect to launch a revised fundraising campaign during the 2020/21 financial year.

- Implement the business plan agreed in December 2018

This business plan agreed in December 2018 reflected the agreed strategic priorities for the Foundation, and the needs of individual schools. This plan informs the medium-term financial planning to ensure that the development of new facilities and the refurbishment of existing facilities is considered when Trustees agree budgets and surplus. The plan contained a number of measures for each school and Governors will continue to monitor progress towards these.

- Continue to affect the turnaround at Loughborough Amherst School, with success to be measured against agreed KPIs.

When Loughborough Amherst School joined the Foundation, a turnaround plan was put in place, with agreed KPIs including those for pupil numbers. The School continues to meet the target level of numbers on roll, and focus in this year was in ensuring these numbers could be sustained, and that the school meets the target level of surplus in the medium term.

In addition to these matters the Trustees also undertook a review of the Foundation's strategy, informed by an assessment of the strengths of its current offer, and where there were opportunities to further improve this.

In June Governors considered allegations which were made on social media regarding incidents of racism at Loughborough Grammar School. Governors made a commitment to ensuring that all four schools provided environments where discrimination of any nature would not be tolerated in any shape or form. To support the Foundation in this aim, Governors have commissioned an independent external review of issues of race and inclusion within the Foundation's Schools and community. This review is expected to report to Governors in the first term of the next academic year.

Strategic Report (continued)

Financial Review

The financial achievements and results in the year were impacted by the Covid 19 pandemic, and the associated loss of income. The level of school fees decreased to £27,856,000 (£28,287,000 in the previous year) due to the discount offered on school fees for the Summer Term. Miscellaneous income increased the level of incoming resources to £30,049,000 which includes the £1,055,000 total funding under the Coronavirus Job Retention Scheme (CJRS) from the charitable and trading entities.

Total resources expended increased from £31,057,000 in the previous year to £31,462,000 which was largely due to the increase in TPS employer costs of £741,000. Cost savings were achieved of circa £340,000.

The net loss before adjustments for investments and transfers for the year was (£776,000). Capital expenditure was £1,830,000. Cash in hand and at bank increased from £1,908,000 in the previous year to £4,590,000 due to the CBILs loan being drawn down in July 2020.

LSF Shop Ltd was closed in March, and did not fully re-open during the academic year, though limited sales were resumed in August. As a result, there was no surplus to be gift-aided to the parent charity and the loss of (£8,000) will remain within the Shop. The performance of the subsidiary Thomas Burton Developments Limited, was likewise affected by the national lockdown imposed in March, and restrictions on social gatherings, meaning that income from the letting of our facilities, and the cancellation of holiday courses in the Easter and May half term holidays, was greatly reduced. £80,000 was gift-aided to the parent charity (a decrease on the previous year's gift aid of £125,000).

Development and Fundraising

Loughborough Schools Foundation believe that fundraising from the Schools' core community (parents, alumni, staff, governors and friends) alongside that from external companies, trusts and foundations is essential to increase the financial resources required to achieve the Loughborough Schools Foundation's charitable objectives.

The Trustees also recognise that fundraising activities must be done in such a way to build and maintain the trust of our donors, pupils and parents. As such we set out our approach to fundraising in our Donor Promise. This sets out what we will and will not do, including commitments to fundraise only for purposes aligned with our charitable objectives; keep the costs of fundraising to a minimum and to be transparent in both the use of funds raised and the costs associated with fundraising activity. The Foundation is registered with the Fundraising Regulator and committed to complying with the Fundraising Code of Practice. The Donor promise also makes clear the Foundation will not undertake excessive communications, communicate in a way which could pressure donors into giving, or contact or communicate with donors where they have asked us not to. We do not pay commissions or other income-linked payments to fundraisers.

The Board exercises oversight of the work of the Development Office, via the Fundraising Committee. The Development Office has established a database of over 17,000 alumni and others in the local community who have had involvement with the Foundation's Schools.

There have been significant challenges to the work of the Development Office this year as events were cancelled in response to the pandemic, and the national and regional economic situation bore the impact of the pandemic and lockdown period. This has significantly limited the ability of the Office to undertake any fundraising activity.

Pupil Numbers

Average pupil numbers in the year were 926 at Loughborough Grammar School, 544 at Loughborough High School, 503 at Fairfield Preparatory School and 255 at Loughborough Amherst School.

Fees

Tuition fee increases in the year were an average of 6.59%. Tuition fees charged during the year by the Grammar School and High School were £4,460 per term for years 6-9 (year 6 only at LGS), £4,500 per term for years 10-11 and £4,520 for years 12-13. At Fairfield Preparatory School fees were £3,660 per term (full time) for Kindergarten, £3,770

Strategic Report (continued)

for Pre-Prep and £3,850 for Prep. At Amherst the fees were £3,410 per term for Pre-Prep, £3,490 per term for Prep. In the Senior School fees were £4,250 per term for years 7-9, £4,270 for years 10-11 and £4,310 for years 12-13.

Academic

This academic year has marked a number of significant milestones in the history of the Foundation. Trustees were pleased to be able to welcome boys into the Amherst Senior School, as it became co-educational for all year groups and it is pleasing to note how quickly the boys have integrated seamlessly into school life. Amherst has also welcomed a return to boarding, with eight pupils joining the School as part of our relationship with the Lawn Tennis Association and Loughborough University's Tennis Academy.

Loughborough Grammar School celebrated its 525th anniversary this year, and although the Covid 19 pandemic curtailed some planned celebrations, the Foundation community was able to share in a number of events; including a whole-school service to launch the 525th year and two lectures from the Lecture Series, before the closure meant that the series was suspended. The highlight for many however was the magnificent performance of *Les Misérables* in early March. This was a remarkable production and it was wonderful to note the involvement of pupils, both on the stage and behind the scenes from across the Foundation.

Our pupils continued to excel both in the classroom and more widely. Parents, staff and governors enjoyed the wonderful 'Festivo', with the annual performance at De Montfort Hall, a true showcase of the talent and vibrancy of our musical ensembles. We also enjoyed the Loughborough Schools Present concert series which gave our pupils of all ages, and all Schools, the opportunity to come together and make some great music as well as all the Lunchtime and Soundbites concerts.

In STEM, pupils continued the tradition of success, with two more teams from the Grammar School winning the 'TeenTech' awards in both the Digital Skills and Transport categories and recognition as one of only five schools as a 'TeenTech Platinum Centre for Innovation'. Meanwhile the Young Enterprise Team 'Oly', from Amherst, won the county finals to represent Leicestershire in the regional competition. Their business, selling bees wax wraps to support a reduction in single use plastic, impressed judges and won the awards for Best Presentation and Financial Management. In addition, a team of students from the High School reached the national semi-finals of the CyberFirst Competition and demonstrated their understanding for technology and cyber security.

Success was also shared on the sports field. Our growing relationship with Loughborough University has seen our pupils able to access the facilities and expertise of the University, and in November the Grammar School Rugby Team played a 'grudge match' against Nottingham High School at the University. The event was organised by the boys, in aid of Leukaemia UK and the match was enjoyed by all despite the torrential rain. On the hockey pitch both the High School and Fairfield made national finals, while Amherst Prep pupils enjoyed a visit to the London Queen Elizabeth Park Swimming pool to participate in the ISA national finals. The introduction of basketball to our already wide sporting programme has provided further opportunities for pupils to enjoy playing together, with pupils from all three senior schools enjoying early tournament successes.

At Fairfield Preparatory School 100% of the Year 6 children passed the entrance examinations for their first choice of Senior Schooling. Fairfield pupils once again were successful in securing scholarships at both Loughborough High School and Loughborough Grammar School. Three Fairfield pupils were awarded music scholarships the Foundation's shared music department.

From 2020/21 both Fairfield Prep School and Amherst Preparatory School will guarantee Foundation Year 7 places for pupils in Year 5 by the end of the summer term. This approach will therefore remove the hurdle, and often, the associated anxieties of Year 6 Fairfield pupils having to sit the Year 7 entrance examinations. Under these revised arrangements Scholarships will be awarded to Fairfield's top three performing Year 6 boys and girls for Loughborough Grammar School and Loughborough High School. These six pupils will subsequently be known as the 'Fairfield Scholars'.

Despite the disruption to their final term of study, and the unusual context in which the grades were awarded, A-Level and GCSE results were of a high standard, reflecting the resilience and hard work of our pupils.

