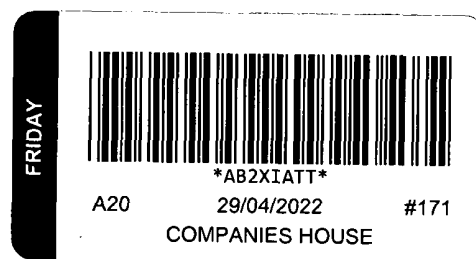


*Loughborough Schools Foundation
Governors' Report and Financial Statements
For the year ended 31 August 2021*

Loughborough Schools Foundation

Governors' Report and Financial Statements

For the year ended 31 August 2021
Registered company number 4038033
Registered charity number 1081765



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Governors' report (continued)

GOVERNORS' REPORT

Relevant Background

The Foundation comprises four independent schools and one nursery, all located in Loughborough. The Loughborough Schools Foundation was regulated as a charity by a number of earlier schemes made by the Board of Education and the Charity Commission. On 20 July 2000 the charity was incorporated as a company limited by guarantee (number 4038033). At the same time, the former charitable trust was dissolved and the permanent endowment was placed within a new charitable trust (number 1081765). All Governors are Directors of the Loughborough Schools Foundation company and Trustees of the Charitable Trust formed on 28 July 2000. By order of the Charity Commission, these accounts consolidate the accounts of the Loughborough Schools Foundation Company limited by guarantee and the Loughborough Schools Foundation Charitable Trust.

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

Trustees & Directors

Loughborough Schools Foundation is an educational charity administered by Governors who are also the Trustees of the Charity and Directors of the Company. The Governors who served during the year, and up to the date of this report except where indicated, were:

Foundation Chair:

Admiral Sir Trevor Soar KCB OBE DEng (Hon) DL

Foundation Vice Chair

Mr A D Jones BA FCA

School Board Chairs during Academic Year:

Mrs E K Critchley MA (Oxon) (LHS) (resigned as chair 31 August 2021)

Mr R Harrison MA (Cantab) Dip arch RIBA (LHS) (appointed as Chair 1 September 2021)

Mrs A Murphy BA (Hons) (Amherst)

Mrs P O'Neill MA (Cantab) (LGS) (resigned 31 July 2021)

Mr P Snelling BSc (Hons) MBA C.Eng MRAS (LGS) (appointed as Chair 1 September 2021)

Mrs G Richards BA Hons M.Ed. Hon.Ed.D (Fairfield) (resigned as chair 31 August 2021)

Mr A Harris MA (Fairfield) (appointed as Chair 1 September 2021)

Co-opted Governors:

Professor R Allison BA PhD (resigned 31 July 2021)

Dr M Aslam (appointed 1 September 2021)

Mrs E K Critchley MA (Oxon)

Professor A Dodson BSc (Hons), PhD, DSc

Dr J Esson BA, MSc, PhD (appointed 1 September 2021)

Professor J Feather MA, PhD, FRSA

Jennifer, Lady Gretton DVCO JP, LLD (Hon), D.Uni (Hon), Hon.DLitt (resigned 26 March 2021)

Mr K M Higginson BA, FCA, MIFT

Air Vice-Marshal G Howard CB, MA (appointed 1 September 2021)

Mr P M Jackson FIMI (resigned 26 March 2021)

Professor J Ketley BSc (Hons), PhD (Bham), CBiol, MSB (resigned 9 February 2021)

Mrs R J E Limb OBE MA (Cantab)

Mrs G Richards BA Hons M.Ed. Hon.Ed.D

Mr S Shah, BSc (Hons) (appointed 1 September 2021)

Mr J Stone (resigned 3 December 2020)

Mrs L Webb BSc (Hons)

Governors' report (continued)

Nominated Governor:
Sister C Leydon Rosminian Sisters of Providence

Company Secretary:
J W Doherty, ICCG, MIOD, VR

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

Registered Office: 3 Burton Walks
Loughborough
LE11 2DU

Professional Advisers:

Bankers: National Westminster Bank plc
Market Place
Loughborough
LE11 3EA

Solicitors: Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5DS

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

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

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

Insurance Broker: Aon Corporate Division
4th Floor, Insurance House
125-129 Vaughan Way
Leicester
LE1 4SB

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

Governors' report (continued)

Objects

The object for which the Foundation is established is to advance education by carrying on in Great Britain a school or schools which may be day or boarding schools at which infants, children and students may obtain education and instruction in academic, sporting, musical, cultural, scientific, technical, religious, vocational, social and commercial subjects, activities and crafts of every description and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Structure, Governance and Management

The Governors determine the policies of the Foundation and the individual schools. The day-to-day management of educational, pupil development and pastoral issues is delegated to the Heads, supported by their senior staff. The Chief Operating Officer (COO) is answerable for the overall governance of the charity, and specifically responsible for the centralised functions of finance, human resources, estates and grounds management, health and safety, compliance, catering, network services, commercial activity, marketing and three subsidiary companies, he is also the Company and Charity Secretary. All of these functions are embedded within the Foundation. The Foundation is governed by its Memorandum and Articles of Association. The Heads and the COO attend Governors' meetings.

The Foundation is comprised of four schools:

Fairfield Preparatory School	-	for boys and girls aged 3-11 Headmaster: Mr A R Earnshaw, BA, NPQH
Loughborough Amherst School (incorporating Loughborough Nursery)	-	for boys and girls aged 6 weeks-18 Headmaster: Dr J Murphy, BA, DPhil (Oxon)
Loughborough Grammar School	-	for boys aged 10-18 Headmaster: Mr D J Byrne, MA (Cantab) Med (to 31 August 2021) Headmaster (Interim): Dr C A Barnett, ME (from 1 September 2021)
Loughborough High School	-	for girls aged 11-18 Headmistress: Dr F Miles (MA Cantab) MBBS

The schools are principally day schools. However, the Grammar School also provides boarding facilities for 72 boys. Since September 2019, Amherst School has provided boarding for up to 16 pupils (boys and girls) as part of the Foundation's partnership with the Lawn Tennis Association and University of Loughborough.

Membership of Relevant Professional Bodies

The Heads of Amherst School, Fairfield Preparatory School, the Grammar School and the High School, and are members of the CISC, IAPS, HMC, and GSA respectively. The COO is a member of the ISBA. All of these professional bodies are in membership of the Independent Schools' Council. Membership of these associations provides an opportunity to share expertise, knowledge and experience across the independent schools' sector. These professional associations also facilitate representation to the Government and regulators on the views of the sector.

Governor Recruitment and Training

The Board of Governors requires considerable breadth and depth of experience to carry out its duties effectively and efficiently. The Nominations Committee interviews prospective governors on a regular basis and maintains a list of prospective candidates to be called forward when vacancies arise and/or skill gaps in the Board become apparent. The Secretary to the Board maintains a record of the background and experience of current trustees to inform decisions on any skills gaps or priorities in recruiting new Governors.

Governors' report (continued)

A comprehensive policy exists on the recruitment, selection and induction of Governors. Moreover, in addition to having access to professional development training provided by advisers to the independent schools' sector, the Foundation has historically staged its own governors' training days, the aspiration being to hold at least one training day per annum. A record of Governor training is held by the Secretary to the Board. In addition to training for the governors as a whole, individual governors also receive training to support them in specific duties they undertake, for example safeguarding and finance. The Foundation is a member of the Association of Governing Bodies of Independent Schools (AGBIS) and Governors are encouraged to make use of the programme of conferences and seminars offered.

From September 2021, all Governors will take part in an appraisal, in the 12 months prior to the end of their current term of appointment. New Governors will have a one year 'probationary' period as part of their initial three-year term. This will allow the Board as a whole to ensure that all Governors have the time and ability to perform their role, and that the role continues to meet their expectations.

