

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 it's 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 individuals 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 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 CO ₂ e	
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 CO ₂ e	
Purchased electricity	513.63
Scope 3 emissions in metric tonnes CO ₂ e	
Business travel in employee owned vehicles	3.38
Total gross emissions in metric tonnes CO ₂ e	<u>1,715.49</u>
Intensity ratio Tonnes CO ₂ e 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**

	Note	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	-	-
		<hr/>	<hr/>
Gross income in the reporting period		30,686	31,393
		<hr/>	<hr/>
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)
		<hr/>	<hr/>
Total expenditure in the reporting period		(30,250)	(29,906)
		<hr/>	<hr/>
Net income for the year		436	1,487
		<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 30 to 52 form part of these financial statements.

**Consolidated balance sheet
at 31 August 2020**

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	10	67,501	67,876
Investments	11	4,145	4,149
		71,646	72,025
Current assets			
Stock	12	302	206
Debtors	13	1,244	887
Cash at bank and in hand		4,590	1,908
		6,136	3,001
Liabilities: amounts falling due within one year			
Creditors	14	(3,568)	(4,746)
Net current / assets (liabilities)		2,568	(1,745)
Total assets less current liabilities		74,214	70,280
Creditors: amounts falling due after more than one year			
	15	(6,427)	(1,620)
Net assets		67,787	68,660
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		67,787	68,660

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**

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	10	67,494	67,866
Investments	11	4,145	4,149
		<u>71,639</u>	<u>72,015</u>
Current assets			
Stock	12	45	53
Debtors	13	1,537	1,110
Cash at bank and in hand		4,478	1,802
		<u>6,060</u>	<u>2,965</u>
Liabilities: amounts falling due within one year			
Creditors	14	(3,485)	(4,700)
		<u></u>	<u></u>
Net current assets/(liabilities)		2,575	(1,735)
		<u></u>	<u></u>
Total assets less current liabilities		74,214	70,280
		<u></u>	<u></u>
Creditors: amounts falling due after more than one year	15	(6,427)	(1,620)
		<u></u>	<u></u>
Net assets		67,787	68,660
		<u></u>	<u></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
		<u></u>	<u></u>
Total funds		67,787	68,660
		<u></u>	<u></u>

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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	19	(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 investments 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
	<hr/>	<hr/>	<hr/>
	-	86	86
	<hr/>	<hr/>	<hr/>
	Unrestricted £000	Restricted £000	2019 £000
Donations	-	154	154
Legacies	-	477	477
	<hr/>	<hr/>	<hr/>
	-	631	631
	<hr/>	<hr/>	<hr/>

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
	<hr/>	<hr/>	<hr/>	<hr/>
	71	52	123	163
	<hr/>	<hr/>	<hr/>	<hr/>
2019	115	48		
	<hr/>	<hr/>		

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
	<hr/>	<hr/>
	27,962	28,397
Government Grants	1,059	-
Catering receipts	852	1,225
Other fees & grant	176	251
	<hr/>	<hr/>
	30,049	29,873
	<hr/>	<hr/>

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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	82	226	4	312	466
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	21,723	7,226	2,201	31,150	30,591
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	21,805	7,452	2,205	31,462	31,057
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditure	21,805	7,452	2,205	31,462	31,057
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	72,274	2,207	9,115	1,117	84,713
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
Balance at 1 September 2019	(6,357)	(1,599)	(7,051)	-	(15,007)
Charge for year	(1,459)	(108)	(638)	-	(2,205)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	(7,816)	(1,707)	(7,689)	-	(17,212)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 August 2020	64,458	500	1,426	1,117	67,501
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2019	62,182	585	1,564	3,545	67,876
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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
	<hr/>	<hr/>

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
<i>Cost or valuation</i>					
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)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	72,274	2,207	9,105	1,117	84,703
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>					
Balance at 1 September 2019	(6,357)	(1,599)	(7,051)	-	(15,007)
Charge for year	(1,459)	(108)	(635)	-	(2,202)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	(7,816)	(1,707)	(7,686)	-	(17,209)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>					
At 31 August 2020	64,458	500	1,419	1,117	67,494
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2019	62,182	585	1,554	3,545	67,866
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

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
	<hr/>	<hr/>

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)
	<hr/>	<hr/>	<hr/>
Balance at 31 August 2020	1,081	3,064	4,145
	<hr/>	<hr/>	<hr/>

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	-
	<hr/>	<hr/>	<hr/>	<hr/>
	302	45	206	53
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

13 Debtors

	2020		2019	
	Consolidated	Charitable Company	Consolidated	Charitable company
	£000	£000	£000	£000
Fees receivable	336	336	338	338
Other debtors	898	898	536	536
Trade debtors	10	-	13	-
Due from group undertakings	-	303	-	236
	<u>1,244</u>	<u>1,537</u>	<u>887</u>	<u>1,110</u>

14 Creditors:

Amounts falling due within one year

	2020		2019	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£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
	<u>3,568</u>	<u>3,485</u>	<u>4,746</u>	<u>4,700</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 £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	-	-
	6,427	6,427	1,620	1,620

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
	248	248	372	372

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/>

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	-	77	-				77
Equipment							
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	81	-	(5)	1	-	-	77
Hammersley bequest	42	-	(21)	-	-	-	21
Prize funds	29	-	-	1	-	-	30
Scholarships	246	137	(137)	(1)	7	-	252
New Grammar School CCF Building	111	-	(3)	-	-	-	108
The Old Loughburian Benevolent fund	109	4	(5)	-	7	-	115
OLAFOC	-	93	(13)	-	-	-	80
Cockrell bequest	152	5	-	-	(10)	-	147
Total	4,318	1,879	(1,346)	2	12	-	4,865

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)
Net cash (used)/provided by operating activities	(394)	4,680

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)
Totals	838	(2,210)	44	(1,328)

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

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	

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.