Strategic Report (continued)

At **Loughborough Amherst School**, 16% of the passes at A-Level were at grade A*, 45% at A*-A and 72% of the passes were at A*-B.

At GCSE 18% of the passes were at A* (9-8) grade, 35% of the passes were A*/A (9-7) grade and 81% were A*/B (9-5).

At **Loughborough Grammar School**, 25% of the passes at A-Level were at A*, 58% of the passes were at grade A*-A and 82% of the passes were at A*-B.

At GCSE 46% of the passes were at A* (9-8) grade, 67% of the passes were A*/A (9-7) grade and 94% were A*/B (9-5).x

At **Loughborough High School** 30% of the passes at A-Level were at A*, 70% of the passes were at grade A*/A and 94% of the passes were A*/B.

At GCSE 61% were at A* (9-8) grade, 83% of the passes were A*/A (9-7) grade and 99% were A*/B (9-5).

Despite the extraordinary circumstances of the 2020 public examination system, and the late change in policy regarding the award of grades, our pupils continued to achieve success in securing places for further study. Of those applying for university places in 2020, 82% at Loughborough Amherst School, 78% of pupils at Loughborough High School and 73% at Loughborough Grammar School were successful in obtaining places at their first choice institution. Across the Foundation 19 pupils have gone on to study medical degrees (medicine, dentistry and veterinary sciences) and 9 pupils have taken up places at Oxbridge Colleges to continue their studies.

Employment

The Foundation is an equal opportunities employer; and has a responsible approach to employment and social legislation. The Foundation met the statutory requirements to provide a report on gender pay equality and will continue to monitor this area and make changes, when and where they are practicable.

The Trustees were pleased to note the continued progress towards closing the gender pay gap, with a second year on year reduction in both the mean and median measures. In the upper quartile of pay, the Foundation has achieved pay parity.

The Foundation welcomes applications for employment from disabled persons (having regard to their particular aptitudes and abilities) and assists, whenever practicable and taking into account HR best practice, the recruitment, training, career development and promotion of disabled people. We seek to retain, and as applicable train or re-train, those who become disabled during their employment.

Where an employee becomes disabled, all efforts are made to try to ensure the employee can continue in their current role through adjustments. However, if, due to the specific circumstances, this is not possible, every effort will be made to provide retraining for alternative employment within the Foundation. The Foundation remains supportive of the employment and advancement of disabled persons and ensures its promotion and recruitment practices are fair and objective. The Foundation encourages the continuous development and training of its employees and the provision of equal opportunities for the training and career development of all employees.

The Foundation is committed to engaging with its employees. A variety of methods are used to achieve this, including team meetings, Common Room briefings and our two staff representative groups, the Teaching Staff Representatives and the Support Staff Representatives. These Groups meet three times a year with the Foundation Chairman and serve as a mechanism by which representatives can raise issues and concerns directly with the governors.

Strategic Report (continued)

Salaries

The arrangements for setting the pay and remuneration of the charity's key management personnel and any benchmarks, parameters or criteria used in setting their pay are detailed in note 8 in the notes to the financial statement.

Pension Costs

Teachers: The schools participate in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ('The Scheme'), for its teaching staff. It is not possible or appropriate to identify the assets and liabilities of the Scheme, which are attributable to the Schools.

The employer contribution rate for teachers for 2019/20 was 23.68% (including a 0.08% administration charge) (2018/19 16.48%). The employee contribution rates varied from 7.4% to 11.7%. The average rate paid by LSF teaching staff was 9.67%. The pension charge for the year includes contributions payable to the Scheme of £2,491,000 (2018/19 £1,750,000)

Non-Teachers: The LSF Group Personal Pension Plan is operated by Royal London. The pension charge for the year includes contributions payable to the personal pension plans of £424,000.

Future Plans

The plans for the following year, which are still to formally be approved by the board are:

- To ensure the safe re-opening of all four schools and the return to campus of all staff and pupils following the closures required under national measures to control the pandemic disease Covid 19. The Foundation will continue to monitor and comply with Government regulations as they are published. It is reasonable to expect that there may be further disruption to the activities of the schools should further local or national measures be imposed.
- To address the financial impact of Covid 19 on the Foundation and our families to ensure long term financial sustainability.
- Following a decision taken on 24 September 2020, to engage in consultation with the Foundation's teaching staff regarding a possible withdrawal from the Teachers' Pension Scheme (TPS) with effect from 1 September 2021, with a defined contribution pension scheme to be proposed as an alternative.
- To identify opportunities to further improve the culture of diversity and inclusion, in support of the Governors' aim that the Foundation and its schools should be a beacon for inclusivity. In particular, Trustees will seek to address the ethnic diversity of the Board of Trustees during 2020/21 so that the Board reflects more closely the diversity of our school communities.
- To develop a digital strategy for the Foundation, to allow our pupils and staff to access technology in support of learning, and to continue to build on the progress made in the use of technology during the time of remote learning.
- To continue to develop relationships with international partners.
- To consider and implement recommendations arising from the review of governance.

Strategic Report (continued)

Risk Management

The trustees are responsible for the identification and management of the risks faced by the Foundation, including the individual schools. The day to day management of this requirement is delegated to the Finance, Audit and Risk Committee. Risks are identified and assessed; and controls and improvements are established, where possible, to mitigate the risks.

The trustees have a risk management strategy which comprises:

- a differentiation between strategic and operational risks;
- clear management and review responsibilities for both operational and strategic risks, with first line and second review responsibilities identified and agreed;
- termly review of all risks by the Executive (Operational Risk) and Finance, Audit and Risk Committee (Strategic Risk);
- clear mechanism for the escalation of risks to the Governing Body;
- the establishment of policies, systems and procedures to mitigate those risks identified; and
- the implementation of procedures designed to minimise or manage any potential impact on the charity should those risk materialise.

The Trustees group risks into five categories:

- **Governance** – those risks which may arise from the direction, decision making or control environment. For example, the risk that governors or those charged with management may take a risk outside of their authority. Controls include the Foundation's strategy, which informs decision making, an established governance structure and a clear distinction between governance and executive management.
- **Regulatory** – these are those risks which relate to the market and environment in which the Foundation operates and which may influence our customers (parents) and or the Foundation's business model (e.g. any change in regulatory environment). To manage risks in this area, the Foundation has established mechanisms to analyse forecasts of potential changes in the charitable and education sectors, with the aim of anticipating regulatory change and implementing any mitigating actions.
- **Financial** – those risks which relate to income and expenditure and may impact the Foundation's financial sustainability. To manage these risks the Foundation has established a 10 year financial forecasting model, which enables it to model the impact of any changes to its income or expenditure and take appropriate action.
- **Reputational** – risks to the reputation of the Foundation may arise from the decisions and actions of the Foundation, those employed by it, or pupils at its schools. Should a reputational risk arise it could have an immediate or long-term impact on pupil numbers, and therefore the Foundation's finances. To manage these risks the Trustees have put in place appropriate policies and oversight mechanisms, including for academic quality and safeguarding.
- **Operational** – those risks arising from day to day operations of the foundation and its schools, and usually related to an activity which cannot be avoided (e.g. security, health and safety). These risks therefore require active and on-going control by the executive and other managers. Each risk identified is owned by a specified member of the executive and monitored on an on-going basis by those charged with management. These risks are managed by ensuring accreditation is up to date, having robust policies and procedures in place, and regular training for staff working in these operational areas.

Separately during 2019/20 Trustees devoted specific attention to the reputation risks arising from allegations of racist bullying by a small number of pupils at Loughborough Grammar School which were made on social media in June 2020. In doing so Trustees engaged specialist support from its legal and public relations advisors, and worked to support a Police investigation. It has made all necessary regulatory disclosures to the Charity Commission.

Strategic Report (continued)

Public Benefit

Our community must always look outwards and support our wider communities, and the events of 2019/20 and the impact of Covid 19 emphasised the importance of instilling in our pupils the importance of considering their role and impact on the community around them. While the national restrictions imposed in response to the pandemic curtailed some planned activities, it also presented new opportunities for our schools, pupils and staff to serve the wider community.

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

The range of the activity, which is defined as public benefit is as follows:

Financial Support

The Governors are conscious of the long tradition of charitable provision, primarily in the form of bursaries, on the part of the Loughborough Schools Foundation and have maintained the status quo. These awards are financed mainly through general fee income, however this is augmented by the income derived from a small number of bequest funds.