Governance and Committee Structure

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

During the year the Board undertook a full review of the Governance structures, and in particular the size and composition of the Board and the role and composition of the School Boards. The review reported in March 2021, with governors agreeing a number of changes:

- To seek to reduce the overall size of the Board to a maximum of fourteen Trustees
- To retain the School Boards, but with a reduced membership of three trustees
- To create specific posts on each school Board: Chair, Academic Governor, Pastoral Governor.
- To retain the Finance, Audit and Risk Committee, with a reduced membership of three
- To increase the scope of the Operations Committee to become the Operations and Compliance Committee, with a membership of three governors.
- To disband the Chairs' Committee
- To disband the Fundraising Committee and replace it, in time, with a Fundraising Campaign Board.

The aim of these changes is to provide a smaller Board, while ensuring the workload on Governors is fairly distributed.

The change in structures will take effect from 1 September 2021, with the transition to a smaller Board taking place over the course of the 2021/22 year, to ensure a smooth transfer of corporate memory and continuity of Governance.

The committees in existence during the year were:

Four School Boards (Amherst, Fairfield, Grammar and High Schools): Each consisting of four Governors, or in the case of Amherst five governors, School Boards are responsible for liaison on general matters and ensuring that school issues are represented at the appropriate functional committee and/or the Foundation Board. They have particular focus on academia and educational matters and provide the primary Governor/School interface, including representation to the ISI, in addition the Amherst School Board exercises specific responsibilities for the Catholic life of the School. The School Boards meet on a termly basis. From September 2021 the size of School Boards reduced to three members (four in the case of Amherst).

Chairs' Committee (disbanded with effect 31 August 2021): Consisting of the four School Board Chairs, the Vice Chair, the Chairs of the Finance, Audit and Risk, and Operations Committees and chaired by the Foundation Chair, this committee provided a mechanism for the identification, development and preparation of issues for Foundation Board discussion. Its primary function was to augment the flow of communication and enhance the Foundation

Governors' report (continued)

Board's capacity for strategic analysis and the consideration of Foundation level issues. The committee met on a termly basis.

The Finance Audit and Risk Committee is chaired by a Governor and consists of additional members, equally drawn from the four School Boards, and one other member who is financially qualified. The committee's remit is to monitor the financial performance of the Foundation and its component schools and to make recommendations to the Board accordingly. It oversees the external audit process as well as the programme of internal reviews and checks undertaken throughout the year, such as spot checks of the single central register, and safeguards the integrity of the Foundation's systems and internal controls. The committee is also responsible for risk management in the foundation and for ensuring that the Foundation has a long-term financial plan, consistent with its overall strategic development and infrastructure plans. It exercises oversight of the Foundation's investments and reserves. The committee meets on a termly basis. From 1 September 2021 the Committee will have three members.

Operations Committee: Consisting of five Governors it advises the Board on all matters relating to capital development, reactive and planned maintenance, maintenance of the grounds, Human Resources, Networks Services, Catering and health and safety. The committee meets on a termly basis. From 1 September the Committee will have three members, and the remit of the Committee will be broadened to include compliance.

Fundraising Committee:

Consisting of four governors, and attended by the Director of Development and the member of the Executive with responsibility for the Development Office, the Committee is responsible for overseeing the development of a fundraising strategy in-line with the Foundation's strategic plan, and to agree priorities for fundraising support. This Committee was disbanded on 31 August 2021.

Remuneration Committee: Consisting of the four School Board Chairs, the Vice Chair and chaired by the Foundation Chair, it advises the Board on salaries and conditions of service for Foundation staff, teachers and schools' support staff. The committee has specific responsibility for determining the remuneration of the Foundation's senior officers. The committee meets annually.

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

The Board also receives reports from The Subsidiary Trading Board. Subsidiary Trading Board has three Directors, one of whom is not a trustee of Loughborough School's Foundation. The Directors are responsible for the legal oversight of the Foundation's incorporated subsidiaries, which are currently:

- Thomas Burton Developments Limited
- LSF Shop Ltd
- Loughborough Schools International (Qingdao) Limited (dormant)

Investment Policy/Performance:

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

The bulk of the Schools' investment portfolio is held in funds managed by Charles Stanley Wealth Managers who act as the investment adviser on this element of the portfolio. The majority of the remainder is managed by CCLA Investment Management Ltd.

The value of the portfolio increased from £4,145,000 to £5,052,000, during the course of the year. The Finance, Audit and Risk Committee reviews the performance of the portfolio regularly, using the FTSE 100, the FTSE All share and the APCIMS Indices to benchmark performance.

Governors' report (continued)

Reserves

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

- a. A sum equal to 10% of working Capital which for the year 2020-21 was deemed to be £963,000 plus;
- b. A sum no less than 5% and no more than 10% of the designated in year CAPEX requirement which for the year 2020-21 was deemed to be £61,000.

The total funds held at the end of the reporting period were £67,735,000 and of this, £55,170,000 was either restricted or endowed, and therefore not available to be used for general purpose. The Foundation also holds investments sufficient to match the restricted funds as represented by the Bursary Fund, A. & P. M. Shepherd Bequest, Dyson Bequest, Coltman Bequest, 'Johnnie Johnson' Award Fund, Wolfson Fund and the various prize and scholarship funds.

The combined requirement of the free reserve and restricted funds throughout the reporting period was £5,989,000. As at 31 August 2021 our liquid funds were £11,443,000 and therefore our policy was met.

Strategic Report (continued)

STRATEGIC REPORT

Covid 19 Pandemic

The Covid 19 pandemic continued to disrupt the operation of the Foundation and its schools during 2020/21. Governors were delighted to welcome all pupils back onto campus in September 2020, the first time our schools had been together as a community since March 2020. To ensure that this could be done safely, schools and the Foundation adopted a number of safety measures including 'pupil bubbles', additional cleaning, staggered timetables for arrival, departure and meal times and changes in the delivery of the curriculum. Where required to isolate, pupils were able to access remote learning provision.

During the second lockdown announced in January 2021 our Nursery and Kindergarten settings remained open and the Foundation was pleased to be able to offer a place to the children in other year groups of all key workers who required one. Our on-line learning provision continued to develop during the second lockdown, with pupils able to access a full timetable, including pastoral and co-curricular activities.

The requirement for mass testing of pupils before their return to school in March was met by staff from across the Foundation, with all pupils able to return on 8 March.

The cancellation of the public examinations for the second year running did not prevent our Year 11 and Year 13 pupils demonstrating their capabilities. Our continued on-line learning throughout the pandemic, meaning pupils did not miss any curriculum content, coupled with the diligent work of staff in the three senior schools to develop rigorous and robust assessment criteria and examinations ensured that pupils achieved the GCSE and A-Levels results they deserved.

The financial impact of the pandemic continued to be felt by all members of our community. In recognition of the continued financial pressures faced by a number of our families, in March the Foundation launched the 'Completion Fund' appeal within the Alumni Community. Our Alumni responded generously, with the appeal raising £44,000 in donations towards helping pupils complete their education in the Foundation's schools, all of which has been awarded to current pupils whose families are experiencing financial hardships as a result of the pandemic.

The funds received under the CBILS scheme in 2019/20 and funds received throughout the year under the continued 'furlough' arrangements supported the management of the Foundation's cash position. Repayments for the CBILS loan began in August 2021.

Main Aims for the Year

Despite the challenges posed by the Covid 19 pandemic, and the closure of the Schools, the Foundation made progress towards the priorities agreed by Trustees for the year. The main aims for the year, together with an indication of the progress made, were:

- To ensure the safe re-opening of all four schools and the return to campus of all staff and pupils following the closures required under national measures to control the pandemic disease Covid 19. The Foundation will continue to monitor and comply with Government regulations as they are published. It is reasonable to expect that there may be further disruption to the activities of the schools should further local or national measures be imposed.

Governors were delighted to welcome all pupils back onto campus in September 2020. A number of adaptations and additional safety measures were put in place to ensure that this took place safely, and give confidence to staff and pupils alike as they returned to campus. Thanks to the work of teaching and support staff to establish excellent on-line provision and our key worker setting, the second lockdown in January 2021 did not disrupt pupils' learning, with pupils continuing to benefit from remote teaching across a full timetable.

Strategic Report (continued)

- To address the financial impact of Covid 19 on the Foundation and our families to ensure long term financial sustainability.

The impact of the Covid 19 pandemic has been felt by all parts of our community. Governors are aware of the impact on our families' incomes and businesses and their ability to meet school fees. This presents a challenge for the medium term as the Foundation balances the need to maintain fees at a level which remains affordable, while generating sufficient surplus to ensure an appropriate level of investment in teaching and facilities. To support this a working group was established to identify efficiencies and wider cost savings.

To support those families facing immediate financial difficulties, the Foundation launched a fundraising campaign. The 'Completion Fund' appeal, which was responded to by our alumni community with warmth and generosity raising just under £44,000. This has allowed 19 pupils to continue to benefit from the education provided by our schools. In the longer term, Governors are committed to seeking to raise funds to widen access to our schools to those pupils whose parents lack the financial means to pay school fees.

The wider impact of Covid on the economy and our parent community will continue to be felt in the coming 12 months, and Governors will monitor indicators of pressure on affordability for parents and ensure the Foundation's planning assumptions provide for a range of possible scenarios.

- Following a decision taken on 24 September 2020, to engage in consultation with the Foundation's teaching staff regarding a possible withdrawal from the Teachers' Pension Scheme (TPS) with effect from 1 September 2021, with a defined contribution pension scheme to be proposed as an alternative.

The consultation period lasted over 90 days. During this time the teachers' representatives and governors discussed a number of possible alternatives to the proposed withdrawal. Having considered the alternatives raised, in February 2021 the Board agreed to withdraw from the TPS and offer an alternative, defined contribution pension, from 1 September 2021. This decision, and the response of staff is detailed further elsewhere in this report.

- To identify opportunities to further improve the culture of diversity and inclusion, in support of the Governors' aim that the Foundation and its schools should be a beacon for inclusivity. In particular, Trustees will seek to address the ethnic diversity of the Board of Trustees during 2020/21 so that the Board reflects more closely the diversity of our school communities.

During 2020/21 the Board worked with Dr Fiona Hammans and Dr Jeffery Quaye; independent experts in this field; who had undertaken a review of race and inclusion in the Foundation's four schools. Following this review an action plan for the Foundation, as well as specific plans for each school, were agreed by the Board. The Action Plan included commitments to staff training, development of further data and reporting on pupil outcomes, recruitment and Governance.

School staff have received training on race and inclusion. A 'Black Alumni Group' has been established at LHS. The group, which was formed from the work of black alumni last summer, meets regularly with the Head and other senior staff and provides advice and constructive challenge of issues of race. The School is seeking to widen the participation in this group to the other schools in the coming year. The Board remains committed to ensuring that it reflects the diverse community served by our schools in its own composition. Progress against the Foundation plan is monitored and discussed termly by the Operations Committee and each School provides scrutiny to the actions and progress in individual schools.

- To develop a digital strategy for the Foundation, to allow our pupils and staff to access technology in support of learning, and to continue to build on the progress made in the use of technology during the time of remote learning.

The Digital Strategy was discussed and agreed by the Heads and Chief Operating Officer during this year, and the Governors have approved the budget for the first stage. The strategy will see one to one provision of devices for teachers in all schools and upgrades to existing hardware.

Strategic Report (continued)

The Foundation has also centralised the data managers in each school into a single team. This will create greater capacity for more detailed and insightful analytics of pupil outcomes, informing interventions and support for all pupils.

- To continue to develop relationships with international partners.

This work was hampered by the on-going restrictions on international travel. The Foundation has continued to foster links in China and other countries which it is hoped will provide the basis for a meaningful partnership in future.

- To consider and implement recommendations arising from the review of governance.

Governors have undertaken a thorough review of the composition of the Board and the structure and composition of Board Committees. The review was concluded in March 2021 and the Board agreed the recommendations outlined above. The aim of the changes is to provide a smaller Board, to facilitate further debate and discussion of issues, while ensuring that the Board maintains appropriate oversight of the Schools and centrally run enabling services.

Teachers' Pension Scheme (TPS)

After considering numerous options to both increase income and / or reduce costs, the Board made the decision in September 2020 to enter into consultation to withdraw from the Teachers' Pension Scheme and replace it with a private pension scheme administered by the Aviva Pension Trust for Independent Schools (APTIS). This scheme is specific to the Independent School sector and provides staff with a competitive defined contribution pension scheme. The employer contribution into this was proposed as the equivalent of 16.5% the same level as the employer contributions into TPS, prior to the 2019 increase.

The decision to enter into consultation was taken informed by consideration both of the current and future pension costs, and the Foundation's 10 year financial plan. This plan indicated that there was a need to reduce costs.

The Foundation withdrew from the TPS on 31 August 2021.

On 12 November 2021 the Foundation announced an agreement to operate a tandem pension scheme for teaching staff from 1 September 2022. This will allow teaching staff employed by the Foundation before 1 May 2022 to choose either TPS or APTIS as their pension scheme on a "total reward" basis. The TPS Scheme will be closed to new members after this date.

Financial Review

The financial achievements and results in the year were impacted by the on-going Covid 19 pandemic; the impact of the second 'lock down' in early 2021 and the additional costs associated with ensuring that our schools operated safely. The level of school fees increased to £29,584,000 (£27,856,000 in the previous year). Cost savings achieved during the second lockdown were passed to parents in the form of a credit against the Summer Term fees. The total value of this credit was £318,000, and including grant income from the Coronavirus Job Retention Scheme (CJRS) of £219,000.

Total resources expended increased from £31,462,000 in the previous year to £32,805,000.

The net loss before adjustments for investments and transfers for the year was (£970,000). Capital expenditure was £1,093,000. Cash in hand and at bank increased from £4,590,000 in the previous year to £6,391,000.

LSF Shop Ltd opened in the Autumn term though limited sales were resumed in August 2020. A surplus of £69,000 was gifted to the parent charity. The performance of the subsidiary Thomas Burton Developments Limited, was likewise affected by the restrictions in place throughout the year which limited the use of the Charity's facilities by external hirers, meaning that income from the letting of our facilities was greatly reduced. A programme of holiday courses did resume, and £49,000 was gifted to the parent charity (a decrease on the previous year's gift aid of £80,000).

Strategic Report (continued)

Development and Fundraising

Loughborough Schools Foundation believe that fundraising from the Schools' core community (parents, alumni, staff, governors and friends) alongside that from external companies, trusts and foundations is essential to increase the financial resources required to achieve the Loughborough Schools Foundation's charitable objectives.

The Trustees also recognise that fundraising activities must be done in such a way to build and maintain the trust of our donors, pupils and parents. As such we set out our approach to fundraising in our Donor Promise. This sets out what we will and will not do, including commitments to fundraise only for purposes aligned with our charitable objectives; keep the costs of fundraising to a minimum and to be transparent in both the use of funds raised and the costs associated with fundraising activity. Further details on income received from fundraising can be found at note 3 in the accounts. The Foundation is registered with the Fundraising Regulator and committed to complying with the Fundraising Code of Practice. The Donor promise also makes clear the Foundation will not undertake excessive communications, communicate in a way which could pressure donors into giving, or contact or communicate with donors where they have asked us not to. We do not pay commissions or other income-linked payments to fundraisers. The number of official complaints received in the year relating to fundraising activity was zero.

The Development Office has established a database of over 17,000 alumni of our four schools and others in the local community who have had involvement with the Foundation's Schools.

The continued restrictions in place as a result of the pandemic have severely inhibited the work of the office and its ability to hold events for alumni and donors during the year. Plans are in place to recommence this aspect of the work of the Development Office in 2021/22 as restriction are lifted. A new Director of Development will take up the role in Autumn 2021, and will work with Governors to develop a clear strategy to meet the fundraising goals set by the Board.

Pupil Numbers

Average pupil numbers in the year were 874 at Loughborough Grammar School, 544 at Loughborough High School, 531 at Fairfield Preparatory School and 290 at Loughborough Amherst School. An average of 102 children also attended the Nursery setting throughout the year, equivalent to 64.7 Full Time pupils.

Fees

Tuition fees were not increased for the 2020/21 academic year, in response to the financial pressures on parents arising from the Covid pandemic. The impact of this was a loss of forecast income of £1.1 million for 2020/21.