The schools which form the Foundation have a well-established tradition of providing excellent educational opportunities to children from the Loughborough and wider Leicestershire area. Governors remain committed to taking action to ensuring that support is available to those pupils who would benefit from the opportunities provided by the Foundation's schools, but whose parents may lack the financial means to meet the fees.

- Long-term Foundation Bursaries (School Assisted Places (SAPs)) are available to entrants to the Grammar School, the High School and Amherst School, who meet the general entry requirements at the point at which the pupil enters the school. These awards are made on the basis of parental means and involve an assessment of those means. During the year 149 pupils were given assistance amounting to £1,110,000. Of these 28 pupils received 100% fee remission. The awards are subject to annual review, and means testing.
- A further 50 existing pupils were also given means-tested financial assistance in hardship bursaries amounting to £164,000. This assistance was awarded in circumstances in which it was believed that the assistance could be required for less than 12 months, although on many occasions, a longer period of time has proved necessary. A relatively high proportion of these pupils have also been given total fee remission. This number is increased from the previous year, reflecting the immediate impact of the lockdown on the financial circumstances of our families.
- Of the above, 31 pupils received £59,000 as a direct result of our 'Covid Assistance Programme', providing immediate and short term help for families whose incomes were affected by the pandemic.
- Part of the financial assistance provided both to those on long-term and short-term Foundation Bursaries has included assistance towards ancillary costs, including lunches, transportation and school uniform.
- Additionally, a further £18,000 was awarded in the form of financial assistance to 3 pupils from designated bequest funds.
- The figures which have been quoted in the preceding part of this section are the direct costs of providing financial assistance on a means-tested basis to pupils; these figures do not include the significant costs of the management time at various levels of dealing with and processing these awards, or the cost of targeted advertising which aims to stimulate applications from those who are eligible.

Strategic Report (continued)

- The total amount of means-tested assistance provided was £1,292,000. This assistance was made available to 9.07% of the pupils and represents overall 4.63% of the tuition fee income.
- In addition to means tested assistance, the Foundation also makes a limited amount of funds available to recognise its scholars.
- The total amount of financial assistance (means tested and scholarships combined), excluding staff fee remission, expended during the year was £1,431,000. This represents 5.13% of the tuition fee income.

Educational

The Foundation has continued this year to widen access to its educational resources and facilities, by bringing independent and state school communities together.

Educational Experiences

Our commitment to learning extends beyond those pupils who attend our schools. The Foundation supports educational initiatives in a number of local schools. We believe this interchange is mutually beneficial providing opportunities for an exchange of ideas between our staff and those working in local schools, and for our pupils to mix, learn and work alongside pupils from other schools, and develop their awareness of the wider community in which they live. Although Covid curtailed those activities planned for the second half of the school year, a number of events were still held in 2019-20.

Our schools have particular expertise in STEM subjects

The schools also shared a number of educational opportunities with pupils from local schools. These included:

- Our Masterclass programme, although curtailed, allowed over 100 pupils from local primary schools, using our labs and staff expertise.
- LGS hosted a production of 'Faustus' by a visiting theatre company including three workshops about the play, which was shared with sixth form pupils from a local academy. The school met the cost of the production and workshops, which were provided free of charge to visiting pupils.
- Hosting visits by local primary schools to watch the LSF drama production of 'Les Miserables'.
- Inviting A-Level students studying modern foreign languages at two local colleges to attend examination preparation days at LHS.
- Annual KS3 Art and Design classes for pupils with special educational needs. These workshops, hosted by LHS, involved between 6-9 participants per session, running for nine weeks.
- Amherst School organised a debating competition for local primary and preparatory schools for the second year running. Prior to the competition the Head of the Amherst Preparatory School visited each participating school to provide a two hour 'training session' to all pupils in the year group to allow a debating team to be selected for the competition.

In addition to the events hosted by the Foundation and its schools during the year, we continued to work in partnership with local schools, including:

- Providing support to pupils in local state schools applying for medicine, dentistry or veterinary science courses, or for places at Oxbridge. The support includes advice on drafting personal statements and mock interviews.
- Fairfield Preparatory School hosted many educational based competitions for local schools such as the Leicestershire Chess Championships.

Strategic Report (continued)

We recognise the importance for our pupils in working with local schools; this work benefits the partner schools and provides our pupils with valuable experience and understanding on their role within their community. We now have partnerships with seven local primary schools, enabling our pupils to visit the schools weekly to help local primary pupils in furthering their literacy, numeracy and sporting achievements.

Educational Expertise – Educational Training and Support

As the trustees of an education charity, Governors recognise the importance of sharing not only our physical resources, but also the expertise and experience of our staff, to support local schools and other organisations. In addition to the many masterclasses and other educational activities delivered by teaching staff and pupils at the senior schools, the Foundation supports its staff in providing support to other schools and organisation. These activities include supporting teachers in local schools and supporting the development of new teachers and teaching assistants.

This approach to partnership working was reflected in other aspects of our work during 2019/20, including:

- PGCE students - a number of Universities were supported to undertake placements at our schools. This requires a commitment of time to support those training, and to report as required by the placement programme.
- Our well-established Combined Cadet Force contingent act as a host unit under the central government Cadet Expansion Programme, and loan facilities to other local cadets, free of charge.
- The Head of English at Loughborough Amherst was supported by the school to be a 'lead expert' for the AQA, developing training materials for English teachers which are used nationally, and providing CPD sessions.
- A number of teaching and support staff are supported by the Foundation to be governors at local schools. The Foundation allows them time to fulfil their duties. As part of this commitment to supporting the governance of other schools, the Head of Preparatory at Loughborough Amherst school is supported by the school in her role as Foundation Director at the St Ralph Sherwin Multi-Academy Trust, a one-year –old Catholic academy trust created to support the Diocese of Nottingham's re-structure of Roman Catholic schools.
- Fairfield School has established a strong partnership with Loughborough College. Eight students from Loughborough College, particularly those studying for their NVQ qualification, undertook placements at Fairfield School during 2019/20.

Community

LSF is a well-established part of the wider LSF community of Loughborough and Leicestershire, and where the Foundation can support other parts of the community, it is delighted to do so. LSF contributes facilities and expertise in the following areas:

Music

Trustees are proud of the continued excellence of our music provision, and are delighted that Loughborough Music has established strong links with the community continuing to support local events, many of which it has been involved with for a number of years, contributing choirs, musicians and specialist staff support.

This year music staff worked to deliver the 'Sing 2020' programme. The programme, initiated by the Foundation, provides training and professional development opportunities for teachers in participating schools, specialist music teaching visits to the schools and performance opportunities for pupils. The programme is provided free of charge to those schools participating, with over 250 pupils benefitting during 2019/20.

Strategic Report (continued)

The well-established relationship with a local care home saw over 80 pupils from across the Foundation provide performances to residents, prior to lockdown. The value of cross-generational music is becoming more widely known, and residents appreciated the performances.

This year the Foundation continued its programme of music competitions, open to performers from across the region. For a small fee, entrants from across the East Midlands, had the opportunity to perform in the recital hall, with performances judged by experts. 200 young people, including pupils from our own schools enjoyed the competition and performances.

Our pupils and music staff continued to provide music to key local events, including the opening of Loughborough's annual fair and Christmas music in the local shopping centre.

Sports

With many sporting events, including the annual town sports competition hosted by Fairfield, postponed due to Covid, and lockdown restrictions meaning those community organisations who used our facilities were unable to meet from March, support for sporting events was curtailed this year.

We did however continue to provide support for local schools through our sports leaders programme, supporting pupils from our senior schools to work with a local primary school to support sporting activities.

Sharing our Facilities

Throughout the year, LSF made its grounds and facilities available, free of charge, to local groups, societies and local charities, many on a weekly basis. In 2019/20 these included:

- Charnwood Scout and Guide Event
- LAMDA exams
- Guides Meeting
- NCO Auditions
- Hathern Band
- Keyworth Rugby Club – Sports Centre
- Army Reserve Centre – Sports Hall
- Loughborough Badminton Club (Juniors) – Sports Hall

Reduced rate of facility use was provided to the following organisations as below, with the Foundation providing security, caretaking and event support at its own cost:

- Soar Valley Model Railway
- Royal British Legion
- Leicester Symphony Orchestra Fun Day
- Solo / Quartet Contest
- Barrow Runners – Quorn
- Loughborough Lightning – Sports Hall
- Loughborough Town Cricket Club – Sports Hall - reduced rate & free outdoor hire
- Loogaboorga Town Festival – (local primary schools)
- 360 Gymnastics

LSF continued to make its facilities available to the public for hire, for weddings, competitions and other events, until the closure of the schools and their facilities in March 2020. Other notable events held on the Foundation's premises included the Charnwood Dance Festival and events held by the Leicestershire Brass Band Association. The Foundation also hosts holiday courses for children, which are open to the wider community.

Local Events

In addition to playing an integral part of many local events listed within the Music section, LSF plays a significant part in the Loughborough Remembrance Day parade each year. The CCF squadron contributes around 250 pupils and 15 staff, plus the Corp of Drums. In 2019, the squad took a major part in the parade and service at the Carillon War Memorial, and lead a parade through the town.

Strategic Report (continued)

Volunteering

LSF is committed to ensuring that as well as providing academic education, our pupils learn the importance of playing a positive role in their community. To this end, we provide many opportunities for students to engage in volunteering within the local community. Activities undertaken in 2019/20 included:

- Over 3,000 hours of community service undertaken for a wide range of people, children and the elderly included, by pupils undertaking the Duke of Edinburgh's Award.
- Support to Falcon Support Services for the homeless, including donation and distribution of warm clothing during winter.
- A number of staff carry out additional voluntary professional roles within the community.

Our schools host units of the Rainbows, Brownies, Guides and Scouts. Supported by LSF staff, pupils and parents these groups play a role in the community in community events and volunteering.

Charitable Donations and Fundraising

As well as giving of time, pupils at our family of schools are strongly engaged in fundraising for a wide variety of causes, and understand that their efforts help to change the lives of many people of all ages who are less fortunate than themselves. This begins at our Preparatory Schools with our youngest children raising money for local, national and international causes through a variety of activities. Pupils from across the Foundation raised £22,000.

Within the senior schools, activities are led by a dedicated team of Senior Charity prefects. Senior pupils in all three schools support the collection and distribution of food items donated by pupils at all four schools via harvest festivals and other events to local community groups including Project 5000, The Bridge Project, The Carpenters Arms and the Salvation Army.

Although the closure of the schools curtailed our planned activities for the Summer Term, the closure of the schools and wider restrictions provided an opportunity for our pupils and staff to support their communities in other ways. One member of staff earned the grateful thanks of NHS staff and care workers for the provision of a huge number of protective visors which he created using the 3D printers and our science departments donated their PPE to NHS key workers.

Our Development Office made contact with the alumni community, to seek to support those alumni or their families who may be self isolating or unable to support their family members while restrictions on travel were in place. A number of households were supported with deliveries of shopping.

Pupils in Year 7 at LGS challenged themselves to undertake 525 acts of 'Coronakindness' and in doing so raised over £4,000 for local charities.

Economic Impact

In addition to the public benefit arising from the Foundation's charitable activities, the Foundation makes a significant positive contribution to the local economy.

In 2019/20 it employed on average 676 people, and 81.7% of the £17.2 million paid in salaries (£16.9 million in 2018/19) remained in Leicestershire, with an estimated 97.7% remaining in the East Midlands.

We support local businesses. Although reduced by the closure of the schools in March, in 2019/20 our total direct spend was circa £6.97 million (£6.72 million in 2018/19), of which £2.73 million was spent in the East Midlands economy.

Strategic Report (continued)

We estimate that in providing an education to more than 2,200 local children, the local authorities collectively save more than £12.8 million a year which it would otherwise cost to educate those children in local maintained schools.

Section 172

The Trustees have acted in a way in which they consider, in good faith, promoted the success of the Foundation for the benefit of all beneficiaries and wider stakeholder groups. The ways in which they have done this are described in further detail throughout this report, specifically:

Stakeholder	Section
Employees	Page 11 ("Employment")
Beneficiaries	Page 10 (Academic Report) and Page 13 ("Financial Assistance")
Community	Pages 14-17 ("Public Benefit")
Economic benefit	Pages 17-18 ("Economic Impact")

Carbon Report

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)	8,745,910
Energy consumption breakdown (kWh) :	
• gas	6,451,916
• electricity	2,203,103
• transport fuel	90,891
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	1,186.31
Owned transport – mini-buses	12.16
Total Scope 1	<u>1,198.48</u>
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	513.63
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	3.38
Total gross emissions in metric tonnes CO2e	<u>1,715.49</u>
Intensity ratio Tonnes CO2e per pupil	0.77

Strategic Report (continued)

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

We have installed smart meters across all sites and increased video conferencing technology to facilitate staff to work from home and not travel to work for meetings.

Approved by the Board on the 3rd December 2020 and signed on its behalf by:

Admiral Sir Trevor Soar
Chairman

Trustees' responsibilities statement

The trustees (who are also directors of Loughborough Schools Foundation for the purposes of company law) are responsible for preparing the Governors' Annual Report, including the Strategic 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 trustees 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 of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees 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 trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable companies website. Legislation in the United Kingdom governing the preparation and dissemination may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinion

We have audited the financial statements of Loughborough Schools Foundation ("the company") and its subsidiaries ("the group") for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Cashflow Statement and the related notes 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 (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2020 and of the incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 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 Governors' report, other than the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report and Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 Trustees' Responsibilities set out on page 21, 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 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 groups' and 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 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 auditor under the Companies Act 2006 and report in accordance with this 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. The description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Use of our report

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

Simon Atkins FCA
Senior Statutory Auditor

For and on behalf of:

COOPER PARRY GROUP LIMITED
Chartered Accountants
Statutory Auditors

Date:

Sky View
Argosy Road
East Midlands Airport
Castle Donington
Derby
DE74 2SA

**Consolidated statement of financial activities
for the year ended 31 August 2020**

	<i>Note</i>	Unrestricted income Funds £000	Restricted income funds £000	Endowed funds £000	2020 Total funds £000	2019 Total funds £000
Income and endowments from:						
Donations and legacies	3	-	86	-	86	631
Other trading activities	4	295	-	-	295	509
Investments	5	71	52	-	123	163
Charitable activities	6	28,868	1,181	-	30,049	29,873
Other		133	-	-	133	217
		-----	-----	-----	-----	-----
Total income and endowments		29,367	1,319	-	30,686	31,393
		=====	=====	=====	=====	=====
Expenditure on:						
Raising funds:						
Financing costs	9	90	-	-	90	97
Trading operations	9	222	-	-	222	369
Charitable activities	9	28,734	1,204	1,212	31,150	30,591
		-----	-----	-----	-----	-----
Total expenditure		29,046	1,204	1,212	31,462	31,057
		-----	-----	-----	-----	-----
Net income/(expenditure) before gains/(losses) on investments and transfers		321	115	(1,212)	(776)	336
(Loss)/Gain on sale of investment property		-	(28)	22	(6)	11
(Loss)/gain on investment assets	11	-	13	(104)	(91)	(83)
		-----	-----	-----	-----	-----
Net income/(expenditure) before transfers		321	100	(1,294)	(873)	264
Transfers between funds	18	-	-	-	-	-
		-----	-----	-----	-----	-----
Net movements in funds		321	100	(1,294)	(873)	264
Reconciliation of funds						
Total funds brought forward		12,072	4,865	51,723	68,660	68,396
		-----	-----	-----	-----	-----
Total funds carried forward		12,393	4,965	50,429	67,787	68,660
		=====	=====	=====	=====	=====

All incoming resources and resources expended derive from continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 30 to 52 form part of these financial statements.

**Consolidated summary income and expenditure accounts
for the year ended 31 August 2020**

	<i>Note</i>	2020	2019
		£000	£000
Income from charitable related activities		30,268	30,721
Income from non-charitable trading activities		295	509
Interest and investment income	5	123	163
Gain on sale of investment assets	18	-	-
		-----	-----
Gross income in the reporting period		30,686	31,393
		-----	-----
Expenditure on charitable activities		(28,992)	(28,516)
Expenditure on non-charitable trading activities	9	(222)	(369)
Interest payable		(90)	(97)
Depreciation and charges for impairment of fixed assets		(946)	(924)
		-----	-----
Total expenditure in the reporting period		(30,250)	(29,906)
		-----	-----
Net income for the year		436	1,487
		=====	=====

The income for the year arises from continuing activities.