Tuition fees charged during the year by the Grammar School and High School were £4,460 per term for years 6-9 (year 6 only at LGS), £4,500 per term for years 10-11 and £4,520 for years 12-13. At Fairfield Preparatory School fees were £3,660 per term (full time) for Kindergarten, £3,770 for Pre-Prep and £3,850 for Prep. At Amherst the fees were £3,410 per term for Pre-Prep, £3,490 per term for Prep. In the Senior School fees were £4,250 per term for years 7-9, £4,270 for years 10-11 and £4,310 for years 12-13.

Academic

This academic year has been unprecedented in the history of the Foundation's schools. The continued pandemic restrictions and second national lockdown meant that staff and pupils had to adapt to new ways of learning. Governors are proud of the resilience and creativity shown by our staff and pupils in adapting to the challenges posed by the restrictions. Our superb remote learning provision in all four schools ensured a continuity of education. Teachers and pupils used Teams and other remote technology to provide a full timetable of learning while schools were closed. Pupils required to isolate were able to continue to access the excellent level of education provided by their teachers.

Strategic Report (continued)

In our senior schools teaching staff worked exceptionally hard to respond to the Government direction regarding the cancellation of GCSE and A-Level examinations. Developing robust and fair systems to ensure that pupils' efforts and abilities were fairly rewarded.

The grades awarded under this year's arrangements reflect the resilience and hard work of our pupils, and the commitment and support of their parents and teachers. Pupils in all three schools achieved results above the national average.

At **Loughborough Amherst School**, 35% of the passes at A-Level were at grade A*, 68% at A*-A and 87% of the passes were at A*-B.

At GCSE 22% of the passes were at A* (9-8) grade, 42% of the passes were A*/A (9-7) grade and 93% were A*/B (9-5).

At **Loughborough Grammar School**, 36% of the passes at A-Level were at A*, 72% of the passes were at grade A*-A and 93% of the passes were at A*-B.

At GCSE 64% of the passes were at A* (9-8) grade, 82% of the passes were A*/A (9-7) grade and 99% were A*/B (9-5).

At **Loughborough High School** 58% of the passes at A-Level were at A*, 86% of the passes were at grade A*/A and 97% of the passes were A*/B.

At GCSE 71% were at A* (9-8) grade, 88% of the passes were A*/A (9-7) grade and 99% were A*/B (9-5).

Despite the extraordinary circumstances of the 2021 public examination system, and the late change in policy regarding the award of grades, our pupils continued to achieve success in securing places for further study. Of those applying for university places in 2021, 97% of pupils at Loughborough High School and 88% at Loughborough Grammar School were successful in obtaining places at their first choice institution.

We continue to successfully prepare pupils for the most competitive universities and courses. Across the Foundation, 21 pupils have gone on to study medical degrees (medicine, dentistry and veterinary sciences) with a further 12 studying allied courses including nursing, 136 pupils have gone on to study at Russell Group Universities and 9 pupils have taken up places at Oxbridge Colleges to continue their studies. In addition pupils also secured places at prestigious institutions to study music and drama, including the Royal Northern College of Music.

Co-Curricular

The restrictions also meant activities outside of the classroom had to adapt the circumstances. With restrictions on sports fixtures, the Foundation instead provided a focus on individual fitness for all pupils, becoming one of the first schools in the UK to partner with Functional Movement Systems (FMS). FMS are leaders in the field of movement. The aim of the programme is to help all pupils understand how they currently perform movements, and improve, thereby improving their fitness and guarding against injury. The programme was launched to all pupils during 2020/21.

Our music department were unable to run their usual series of concerts, due to restrictions on both audiences and gathering ensembles. The creativity and resilience of staff allowed them instead to move to a series of on-line performances. Pupils from across all four schools and all age groups were provided the opportunity to perform in the on-line Advent Calendar and in weekly 'lunchtime live' and sound bites concerts. Pupils continued to excel in Board examinations and our year 13 musicians secured places at a number of prestigious institutions to further their studies, including the Royal Northern College of Music and organ scholarships at Trinity College and Worcester Cathedral.

This year has been the first year in which the Foundation has provided a guaranteed Year 7 place for all pupils in Year 5 by the end of the summer term. This approach demonstrates the value of the 'whole Foundation' approach to pupil development, and removes the uncertainty and associated anxiety for Year 6 pupils having to sit the Year 7 entrance examinations. Under these revised arrangements Scholarships will be awarded to Fairfield's top three

Strategic Report (continued)

performing Year 6 boys and girls for Loughborough Grammar School and Loughborough High School. These six pupils will subsequently be known as the 'Fairfield Scholars'.

Employment

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

The Trustees were pleased to note the continued progress towards closing the gender pay gap, with a continued year on year reduction in both the mean and median measures.

The Foundation welcomes applications for employment from disabled persons (having regard to their particular aptitudes and abilities) and assists, whenever practicable and taking into account HR best practice, the recruitment, training, career development and promotion of disabled people. We seek to retain, and as applicable train or re-train, those who become disabled during their employment.

Where an employee becomes disabled, all efforts are made to try to ensure the employee can continue in their current role through adjustments. However, if, due to the specific circumstances, this is not possible, every effort will be made to provide retraining for alternative employment within the Foundation. The Foundation remains supportive of the employment and advancement of disabled persons and ensures its promotion and recruitment practices are fair and objective. The Foundation encourages the continuous development and training of its employees and the provision of equal opportunities for the training and career development of all employees.

The Foundation is committed to engaging with its employees. A variety of methods are used to achieve this, including team meetings, Common Room briefings and our two staff representative groups, the Teaching Staff Representatives and the Support Staff Representatives. These Groups meet three times a year with the Foundation Chairman and serve as a mechanism by which representatives can raise issues and concerns directly with the governors. For 2021/22 this approach will be supplemented by staff engagement committees in each school, where staff representatives will meet with the Chair of the School Board to raise and discuss ideas and issues.

Strategic Report (continued)

Salaries

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

Pension Costs

Teachers: The schools participate in a multi-employer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ('The Scheme'), for its teaching staff. It is not possible or appropriate to identify the assets and liabilities of the Scheme, which are attributable to the Schools.

The employer contribution rate for teachers for 2020/21 was 23.68% (including a 0.08% administration charge) (2019/20 23.68%). The employee contribution rates varied from 7.4% to 11.7%. The average rate paid by LSF teaching staff was 9.7%. The pension charge for the year includes contributions payable to the Scheme of £2,534,000 (2020 £2,491,000).

The Foundation exited the Teachers' Pension Scheme on 31 August 2021.

Non-Teachers: The LSF Group Personal Pension Plan is operated by Royal London. The pension charge for the year includes contributions payable to the personal pension plans of £454,000.

Future Plans

The plans for the coming year, which were formally considered and approved by the Board in June 2021 are as follows:

- **Stability:** Following two years of unprecedented disruption to the life of our schools, to provide a clear focus on the development of individual schools during 2021/22 and 2022/23. This will include the development (by Head and School Boards) of School Strategic Plans.
- To ensure that the Foundation undertakes a thorough search and selection process to identify and appoint a new Head of Loughborough Grammar School and ensures a smooth and effective transition from the Interim Headmaster.
- To support the interim Headmaster to achieve the agreed objectives and ensured continued progress during the interim year.
- To ensure the Foundation acts to address financial pressures and actions agreed as part of the post-Covid recovery strategy.
- Following the difficult discussions surrounding the proposal to withdraw from the TPS, the Board is committed to identifying and implementing ways to improve the visibility and engagement of the Governing Body with all staff. The Teaching Body in each school will meet regularly with the School Board Chair. The Foundation has also entered into a voluntary recognition agreement with both NASUWT and NEU, the two unions which represent the greatest numbers of teaching staff within the Foundation's schools.
- Embed the revised committee structure and roles agreed following the Governance Review such that the new model is fully operational by September 2022.
- Ensure the Schools and Foundation take visible action to become a more diverse and inclusive organisation.