A detailed analysis of the subsidiaries' trading results are set out in note 4.

Detailed analysis of the expenditure is provided in the statement of financial activities and note 9.

The summary income and expenditure account excludes endowed funds and unrealised gains/(losses) in accordance with Companies Act 2006. The account is derived from the statement of financial activities on page 24 which together with the notes to the financial statements provides information on the movement during the year of the funds of the group.

The notes on pages 30 to 52 form part of these financial statements.

**Consolidated balance sheet
at 31 August 2020**

	Note	2020		2019	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		67,501		67,876
Investments	11		4,145		4,149
			<u>71,646</u>		<u>72,025</u>
Current assets					
Stock	12	302		206	
Debtors	13	1,244		887	
Cash at bank and in hand		4,590		1,908	
			<u>6,136</u>		<u>3,001</u>
Liabilities: amounts falling due within one year					
Creditors	14	(3,568)		(4,746)	
Net current / assets (liabilities)			<u>2,568</u>		<u>(1,745)</u>
Total assets less current liabilities			<u>74,214</u>		<u>70,280</u>
Creditors: amounts falling due after more than one year					
	15		(6,427)		(1,620)
Net assets			<u>67,787</u>		<u>68,660</u>
Funds					
Endowed funds	17		50,429		51,723
Restricted income funds	17, 18		4,965		4,865
Unrestricted income funds	17		12,393		12,072
Total funds			<u>67,787</u>		<u>68,660</u>

The financial statements were approved by the board of directors on 03 December 2020 and were signed on its behalf by:

Admiral Sir Trevor Soar
Chairman

J W Doherty
Chief Operating Officer and Company Secretary

Company registered number: 4038033
The notes on pages 30 to 52 form part of these financial statements.

**Charitable balance sheet
at 31 August 2020**

	<i>Note</i>	2020		2019	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	<i>10</i>		67,494		67,866
Investments	<i>11</i>		4,145		4,149
			<hr/>		<hr/>
			71,639		72,015
Current assets					
Stock	<i>12</i>	45		53	
Debtors	<i>13</i>	1,537		1,110	
Cash at bank and in hand		4,478		1,802	
			<hr/>		<hr/>
		6,060		2,965	
Liabilities: amounts falling due within one year					
Creditors	<i>14</i>	(3,485)		(4,700)	
			<hr/>		<hr/>
Net current assets/(liabilities)			2,575		(1,735)
			<hr/>		<hr/>
Total assets less current liabilities			74,214		70,280
			<hr/>		<hr/>
Creditors: amounts falling due after more than one year	<i>15</i>		(6,427)		(1,620)
			<hr/>		<hr/>
Net assets			67,787		68,660
			<hr/>		<hr/>
Funds					
Endowed funds	<i>17</i>		50,429		51,723
Restricted income funds	<i>17, 18</i>		4,965		4,865
Unrestricted income funds	<i>17</i>		12,393		12,072
			<hr/>		<hr/>
Total funds			67,787		68,660
			<hr/> <hr/>		<hr/> <hr/>

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Chairman

J W Doherty
Chief Operating Officer and Company Secretary

Company registered number: 4038033
The notes on pages 30 to 52 form part of these financial statements.

**Consolidated statement of cash flows
for the year ended 31 August 2020**

	<i>Note</i>	2020 £000	2019 £000
Net cash flow from operating activities			
Net cash flow (used)/provided by operating activities	<i>19</i>	(394)	4,680
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,830)	(5,147)
Purchase of investments		(669)	(40)
Proceeds from sale of investments		576	172
Dividends, interest and rents received from investments		123	163
Net cash used in investing activities		(1,800)	(4,852)
Cash flows from financing activities			
Repayment of finance leases		(124)	(118)
New loan		5,000	-
Net cash generated in financing activities		4,876	(118)
Change in cash and cash equivalents in the reporting period		2,682	(290)
Cash and cash equivalents at the beginning of the reporting year		1,908	2,198
Cash and cash equivalents at the end of the reporting year		4,590	1,908

The notes on pages 30 to 52 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting Policies

Loughborough Schools Foundation is a company limited by guarantee and is incorporated and domiciled in the United Kingdom. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operation and principal activities is to provide a day or boarding school for boys and girls of all ages.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £'000.

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

Basis of consolidation

The group financial statements are the result of the consolidation of the financial statements of the company and its subsidiaries LSF Shop Limited and Thomas Burton Developments Limited. The financial statements of all companies are made up to 31 August 2020.

No separate SoFA has been presented for the charity alone following exemptions afforded by the Companies Act 2006 and the SORP (FRS 102).

Fund accounting

Funds held by the charitable company are either:

- **Unrestricted general funds** – these are funds, which can be used in accordance with the charitable objects at the discretion of the directors.
- **Restricted funds** – these are funds that can only be used for particular restricted purposes within the objects of the charitable company. Restrictions arise when specified by the Memorandum and Articles of Association, or the donor, or when funds are raised for particular restricted purposes.
- **Permanent endowed funds** – these are the land and buildings of the schools and investments, which are not free for disposal without replacement.

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Fees receivable

Fees receivable are accounted for in the period to which they relate. Each year an overall amount of 5% of the fees received is allocated to the bursary fund. The fees receivable are stated after deducting scholarships and other remissions granted by the charitable company; however, the stated fees include the contributions received from restricted funds for bursaries and other grants.

Notes (continued)

Investment income

Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Donations

Donations received for the general purposes of the schools are credited to unrestricted funds. Donations subject to specific wishes of the donors are carried to the relevant restricted fund or to the endowed fund.

Trading income

Trading income, including income from LSF Shop Limited and Thomas Burton Developments, is included when receivable.

Government Grants

Income from the Coronavirus Job Retention Scheme (CJRS) has been recognised as grant income in the period it relates to using the accruals method.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Expenditure on raising funds
- Expenditure on charitable activities

Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of Loughborough Schools Foundation and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Irrecoverable VAT is charged as an expense against the activity for which expenditure arose.

Redundancy / termination payments

All redundancy and termination payments are recognised within the year.

Tangible fixed assets

The freehold land and buildings were re-valued as at 31 August 2014 and on adoption of FRS 102 SORP this was taken as "deemed cost".

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Notes (continued)

Freehold land and listed buildings	-	No depreciation charge
Other freehold buildings	-	5 – 50 years
Furniture and fittings	-	10 years
Equipment	-	4 – 10 years

Items costing less than £500 are written off as an expense when acquired.

No depreciation is charged against assets under construction.

Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort are measured at fair value at each reporting date with changes in fair value recognised in '(loss)/gains' on revaluation of investments' in the SoFA. No depreciation is charged on investment properties in accordance with the Charities SORP.

Fixed asset investments

Investments are recognised initially at fair value which is normally the transaction price excluding transaction costs. Subsequently, they are measured at fair value with changes recognised in 'gains/(losses) on revaluation of investments' in the SoFA. Realised gains and losses are calculated as the difference between sale proceeds and original cost.

Stock

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Operating Leases

Operating lease rentals are charged to the statement of financial activities on a straight-line basis over the period of the lease.

Hire Purchase Contracts & Finance Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Deferred income

Prepaid fees are held as creditors until the start of the term to which they relate. They are then transferred to the statement of financial activities and recognised as income.

Taxation

Loughborough Schools Foundation is exempt from income tax and capital gains tax under Section 505 ICTA1988.

Pension schemes

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government. Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Notes (continued)

Defined Contribution Scheme

The School pays contributions into private pension schemes, which are managed independently of the finances of the School in respect of its support staff. The schemes are operated on a defined contribution basis, and therefore no surpluses or deficits will arise. Contributions are charged against expenditure in the year in which they fall due.

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. After taking into consideration the effects of COVID-19, Governors are still satisfied that the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. The Schools remain open and we are confident that we have a robust online facility that we can quickly put into place should remote learning be required.

Limited by guarantee

Each member of the charitable company undertakes to contribute to such amount as may be required but not exceeding £10.

Re-statement of prior year figures

Where prior year figures are re-stated, the reason will be stated in the notes section of the accounts.

1 Judgements and key sources of estimation uncertainty

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

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

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

Leases

The group determines whether leases entered into by the group either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements, and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Investment properties

Critical estimates, assumptions and judgements relate to the determination of the carrying value of investment properties at fair value. In determining this, the group applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstances of the investment drives the valuation methodology.

Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of

Notes (continued)

the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the profit and loss account.