Strategic Report (continued)

Risk Management

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

The trustees have a risk management strategy which comprises:

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

The Trustees group risks into five categories:

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

Separately during 2020/21 Trustees devoted specific attention to the reputational and financial risks arising from the industrial action by teaching staff at Loughborough Grammar School. It has made all necessary regulatory disclosures to the Charity Commission.

Strategic Report (continued)

Public Benefit

Our community must always look outwards and support our wider communities. While the national restrictions imposed in response to the pandemic curtailed some planned activities, it also presented new opportunities for our schools, pupils and staff to serve the wider community.

The Governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to public benefit guidance published by the Charity Commission in determining the activities undertaken by the Charity.

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

Financial Support

The Governors are conscious of the long tradition of charitable provision, primarily in the form of bursaries, on the part of the Loughborough Schools Foundation and have maintained the status quo. These awards are financed mainly through general fee income, however this is augmented by the income derived from a small number of bequest funds.

The schools which form the Foundation have a well-established tradition of providing excellent educational opportunities to children from the Loughborough and wider Leicestershire area. Governors remain committed to taking action to ensuring that support is available to those pupils who would benefit from the opportunities provided by the Foundation's schools, but whose parents may lack the financial means to meet the fees.

- Long-term Foundation Bursaries (School Assisted Places (SAPs)) are available to entrants to Amherst School, the Grammar School and the High School, who meet the general entry requirements at the point at which the pupil enters the school. These awards are made on the basis of parental means and involve an assessment of those means. During the year 141 pupils received assistance amounting to £1,115,000. Of these 27 pupils received 100% fee remission. The awards are subject to annual review, and means testing.
- A further 43 existing pupils were also given means-tested financial assistance in hardship bursaries amounting to £151,000. This assistance was awarded in circumstances in which it was believed that the assistance could be required for less than 12 months, although on many occasions, a longer period of time has proved necessary. A relatively high proportion of these pupils have also been given total fee remission. This number is increased from the previous year, reflecting the continued impact of the lockdown on the financial circumstances of our families.
- £55,000 of the above hardship awards provided immediate and short term help for 23 pupils of families whose incomes were affected by the pandemic. £44,000 of this was funded directly by donations made to the 'Completion Fund'.
- Part of the financial assistance provided both to those on long-term and short-term Foundation Bursaries has included assistance towards ancillary costs, including lunches, transportation and school uniform.
- Additionally, a further £12,000 was awarded in the form of financial assistance to 2 of the above pupils from designated bequest funds.
- The figures which have been quoted in the preceding part of this section are the direct costs of providing financial assistance on a means-tested basis to pupils; these figures do not include the significant costs of the management time at various levels of dealing with and processing these awards, or the cost of targeted advertising which aims to stimulate applications from those who are eligible.
- The total amount of means-tested assistance provided was £1,278,000. This assistance was made available to 8.22% of the pupils and represents overall 4.38% of the tuition fee income.

Strategic Report (continued)

- In addition to means tested assistance, the Foundation also makes a limited amount of funds available to recognise its scholars.
- The total amount of financial assistance (means tested and scholarships combined), excluding staff fee remission, expended during the year was £1,386,000. This represents 4.75% of the tuition fee income.

Educational

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

Educational Experiences

Amherst School continued its outreach work with a local secondary school to identify Year 11 pupils who may benefit from the educational and co-curricular activities of the school, but who otherwise would not be able to afford the fees. As a result of this outreach a number of pupils have received financial support allowing them to attend the School's sixth form, and have achieved considerable success, including taking up places at prestigious universities.

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

Though these activities were limited during 2020/21 by Covid restrictions in our own school community, and those schools we would work with, Amherst School was delighted to have welcomed pupils from local primary schools to the annual debating day. Part of this event included training in debating from Amherst School staff in advance of the event.

Educational Expertise – Educational Training and Support

As the trustees of an education charity, Governors recognise the importance of sharing not only our physical resources, but also the expertise and experience of our staff, to support local schools and other organisations. In addition to the many masterclasses and other educational activities delivered by teaching staff and pupils at the senior schools, the Foundation supports its staff in providing support to other schools and organisations. These activities include supporting teachers in local schools and supporting the development of new teachers and teaching assistants.

This approach to partnership working was reflected in other aspects of our work during 2020/21, including:

- PGCE students - a number of Universities were supported to undertake placements at our schools. This requires a commitment of time to support those training, and to report as required by the placement programme.
- Teaching apprentices: The Foundation's Sport Department, supported by staff at Loughborough Grammar School, successfully supported an apprentice PE teacher through the formal qualification to achieve qualified teaching status while benefiting from the hands on experience of working in our schools. This programme will be continued in the 2021/22 academic year.
- A number of teaching and support staff are supported by the Foundation to be governors at local schools. The Foundation allows them time to fulfil their duties. As part of this commitment to supporting the governance of other schools, the Head of Preparatory at Loughborough Amherst school is supported by the school in her role as Foundation Director at the St Ralph Sherwin Multi-Academy Trust.

Strategic Report (continued)

Community

LSF is a well-established part of the wider community of Loughborough and Leicestershire, and where the Foundation can support other parts of the community, it is delighted to do so. LSF contributes facilities and expertise in the following areas:

Music

Despite events and performances being cancelled during the pandemic the Music department were delighted to be able to provide support to Rainbows Hospice on-line Christmas concert.

Sharing our Facilities

Throughout the year, LSF made its grounds and facilities available, free of charge, to local groups, societies and local charities, many on a weekly basis. In 2020/21 these included:

- Loughborough Lightning: Netball training and tournament. Indoor sports centre and outdoor courts
- Quorn Football Club Juniors: Quorn football pitches for training and matches
- Loughborough Town Cricket: Pitches at LGS and Quorn for matches
- Loughborough University, Rugby: Tournament and social. Quorn rugby pitches and pavilion.
- Loughborough Badminton Club (Juniors): LGS Sports Hall
- Army Reserves: LGS Sports Hall, weekly use

Reduced rate of facility use was provided to the following organisations as below, with the Foundation providing security, caretaking and event support at its own cost:

- Tom Flowers Cricket Camp: Holiday courses. LGS Sports Hall.
- Barrow Runners: Quorn athletics track (fortnightly)
- LAMDA Exams: Recital Hall

Volunteering

LSF is committed to ensuring that as well as providing academic education, our pupils learn the importance of playing a positive role in their community. To this end, we provide many opportunities for staff and students to engage in voluntary role within the community, including with Scouting and Girl Guiding Units. Students from all three Senior Schools participate in the school's voluntary service unit, supporting local organisations. These activities were limited during the year, due to restrictions on visits to care homes and other schools.

Governors were particularly proud of the LHS Student who undertook the training required to administer Covid vaccines, and who supported the roll out of the national Covid-19 Vaccination Programme.

Our schools host units of the Rainbows, Brownies, Guides and Scouts. Supported by LSF staff, pupils and parents these groups play a role in the community in community events and volunteering.

Charitable Donations and Fundraising

As well as giving of time, pupils at our family of schools are strongly engaged in fundraising for a wide variety of causes, and understand that their efforts help to change the lives of many people of all ages who are less fortunate than themselves. This begins at our Preparatory Schools with our youngest children raising money for local, national and international causes through a variety of activities. Pupils from across the Foundation raised £16,784 through a variety of events including non-uniform days, bake sales, and competitions.

Amherst	£1,647
Fairfield Prep	£2,162
Grammar School	£6,975
The High School	£6,000

Strategic Report (continued)

Within the senior schools, activities are led by a dedicated team of Senior Charity prefects. Senior pupils in all three schools support the collection and distribution of food items donated by pupils at all four schools via harvest festivals and other events to local community groups including Project 5000, The Bridge Project, The Carpenters Arms and the Salvation Army.

Although the continued Covid restrictions curtailed many activities, our pupils continued to demonstrate their generosity in giving of their time, skills and money. Of particular note was the Fairfield Pupil who compiled a book, the proceeds from the sale of this were donated to Rainbows Hospice.

Economic Impact

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

In 2020/21 it employed on average 665 people, and 81.5% of the £17.2 million paid in salaries (£17.2 million in 2019/20) remained in Leicestershire, with an estimated 97.1% remaining in the East Midlands.

We support local businesses. Although reduced by the closure of schools in January 2021, in 2020/21 our total direct spend was circa £6.58 million (£6.97 million in 2019/20), of which £2.4 million was spent in the East Midlands economy.

We estimate that in providing an education to more than 2,239 local children, the exchequer collectively save more than £10.4 million a year which it would otherwise cost to educate those children in local maintained schools.

Section 172 Statement

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

Stakeholder	Section
Employees	Page 11 ("Employment")
Beneficiaries	Page 10 (Academic Report) and Page 13 ("Financial Assistance")
Community	Pages 14-17 ("Public Benefit")
Economic benefit	Pages 17-18 ("Economic Impact")

Strategic Report (continued)

Carbon Report

UK Greenhouse gas emissions and energy use data for the period 1 September 2020 to 31 August 2021

	2020/21
Energy consumption used to calculate emissions (kWh)	6,698,388
Energy consumption breakdown (kWh):	
• gas	4,467,562
• electricity	2,184,082
• transport fuel	46,744
Scope 1 emissions in metric tonnes CO2e	
Gas consumption	1,522.37
Owned transport – mini-buses	6.68
Total Scope 1	<u>1,529.06</u>
Scope 2 emissions in metric tonnes CO2e	
Purchased electricity	500.82
Scope 3 emissions in metric tonnes CO2e	
Business travel in employee owned vehicles	1.08
Total gross emissions in metric tonnes CO2e	2,030.96
Intensity ratio Tonnes CO2e per pupil	0.91

Quantification and reporting methodology

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

Intensity measurement

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

Measures taken to improve energy efficiency

We have installed smart meters across all sites and increased video conferencing technology to facilitate staff to work from home and not travel to work for meetings.

Approved by the Board on 9 December 2021 and signed on its behalf by:



Admiral Sir Trevor Soar
Chairman

Trustees' responsibilities statement

The trustees (who are also directors of Loughborough Schools Foundation for the purposes of company law) are responsible for preparing the Governors' Annual Report, including the Strategic Report, and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the trustees are aware:

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinion

We have audited the financial statements of Loughborough Schools Foundation ("the company") and its subsidiaries ("the group") for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Cashflow Statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2021 and of the incoming resources and application of resources, including its income and expenditure, for the year ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of governors

As explained more fully in the Statement of Trustees' Responsibilities set out on page 21, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

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

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

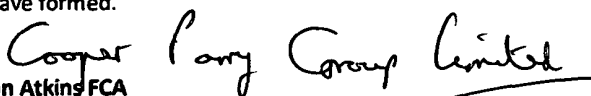
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

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

Use of our report

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


Simon Atkins FCA
Senior Statutory Auditor

For and on behalf of:

COOPER PARRY GROUP LIMITED
Chartered Accountants
Statutory Auditors

Date: 31 January 2022

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

**Consolidated statement of financial activities
for the year ended 31 August 2021**

	<i>Note</i>	Unrestricted income Funds £000	Restricted income funds £000	Endowed funds £000	2021 Total funds £000	2020 Total funds £000
Income and endowments from:						
Donations and legacies	3	-	111	-	111	86
Other trading activities	4	523	-	-	523	295
Investments	5	81	57	-	138	123
Charitable activities	6	29,876	1,142	-	31,018	30,049
Other		45	-	-	45	133
Total income and endowments		30,525	1,310	-	31,835	30,686
Expenditure on:						
Raising funds:						
Financing costs	9	135	-	-	135	90
Trading operations	9	395	-	-	395	222
Charitable activities	9	29,823	1,268	1,184	32,275	31,150
Total expenditure		30,353	1,268	1,184	32,805	31,462
Net income/(expenditure) before gains/(losses) on investments and transfers		172	42	(1,184)	(970)	(776)
Gain/(Loss) on sale of investments		-	-	11	11	(6)
Gain/(Loss) on investment assets	11	-	294	613	907	(91)
Net income/(expenditure) before transfers		172	336	(560)	(52)	(873)
Transfers between funds	19	-	(46)	46	-	-
Net movements in funds		172	290	(514)	(52)	(873)
Reconciliation of funds						
Total funds brought forward		12,393	4,965	50,429	67,787	68,660
Total funds carried forward		12,565	5,255	49,915	67,735	67,787

All incoming resources and resources expended derive from continuing operations.

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

The notes on pages 30 to 52 form part of these financial statements.

**Consolidated summary income and expenditure accounts
for the year ended 31 August 2021**

	<i>Note</i>	2021	2020
		£000	£000
Income from charitable related activities		31,174	30,268
Income from non-charitable trading activities		523	295
Interest and investment income	5	138	123
Gain on sale of investment assets	19	-	-
Gross income in the reporting period		31,835	30,686
Expenditure on charitable activities		(30,078)	(28,992)
Expenditure on non-charitable trading activities	9	(395)	(222)
Interest payable		(135)	(90)
Depreciation and charges for impairment of fixed assets		(1,013)	(946)
Total expenditure in the reporting period		(31,621)	(30,250)
Net income for the year		214	436

The income for the year arises from continuing activities.

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

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

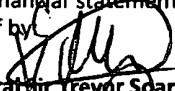
The summary income and expenditure account excludes endowed funds and unrealised gains/(losses) in accordance with Companies Act 2006. The account is derived from the statement of financial activities on page 25 which together with the notes to the financial statements provides information on the movement during the year of the funds of the group.

The notes on pages 30 to 52 form part of these financial statements.

**Consolidated balance sheet
at 31 August 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	10	66,363	67,501
Investments	11	5,052	4,145
		<u>71,415</u>	<u>71,646</u>
Current assets			
Stock	12	282	302
Debtors	13	536	1,244
Cash at bank and in hand		6,391	4,590
		<u>7,209</u>	<u>6,136</u>
Liabilities: amounts falling due within one year			
Creditors	14	(5,185)	(3,568)
Net current assets		<u>2,024</u>	<u>2,568</u>
Total assets less current liabilities		<u>73,439</u>	<u>74,214</u>
Creditors: amounts falling due after more than one year	15	(5,316)	(6,427)
Provisions for liabilities			
Provisions	16	(388)	
Net assets		<u>67,735</u>	<u>67,787</u>
Funds			
Endowed funds	18	49,915	50,429
Restricted income funds	18, 19	5,255	4,965
Unrestricted income funds	18	12,565	12,393
Total funds		<u>67,735</u>	<u>67,787</u>

The financial statements were approved by the board of directors on 09 December 2021 and were signed on its behalf by:


Admiral Sir Trevor Soar
Chairman


J W Doherty
Chief Operating Officer and Company Secretary

Company registered number: 4038033

The notes on pages 30 to 52 form part of these financial statements.

**Charitable balance sheet
at 31 August 2021**

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	10	66,354	67,494
Investments	11	5,052	4,145
		<u>71,406</u>	<u>71,639</u>
Current assets			
Stock	12	48	45
Debtors	13	743	1,537
Cash at bank and in hand		6,311	4,478
		<u>7,102</u>	<u>6,060</u>
Liabilities: amounts falling due within one year			
Creditors	14	(5,069)	(3,485)
		<u></u>	<u></u>
Net current assets		<u>2,033</u>	<u>2,575</u>
Total assets less current liabilities		<u>73,439</u>	<u>74,214</u>
Creditors: amounts falling due after more than one year	15	(5,316)	(6,427)
Provisions for liabilities			
Provisions	16	(388)	
		<u></u>	<u></u>
Net assets		<u>67,735</u>	<u>67,787</u>
Funds			
Endowed funds	18	49,915	50,429
Restricted income funds	18, 19	5,255	4,965
Unrestricted income funds	18	12,565	12,393
		<u></u>	<u></u>
Total funds		<u>67,735</u>	<u>67,787</u>

The financial statements were approved by the board of directors on 09 December 2021 and were signed on its behalf by:


Admiral Sir Trevor Sobers
Chairman


J W Doherty
Chief Operating Officer and Company Secretary

Company registered number: 4038033

The notes on pages 30 to 52 form part of these financial statements.