Depreciation and residual values

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

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

3 Donations and legacies

	Unrestricted £000	Restricted £000	2020 £000
Donations	-	66	66
Legacies	-	20	20
	-	86	86
	-	86	86
	Unrestricted £000	Restricted £000	2019 £000
Donations	-	154	154
Legacies	-	477	477
	-	631	631
	-	631	631

Notes (continued)

4 Other trading activities before consolidation

The company owns the entire share capital of The LSF Shop Limited and Thomas Burton Development Limited. It covenants any taxable profits to the company. The trading results for the year ended 31 August 2020 for both entities, as extracted from their audited accounts, are summarised below and all relate to unrestricted funds.

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2020 £000	Total 2019 £000
Turnover	150	124	295	520
Cost of sales	(110)	(10)	(120)	(279)
Gross profit	40	114	154	241
Administration	(58)	(43)	(101)	(104)
Other operating income	11	10	21	
Operating (loss)/profit	(7)	81	74	137
Interest payable	(1)	(1)	(2)	(2)
Net profit	(8)	80	72	135
Covenant	-	(80)	(80)	(135)
Retained profit	(8)	-	(8)	-

The aggregate amounts of assets, liabilities, share capital and reserves were:

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2020 £000	Total 2019 £000
Non-current assets	-	7	7	10
Current assets	301	74	375	295
Creditors: amounts falling due within one year	(309)	(81)	(390)	(305)
Net current liabilities	(8)	-	(8)	-
Creditors: amounts falling due after more than one year	-	-	-	-
Net liabilities	(8)	-	(8)	-
Share capital and reserves	(8)	-	(8)	-

Notes (continued)

On 16 August 2018, LES Shop Ltd became LSF Shop Ltd, and as such a new lease agreement was signed with Loughborough Schools Foundation. Lease costs of £9,800 per annum are payable until expiration of the lease on 1 March 2022.

5 Investment income

	Unrestricted £000	Restricted £000	2020 £000	2019 £000
Bank interest receivable	8	19	27	30
Investment income	47	33	80	106
Rental income	16	-	16	27
	<u>71</u>	<u>52</u>	<u>123</u>	<u>163</u>
2019	<u>115</u>	<u>48</u>		

6 Charitable activities

School income receivable comprised:

	2020 £000	2019 £000
Tuition fees	26,857	27,293
Boarding fees	999	994
Bursary awards and grants	(1,075)	(1,090)
Bursary awards and grants paid for by restricted funds	1,181	1,200
	<u>27,962</u>	<u>28,397</u>
Government Grants	1,059	-
Catering receipts	852	1,225
Other fees & grant	176	251
	<u>30,049</u>	<u>29,873</u>

Income from school income was £30,049,000 (2019: £29,873,000) of which £28,868,000 (2019: £28,673,000) was attributable to unrestricted funds and £1,181,000 (2019: £1,200,000) was attributable to restricted funds.

Tuition fees for the year include £1,075,000 (2019: £1,090,000) transferred to restricted fund bursaries.

Government grant income of £1,059,000 includes income from the Job Retention Scheme of £1,034,000 and a Retail, Hospitality, Tourism and Leisure Grant of £25,000.

Bursary awards, grants and scholarships were made to 287 pupils (2019: 316) from restricted funds.

Parents are no longer charged for absence refunds insurance following professional advice regarding opt out schemes.

Notes (continued)

7 Charitable net income is stated after charging:

	2020	2019
	£000	£000
Auditors' remuneration:		
For audit	29	29
For other services	5	5
Governors' professional liability insurance	9	9
Depreciation of tangible fixed assets	2,202	2,110
	<hr/>	<hr/>
Staff costs		
Wages and salaries	17,221	16,964
Social security costs	1,587	1,561
Pension contributions	2,915	2,134
	<hr/>	<hr/>
	21,723	20,659
	<hr/>	<hr/>

The number of employees whose contracts were terminated within the financial year totalled 5 including 2 redundancies. There were no tribunal claims during the year, and total redundancy payments made were £27,000.

The average number of employees in the year was 676 (2019: 682) of whom 275 (2019: 275) were teaching staff. Neither the governors nor persons connected with them received any remuneration or other benefits from the charitable company or any connected organisation.

The number of employees whose emoluments exceeded £60,000 was:

	2020	2019
£60,001 - £70,000	9	7
£70,001 - £80,000	4	5
£80,001 - £90,000	1	-
£90,001 - £100,000	-	1
£100,001 - £110,000	2	1
£110,001 - £120,000	-	1
£120,001 - £130,000	2	1
£130,001 - £140,000	1	1
	<hr/>	<hr/>
	19	17
	<hr/>	<hr/>

Contributions were made to the Teachers' superannuation scheme, which is a defined benefit scheme for 13 higher paid employees (2019: 12). Contributions were paid to a defined contribution pension scheme for a further 6 employees (2019: 5).

Notes (continued)

8 Governors and key management personnel remuneration and expenses

The Governors consider that they, together with the Heads of the 4 schools and the COO comprise the Key Management Personnel. The Governors give of their time freely and the pay and remuneration of the Heads and the COO is set by the Remuneration Committee and is kept under annual review. A number of criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

The total amount of employee benefits received by key management personnel is £835,000 (2019 : £771,000).

The trustees neither received nor waived any remuneration during the year (2019: £NIL).

Notes (continued)

9 Analysis of total resources expended

	Staff costs £000 (note 7)	Other £000	Depreciation £000 (note 10)	Total 2020 £000	Total 2019 £000
Cost of generating funds					
Trading	82	136	4	222	369
Financing	-	90	-	90	97
	<u>82</u>	<u>226</u>	<u>4</u>	<u>312</u>	<u>466</u>
Charitable expenditure					
Teaching costs	16,746	2,064	-	18,810	18,203
Welfare costs	232	-	-	232	194
School meals and catering	617	710	-	1,327	1,501
Premises	1,431	1,693	2,201	5,325	5,132
Support costs	2,453	1,540	-	3,993	3,958
Financial Assistance including Bursaries and Scholarships		1,161	-	1,161	1,311
Governance costs	244	58	-	302	292
	<u>21,723</u>	<u>7,226</u>	<u>2,201</u>	<u>31,150</u>	<u>30,591</u>
Total expenditure	<u>21,805</u>	<u>7,452</u>	<u>2,205</u>	<u>31,462</u>	<u>31,057</u>

Governance costs are an apportionment of the relevant peoples' salaries with regard to the long term strategic planning of the charitable company.

Resources expended total £31,462,000 (2019: £31,057,000) of which the split between funds is as follows;

	Staff costs £000	Other £000	Depreciation £000	Total 2020 £000	2019 £000
Unrestricted funds	21,805	6,291	950	29,046	28,560
Restricted funds	-	1,161	43	1,204	1,346
Endowment funds	-	-	1,212	1,212	1,151
	<u>21,805</u>	<u>7,452</u>	<u>2,205</u>	<u>31,462</u>	<u>31,057</u>
Total expenditure	<u>21,805</u>	<u>7,452</u>	<u>2,205</u>	<u>31,462</u>	<u>31,057</u>

Bursaries and scholarship costs of £1,161,000 (2019: £1,311,000) have been charged directly to restricted funds.

Notes (continued)

10 Consolidated tangible fixed assets

	Freehold land and buildings £000	Furniture and fittings £000	Equipment £000	Assets in the course of construction £000	Total £000
Cost or valuation					
Balance at 1 September 2019	68,539	2,184	8,615	3,545	82,883
Additions at cost	592	23	500	715	1,830
Transfer between classes	3,143	-	-	(3,143)	-
	-----	-----	-----	-----	-----
At end of year	72,274	2,207	9,115	1,117	84,713
	-----	-----	-----	-----	-----
Depreciation					
Balance at 1 September 2019	(6,357)	(1,599)	(7,051)	-	(15,007)
Charge for year	(1,459)	(108)	(638)	-	(2,205)
	-----	-----	-----	-----	-----
At end of year	(7,816)	(1,707)	(7,689)	-	(17,212)
	-----	-----	-----	-----	-----
Net book value					
At 31 August 2020	64,458	500	1,426	1,117	67,501
	=====	=====	=====	=====	=====
At 31 August 2019	62,182	585	1,564	3,545	67,876
	=====	=====	=====	=====	=====

The parent charitable company has elected, in accordance with S35 10(d) of FRS 102, to use the carrying value on 1 September 2014, the date of transition to FRS 102, of any of the above freehold land and buildings previously carried at a valuation as their deemed cost.