**Consolidated statement of cash flows
for the year ended 31 August 2021**

	<i>Note</i>	2021 £000	2020 £000
Net cash flow from operating activities			
Net cash flow (used)/provided by operating activities	20	2,959	(394)
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(1,093)	(1,830)
Purchase of investments	11	(187)	(669)
Proceeds from sale of investments	11	108	576
Dividends, interest and rents received from investments	5	138	123
Net cash used in investing activities		1,925	(1,800)
Cash flows from financing activities			
Repayment of finance leases		(124)	(124)
New loan		-	5,000
Net cash generated in financing activities		(124)	4,876
Change in cash and cash equivalents in the reporting period		1,801	2,682
Cash and cash equivalents at the beginning of the reporting year		4,590	1,908
Cash and cash equivalents at the end of the reporting year		6,391	4,590

The notes on pages 30 to 52 form part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting Policies

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

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

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

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

Basis of consolidation

The group financial statements are the result of the consolidation of the financial statements of the company and its subsidiaries LSF Shop Limited, Thomas Burton Developments Limited and Loughborough Schools International (Qingdao) Limited (dormant). The financial statements of all companies are made up to 31 August 2021.

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

Fund accounting

Funds held by the charitable company are either:

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

Income recognition

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

Fees receivable

Fees receivable are accounted for in the period to which they relate. Each year an overall amount of 5% of the fees received is allocated to the bursary fund. The fees receivable are stated after deducting scholarships and other remissions granted by the charitable company; however, the stated fees include the contributions received from restricted funds for bursaries and other grants.

Notes (continued)

Investment income

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

Donations

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

Trading income

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

Government Grants

Income from the Coronavirus Job Retention Scheme (CJRS) has been recognised as grant income in the period it relates to using the accruals method.

Expenditure recognition

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

- Expenditure on raising funds
- Expenditure on charitable activities

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

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

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

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

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

Redundancy / termination payments

All redundancy and termination payments are recognised within the year.

Tangible fixed assets

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

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

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

Notes (continued)

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

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

No depreciation is charged against assets under construction.

Investment properties

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

Fixed asset investments

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

Stock

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

Operating Leases

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

Hire Purchase Contracts & Finance Leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Deferred income

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

Taxation

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

Notes (continued)

Pension schemes

Teachers' Pension Scheme

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective unit credit method. As stated in Note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Defined Contribution Scheme

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

Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. After taking into consideration the effects of COVID-19, Governors are still satisfied that the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern. The Schools remain open and we are confident that we have a robust online facility that we can quickly put into place should remote learning be required.

Limited by guarantee

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

Re-statement of prior year figures

Where prior year figures are re-stated, the reason will be stated in the notes section of the accounts.

2 Judgements and key sources of estimation uncertainty

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

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

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

Leases

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

Investment properties

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

Notes (continued)

Recoverability of trade debtors

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

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of

the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the statement of financial activities.

Depreciation and residual values

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

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

3 Donations and legacies

	Unrestricted £000	Restricted £000	2021 £000
Donations	-	111	111
Legacies	-	-	-
	<hr/>	<hr/>	<hr/>
	-	111	111
	<hr/>	<hr/>	<hr/>
	Unrestricted £000	Restricted £000	2020 £000
Donations	-	66	66
Legacies	-	20	20
	<hr/>	<hr/>	<hr/>
	-	86	86
	<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 2021 for both entities, as extracted from their audited accounts, are summarised below and all relate to unrestricted funds.

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2021 £000	Total 2020 £000
Turnover	434	89	523	295
Cost of sales	(293)	(1)	(294)	(120)
Gross profit	141	88	229	154
Administration	(66)	(43)	(109)	(101)
Other operating income	3	5	8	21
Operating (loss)/profit	78	50	128	74
Interest payable	(1)	(1)	(2)	(2)
Net profit	77	49	126	72
Retained loss brought forward	(8)		(8)	-
Covenant	(69)	(49)	(118)	(80)
Retained loss carried forward	-	-	-	(8)

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

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2021 £000	Total 2020 £000
Non-current assets	-	9	9	7
Current assets	305	33	338	375
Creditors: amounts falling due within one year	(305)	(42)	(347)	(390)
Net current liabilities	-	-	-	(8)
Creditors: amounts falling due after more than one year	-	-	-	-
Net liabilities	-	-	-	(8)
Share capital and reserves	-	-	-	(8)

Notes (continued)

On 16 August 2018, LES Shop Ltd became LSF Shop Ltd, and as such a new lease agreement was signed with Loughborough Schools Foundation. Lease costs of £9,800 per annum are payable until expiration of the lease on 1 March 2022.

5 Investment Income

	Unrestricted £000	Restricted £000	2021 £000	2020 £000
Bank interest receivable	7	19	26	27
Investment income	55	38	93	80
Rental income	19	-	19	16
	<u>81</u>	<u>57</u>	<u>138</u>	<u>123</u>
2020	<u>71</u>	<u>52</u>		

6 Charitable activities

School income receivable comprised:

	2021 £000	2020 £000
Tuition fees	28,392	26,857
Boarding fees	1,192	999
Bursary awards and grants	(1,072)	(1,075)
Bursary awards and grants paid for by restricted funds	1,142	1,181
	<u>29,654</u>	<u>27,962</u>
Government Grants	219	1,059
Catering receipts	968	852
Other fees & grant	177	176
	<u>31,018</u>	<u>30,049</u>

Income from school income was £31,018,000 (2020: £30,049,000) of which £29,876,000 (2020: £28,868,000) was attributable to unrestricted funds and £1,142,000 (2020: £1,181,000) was attributable to restricted funds.

Tuition fees for the year include £1,072,000 (2020: £1,075,000) transferred to restricted fund bursaries.

Government grant income of £219,000 is made up of income from the Job Retention Scheme.

Bursary awards, grants and scholarships were made to 246 pupils (2020: 287) from restricted funds.

Notes (continued)

7 Charitable net income is stated after charging:

	2021	2020
	£000	£000
Auditors' remuneration:		
For audit	29	29
For other services	4	5
Governors' professional liability insurance	9	9
Depreciation of tangible fixed assets	2,231	2,202
	<hr/>	<hr/>
Staff costs		
Wages and salaries	17,496	17,221
Social security costs	1,632	1,587
Pension contributions	2,989	2,915
	<hr/>	<hr/>
	22,117	21,723
	<hr/>	<hr/>

The number of employees whose contracts were terminated and who left our employment within the financial year totalled 6 including 3 redundancies.

The average number of employees in the year was 679 (2020: 676) of whom 275 (2020: 275) were teaching staff. Neither the governors nor persons connected with them received any remuneration or other benefits from the charitable company or any connected organisation.

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

	2021	2020
£60,001 - £70,000	8	9
£70,001 - £80,000	4	4
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£100,001 - £110,000	2	2
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	1	1
	<hr/>	<hr/>
	19	19
	<hr/>	<hr/>

Contributions were made to the Teachers' superannuation scheme, which is a defined benefit scheme for 14 higher paid employees (2020: 13). Contributions were paid to a defined contribution pension scheme for a further 5 employees (2020: 5).

Notes (continued)

8 Governors and key management personnel remuneration and expenses

The Governors consider that they, together with the Heads of the 4 schools and the COO comprise the Key Management Personnel. The Governors give of their time freely and the pay and remuneration of the Heads and the COO is set by the Remuneration Committee and is kept under annual review. A number of criteria are used in setting pay:

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

The total amount of employee benefits received by key management personnel is £838,000 (2020 : £835,000).

The trustees neither received nor waived any remuneration during the year (2020: £NIL).