The value of the playing fields and listed buildings, which are not depreciated, at the end of the year was £1,600,000 (2019: £1,600,000) and £4,260,000 (2019: £4,260,000) respectively.

No value is included for land other than playing fields. The site is an integral part of the scholastic entity comprising mainly educational buildings for which no alternative purchaser is foreseen. As a consequence, any valuation of the site is impracticable at reasonable expense.

Assets in the course of construction relate to the new dance studio at the High School.

All assets are held for use on charitable activities.

Notes (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020	2019
	£000	£000
Equipment	298	372
Depreciation	74	74
	=====	=====

Charitable company tangible fixed assets

	Freehold land and buildings £000	Furniture and fittings £000	Equipment £000	Assets in the course of construction £000	Total £000
Cost or valuation					
Balance at 1 September 2019	68,539	2,184	8,605	3,545	82,873
Additions at cost	592	23	500	715	1,830
Transfer between classes	3,143	-	-	(3,143)	-
	-----	-----	-----	-----	-----
At end of year	72,274	2,207	9,105	1,117	84,703
	-----	-----	-----	-----	-----
Depreciation					
Balance at 1 September 2019	(6,357)	(1,599)	(7,051)	-	(15,007)
Charge for year	(1,459)	(108)	(635)	-	(2,202)
	-----	-----	-----	-----	-----
At end of year	(7,816)	(1,707)	(7,686)	-	(17,209)
	-----	-----	-----	-----	-----
Net book value					
At 31 August 2020	64,458	500	1,419	1,117	67,494
	=====	=====	=====	=====	=====
At 31 August 2019	62,182	585	1,554	3,545	67,866
	=====	=====	=====	=====	=====

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020	2019
	£000	£000
Equipment	298	372
Depreciation	74	74
	=====	=====

Notes (continued)

11 Investments

Consolidated and charitable company	Freehold property £000	Listed and managed investments £000	Total £000
Balance at 1 September 2019	1,411	2,738	4,149
Disposal of property	(330)		(330)
Additions at cost		669	669
Disposals		(252)	(252)
Change in market value of investments		(91)	(91)
Balance at 31 August 2020	1,081	3,064	4,145

The listed and managed investments of £3,064,000 (2019: £2,738,000) comprise £986,000 (2019: £972,000) charity investments and £2,078,000 (2019: £1,766,000) investments directly listed in the United Kingdom.

There were no investments that constituted over 5% of the market value of the listed investment portfolio.

The investment properties were re-valued as at 31 August 2017 by Mather Jamie Limited, chartered Surveyors. Management consider this an immaterial change and held the value of properties at the 2014 valuation.

12 Stocks

	2020		2019	
	Consolidated £000	Charitable company £000	Consolidated £000	Charitable Company £000
Stocks	45	45	53	53
Subsidiaries stocks	257	-	153	-
	302	45	206	53

Notes (continued)

13 Debtors

	2020		2019	
	Consolidated £000	Charitable Company £000	Consolidated £000	Charitable company £000
Fees receivable	336	336	338	338
Other debtors	898	898	536	536
Trade debtors	10	-	13	-
Due from group undertakings	-	303	-	236
	1,244	1,537	887	1,110
	1,244	1,537	887	1,110

14 Creditors:

Amounts falling due within one year

	2020		2019	
	Consolidated £000	Charitable company £000	Consolidated £000	Charitable Company £000
Prepaid fees	1,242	1,242	1,719	1,719
Fee guarantees	86	86	108	108
Taxation and social security	414	415	806	802
Net obligations under hire purchase contracts	124	124	124	124
Mortgage obligation	28	28	28	28
CBILs loan	83	83		
Other creditors	1,429	1,346	1,458	1,917
Accruals	162	161	503	2
	3,568	3,485	4,746	4,700
	3,568	3,485	4,746	4,700

Net obligations under hire purchase contracts are secured on the assets to which they relate. Fee guarantees are repayable when pupils leave. Other creditors include £349,000 (2019: £231,000) of outstanding pension contributions. Figures have been re-stated to include fee guarantees due within one year only.

Notes (continued)

15 Amounts falling due after one year

	2020		2019	
	Consolidated	Charitable Company	Consolidated	Charitable Company
	£000	£000	£000	£000
Fee guarantees	744	744	702	702
Net obligations under hire purchase contracts	124	124	248	248
Mortgage obligation	642	642	670	670
CIBLs loan	4,917	4,917	-	-
	<u>6,427</u>	<u>6,427</u>	<u>1,620</u>	<u>1,620</u>

Net obligations under hire purchase contracts are secured on the assets to which they relate. Fee guarantees have been re-stated to include fee guarantees falling due after one year.

16 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020		2019	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£000
Within one year	124	124	124	124
Between 1-5 years	124	124	248	248
	<u>248</u>	<u>248</u>	<u>372</u>	<u>372</u>

Notes (continued)

17 Analysis of net assets between funds 2020

	Tangible Fixed assets	Investments	Net current assets/ (liabilities)	Non current (liabilities)	Total
	£000	£000	£000		£000
Restricted income funds					
Bursary fund	-	-	600	-	600
Burton bursaries 2	-	-	171	-	171
A & PM Shepherd bequest	-	731	1,291	-	2,022
HS Gym Equipment	-	-	69	-	69
BF Dyson bequest	-	139	167	-	306
Parkin bequest	-	-	402	-	402
Coltman bequest	-	10	175	-	185
Wolfson bequest	8	111	54	-	173
GN Harvey fund	-	4	15	-	19
Bancroft bequest	-	-	65	-	65
Steinway Appeal	-	-	71	-	71
Hammersley bequest	1	-	-	-	1
Prize funds	-	9	20	-	29
Scholarships	-	133	127	-	260
New Grammar School CCF Building	105	-	-	-	105
The Old Loughburian Benevolent fund	-	124	(7)	-	117
OLAFOC fund	-	-	74	-	74
Donations restricted fund	-	-	154	-	154
Cockrell bequest	-	121	21	-	142
Total	114	1,382	3,469	-	4,965
Unrestricted income funds	19,721	-	(901)	(6,427)	12,393
Endowed funds	47,666	2,763	-	-	50,429
	-----	-----	-----	-----	-----
	67,501	4,145	2,568	(6,427)	67,787
	=====	=====	=====	=====	=====

Notes (continued)

Analysis of net assets between funds 2019

	Tangible Fixed assets	Investments	Net current assets/ (liabilities)	Non current (liabilities)	Total
	£000	£000	£000		£000
Restricted income funds					
Bursary fund	-	2	598	-	600
Burton bursaries 2	-	-	170	-	170
A & PM Shepherd bequest	-	729	1,292	-	2,021
HS Gym Equipment	-	-	77	-	77
BF Dyson bequest	-	142	166	-	308
Parkin bequest	-	-	400	-	400
Coltman bequest	-	9	180	-	189
Wolfson bequest	14	117	55	-	186
GN Harvey fund	-	5	15	-	20
Bancroft bequest	-	-	64	-	64
Steinway Appeal	-	-	77	-	77
Hammersley bequest	21	-	-	-	21
Prize funds	-	10	20	-	30
Scholarships	-	134	118	-	252
New Grammar School CCF Building	108	-	-	-	108
The Old Loughburian Benevolent fund	-	121	(6)	-	115
OLAFOC fund	-	-	80	-	80
Cockrell bequest	-	130	17	-	147
Total	143	1,399	3,323	-	4,865
Unrestricted income funds	18,760	-	(5,068)	(1,620)	12,072
Endowed funds	48,973	2,750	-	-	51,723
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	67,876	4,149	(1,745)	(1,620)	68,660
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

18 Movement on restricted funds 2020

	Balance at 1 September 2019 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Investment gains on revaluation £000	Investment gains on sales £000	Balance at 31 August 2020 £000
Bursary fund	600	1,075	(1,075)	-	-	-	600
Burton bursaries	170	24	(23)	-	-	-	171
A & PM Shepherd bequest	2,020	22	(22)	-	2	-	2,022
HS Gym Equipment	77	-	(8)	-	-	-	69
BF Dyson bequest	309	6	(7)	-	(2)	-	306
Parkin bequest	400	2	-	-	-	-	402
Coltman bequest	189	3	(7)	-	-	-	185
Wolfson bequest	186	6	(12)	-	(7)	-	173
GN Harvey fund	20	-	(1)	-	-	-	19
Bancroft bequest	64	1	-	-	-	-	65
Steinway Appeal	77	-	(5)	-	-	-	72
Hammersley bequest	21	-	(21)	-	-	-	-
Prize funds	30	-	-	-	-	-	29
Scholarships	252	127	(117)	-	(2)	-	260
New Grammar School CCF Building	108	-	(3)	-	-	-	105
The Old Loughburian Benevolent fund	115	4	(5)	-	3	-	117
OLAFOC	80	-	(6)	-	-	-	74
Donations restricted fund	-	46	108	-	-	-	154
Cockrell bequest	147	4	-	-	(9)	-	142
Total	4,865	1,319	(1,204)	-	(15)	-	4,965

The bursary fund represents sums transferred each year by the schools, under the terms of the trust deed, calculated as a percentage of fees excluding those received under foundation bursaries. The percentages this year were 6%, 6% and 1% for the Grammar School, the High School and Fairfield respectively. Loughborough Amherst School makes no contribution.

After a review of the usage of the bursary fund in 2018 the governors have decided to reduce the balance of the fund to £600,000. Transfers from fee income will continue to be made as described above and any difference between the transfer and the awards for the year will be adjusted by an additional transfer to maintain the fund balance at £600,000.

The restricted fund of £105,000 represents a contribution by the local cadet force towards the cost of a new building, which is being charged to the statement of financial activities over the life of the asset.

Notes (continued)

Movement on restricted funds 2019

	Balance at 1 September 2018 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Investment gains on revaluation £000	Investment gains on sales £000	Balance at 31 August 2019 £000
Bursary fund	600	1,090	(1,092)	2	-	-	600
Burton bursaries	165	28	(22)	(1)	-	-	170
A & PM Shepherd bequest	1,999	29	(24)	1	15	-	2,020
HS Gym Equipment	-	77	-				77
BF Dyson bequest	307	6	(6)	-	2	-	309
Parkin bequest	-	400	-				400
Coltman bequest	192	3	(6)	-	-	-	189
Wolfson bequest	202	7	(12)	(2)	(9)	-	186
GN Harvey fund	19	-	-	1	-	-	20
Bancroft bequest	64	-	-	-	-	-	64
Steinway Appeal Hammersley bequest	81	-	(5)	1	-	-	77
Prize funds	42	-	(21)	-	-	-	21
Scholarships	29	-	-	1	-	-	30
New Grammar School CCF Building	246	137	(137)	(1)	7	-	252
The Old Loughburian Benevolent fund	111	-	(3)	-	-	-	108
OLAFOC	109	4	(5)	-	7	-	115
Cockrell bequest	-	93	(13)	-	-	-	80
	152	5	-	-	(10)	-	147
Total	<u>4,318</u>	<u>1,879</u>	<u>(1,346)</u>	<u>2</u>	<u>12</u>	<u>-</u>	<u>4,865</u>

The bursary fund represents sums transferred each year by the schools, under the terms of the trust deed, calculated as a percentage of fees excluding those received under foundation bursaries. The percentages this year were 6%, 6% and 1% for the Grammar School, the High School and Fairfield respectively. Loughborough Amherst School makes no contribution.

After a review of the usage of the bursary fund in 2018 the governors have decided to reduce the balance of the fund to £600,000. Transfers from fee income will continue to be made as described above and any difference between the transfer and the awards for the year will be adjusted by an additional transfer to maintain the fund balance at £600,000.

The restricted fund of £108,000 represents a contribution by the local cadet force towards the cost of a new building, which is being charged to the statement of financial activities over the life of the asset.

Notes (continued)

Certain Wolfson and Hammersley bequests relating to equipment and fixtures and fittings are being charged to the statement of financial activities over the life of the asset.

The Old Loughburian Benevolent Fund represents funds to be transferred to the Foundations Schools following a decision made by the trustees of the fund during 2011. The funds will be used for objects contained in the original trust Deed of the Old Loughburian Benevolent Fund.

The A&PM Shepherd and Dyson bequests generate income used to fund scholarships awarded by Loughborough Grammar School and Loughborough High School.

The other restricted funds all relate to bequests and gifts to be used for specific prizes or scholarships (note 17).

19 Reconciliation of net income to net cash flow from operating activities

	2020	2019
	£000	£000
Cash flows from operating activities		
Net Income/(expenditure) for the reporting period (as per the statement of financial activities)	(873)	264
Adjustment for:		
Depreciation charge	2,205	2,110
Dividends, interest and rents received from investments	(123)	(163)
(Increase) in stock	(96)	(22)
(Increase)/decrease in debtors	(357)	283
(Decrease)/increase in creditors	(1,247)	2,147
Loss on revaluation of investments	91	72
Profit on disposal of investments	6	(11)
	<hr/>	<hr/>
Net cash (used)/provided by operating activities	(394)	4,680
	<hr/> <hr/>	<hr/> <hr/>

20 Analysis of changes in net debt

	Balance at 31 August 2019	Cash Flows	Non Cash Flows	Balance as at 31 August 2020
	£000	£000	£000	£000
Cash	1,908	2,682	-	4,590
Loans falling due within one year	(28)	(83)	-	(111)
Loans falling due after more than one year	(670)	(4,889)	-	(5,559)
Finance lease obligations due within one year	(124)	-	-	(124)
Finance lease obligations due after more than one year	(248)	80	44	(124)
	<hr/>	<hr/>	<hr/>	<hr/>
Totals	838	(2,210)	44	(1,328)
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

21 Analysis of mortgage loan

Repayments are due as follows	2020	2019
	£000	£000
Amounts falling due:		
- Within one year	28	28
- Between one and two years	28	28
- Between two and five years	84	84
- After five years	530	558
	670	698
	670	698

Lender	Term	Security	Interest Rate
HSBC Bank plc	7 years	85 Castledine Street	Variable, charged at 1.55% over base rate

The terms of the mortgage allow repayment without incurring any penalty.

22 Analysis of CBILS loan

Repayments are due as follows	2020	2019
	£000	£000
Amounts falling due:		
- Within one year	83	
- Between one and two years	1,000	
- Between two and five years	3,000	
- After five years	917	
	5,000	
	5,000	

Lender	Term	Security	Interest Rate
Natwest Bank PLC	6 years	TBC – by July 2021	1 year interest free, interest rate after 1 year 2.37% over base rate

23 Pensions

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

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

Valuation of the Teachers' Pension Scheme.

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

Notes (continued)

report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £2,491,000 (2019: £1,750,000).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

24 Governors expenses

In connection with their role as governors of the charitable company, the governors received reimbursement amounting to £1,879 (2019: £2,005) for expenses incurred.

25 Operating Leases

As at 31 August 2020 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
	£000	£000
Expiry date:		
Within 1 year	121	178
Between 2 and 5 years	147	224
Greater than 5 year	2	26
 Total	270	428

26 Related Party Transactions

During the year recharges of £66,000 (2019: £51,000) were charged to subsidiary undertakings.

Profits of £80,000 (2019: £135,000) were gift aided to the school in line with covenants.

Included within debtors are amounts owed from group undertakings of £303,000 (2019: £236,000) of which £230,000 (2019: £99,000) relates to a loan which is repayable within one year, and is subject to interest at 0.5%

Notes (continued)

per annum. During the year interest of £1,000 (2019: £1,000) was charged on loan accounts with group undertakings.

The transactions were made in the normal course of business.

27 Capital Commitments

At 31 August 2019, a letter of intent for Stage 2 has been signed with Blucon Construction for the construction of a new girls' dance studio for circa £804,000 with a total project cost expected to be £949,000. There is a balance due to Blucon of £236,000 inclusive of a £14,000 retention fee, payable within one financial year.

28 Controlling party

The Governors consider that the company has no controlling party.

29 Company

Loughborough Schools Foundations has three wholly owned subsidiary undertakings which have been included in the consolidated financial statements.

Thomas Burton Developments Ltd has called up share capital of £2; LSF Shop Ltd has called up share capital of £2. The third subsidiary, Loughborough Schools International (Qingdao) Limited was incorporated on 11 March 2020 and is considered dormant as at 31 August 2020 and has called up share capital of £100.

The subsidiary registered offices are the same as for Loughborough Schools Foundation which can be found on page 2 of the Governors' report.