Notes (continued)

9 Analysis of total resources expended

	Staff costs £000 (note 7)	Other £000	Depreciation £000 (note 10)	Total 2021 £000	Total 2020 £000
Cost of generating funds					
Trading	85	306	4	395	222
Financing	-	135	-	135	90
	<u>85</u>	<u>441</u>	<u>4</u>	<u>530</u>	<u>312</u>
Charitable expenditure					
Teaching costs	17,098	1,955	-	19,053	18,810
Welfare costs	283	-	-	283	232
School meals and catering	579	792	-	1,371	1,327
Premises	1,513	1,825	2,227	5,565	5,325
Support costs	2,396	2,079	-	4,475	3,993
Financial Assistance including Bursaries and Scholarships		1,237	-	1,237	1,161
Governance costs	248	43	-	291	302
	<u>22,117</u>	<u>7,931</u>	<u>2,227</u>	<u>32,275</u>	<u>31,150</u>
Total expenditure	<u>22,202</u>	<u>8,372</u>	<u>2,231</u>	<u>32,805</u>	<u>31,462</u>

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

Resources expended total £32,805,000 (2019: £31,462,000) of which the split between funds is as follows;

	Staff costs £000	Other £000	Depreciation £000	Total 2021 £000	2020 £000
Unrestricted funds	22,202	7,135	1,016	30,353	29,046
Restricted funds	-	1,237	31	1,268	1,204
Endowment funds	-	-	1,184	1,184	1,212
Total expenditure	<u>22,202</u>	<u>8,372</u>	<u>2,231</u>	<u>32,805</u>	<u>31,462</u>

Bursaries and scholarship costs of £1,237,000 (2019: £1,161,000) have been charged directly to restricted funds.

Notes (continued)

10 Consolidated tangible fixed assets

	Freehold land and Buildings £000	Furniture and fittings £000	Equipment £000	Assets in the course of construction £000	Total £000
Cost or valuation					
Balance at 1 September 2020	72,274	2,207	9,115	1,117	84,713
Additions at cost	614	80	399	-	1,093
Transfer between classes	1,018	99	-	(1,117)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	73,906	2,386	9,514	-	85,806
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
Balance at 1 September 2020	(7,816)	(1,707)	(7,689)	-	(17,212)
Charge for year	(1,492)	(112)	(627)	-	(2,231)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	(9,308)	(1,819)	(8,316)	-	(19,443)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 August 2021	64,598	567	1,198	-	66,363
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2020	64,458	500	1,426	1,117	67,501
	<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 (2020: £1,600,000) and £4,260,000 (2020: £4,260,000) respectively.

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

Assets in the course of construction throughout 2020 related to the new dance studio at the High School.

All assets are held for use on charitable activities.

Notes (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021	2020
	£000	£000
Equipment	199	298
Depreciation	49	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
Cost or valuation					
Balance at 1 September 2020	72,274	2,207	9,105	1,117	84,703
Additions at cost	614	80	393	-	1,087
Transfer between classes	1,018	99	-	(1,117)	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	73,906	2,386	9,498	-	85,790
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation					
Balance at 1 September 2020	(7,816)	(1,707)	(7,686)	-	(17,209)
Charge for year	(1,492)	(112)	(623)	-	(2,227)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	(9,308)	(1,819)	(8,309)	-	(19,436)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 August 2021	64,598	567	1,189	-	66,354
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2020	64,458	500	1,426	1,117	67,501
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021	2020
	£000	£000
Equipment	199	298
Depreciation	49	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 2020	1,081	3,064	4,145
Disposal of property	-	-	
Additions at cost	-	187	187
Disposals		(108)	(108)
Change in market value of investments		828	828
Balance at 31 August 2021	1,081	3,971	5,052

The listed and managed investments of £3,971,000 (2020: £3,064,000) comprise £1,139,000 (2020: £986,000) charity investments and £2,833,000 (2020: £2,078,000) investments directly listed in the United Kingdom.

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

Part of the investment property portfolio was re-valued as at March 2021 by JLL, chartered Surveyors. Management consider this an immaterial change and held the value of properties at the 2014 and 2017 valuation.

12 Stocks

	2021		2020	
	Consolidated £000	Charitable company £000	Consolidated £000	Charitable Company £000
Stocks	48	48	45	45
Subsidiaries stocks	234	-	257	-
	282	48	302	45

Notes (continued)

13 Debtors

	2021		2020	
	Consolidated	Charitable Company	Consolidated	Charitable company
	£000	£000	£000	£000
Fees receivable	123	123	336	336
Other debtors	389	389	898	898
Trade debtors	24	-	10	-
Due from group undertakings	-	231	-	303
	<u>536</u>	<u>743</u>	<u>1,244</u>	<u>1,537</u>

14 Creditors:

Amounts falling due within one year

	2021		2020	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£000
Prepaid fees	1,747	1,747	1,242	1,242
Fee guarantees	74	74	86	86
Taxation and social security	484	474	414	415
Net obligations under hire purchase contracts	124	124	124	124
Mortgage obligation	28	28	28	28
CBILs loan	1,000	1,000	83	83
Other creditors	1,339	1,234	1,429	1,346
Accruals	389	388	162	161
	<u>5,185</u>	<u>5,069</u>	<u>3,568</u>	<u>3,485</u>

Net obligations under hire purchase contracts are secured on the assets to which they relate. Fee guarantees are repayable when pupils leave. Other creditors include £303,000 (2020: £349,000) of outstanding pension contributions. Figures have been re-stated to include fee guarantees due within one year only.

Notes (continued)

15 Amounts falling due after one year

	2021		2020	
	Consolidated	Charitable Company	Consolidated	Charitable Company
	£000	£000	£000	£000
Fee guarantees	785	785	744	744
Net obligations under hire purchase contracts	-	-	124	124
Mortgage obligation	614	614	642	642
CIBLs loan	3,917	3,917	4,917	4,917
	<u>5,316</u>	<u>5,316</u>	<u>6,427</u>	<u>6,427</u>

Net obligations under hire purchase contracts are secured on the assets to which they relate.

16 Provisions

	Legal Costs	Compliance	Total
	£000	£000	£000
Balance at 1 September 2020	-	-	-
Charged in year	102	286	388
Utilised/released in year	<u>-</u>	<u>-</u>	<u>-</u>
	<u>102</u>	<u>286</u>	<u>388</u>

Legal costs relate to provisions to defend both known and potential litigation regarding employment matters and capital projects. These are expected to be resolved by the end of the 2022/23 financial year.

Compliance provisions relate to potential risks that were identified in the year but not fully resolved by the year end. They are currently expected to be largely resolved by the end of the 2022/23 financial year.

17 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021		2020	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£000
Within one year	124	124	124	124
Between 1-5 years	-	-	124	124
	<u>124</u>	<u>124</u>	<u>248</u>	<u>248</u>

Notes (continued)

18 Analysis of net assets between funds 2021

	Tangible Fixed assets	Investments	Net current assets/ (liabilities)	Non current (liabilities) and provisions	Total
	£000	£000	£000		£000
Restricted income funds					
Bursary fund	-	-	600	-	600
Burton bursaries 2	-	-	188	-	188
A & PM Shepherd bequest	-	873	1,292	-	2,165
HS Gym Equipment	62	-	-	-	62
BF Dyson bequest	-	172	167	-	339
Parkin bequest	396	-	-	-	396
Coltman bequest	-	9	174	-	183
Wolfson bequest	2	150	53	-	205
GN Harvey fund	14	4	-	-	18
Bancroft bequest	-	-	65	-	65
Steinway Appeal	67	-	-	-	67
Hammersley bequest	-	-	-	-	-
Prize funds	-	10	21	-	31
Scholarships	-	149	138	-	287
New Grammar School CCF Building	102	-	-	-	102
The Old Loughburian Benevolent fund	-	145	(9)	-	136
OLAFOC fund	-	-	72	-	72
Donations restricted fund	-	-	151	-	151
Cockrell bequest	-	164	24	-	188
Total	643	1,676	2,936	-	5,255
Unrestricted income funds	19,181	-	(912)	(5,704)	12,565
Endowed funds	46,539	3,376	-	-	49,915
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	66,363	5,052	2,024	(5,704)	67,735
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

Analysis of net assets between funds 2020

	Tangible Fixed assets	Investments	Net current assets/ (liabilities)	Non current (liabilities)	Total
	£000	£000	£000		£000
Restricted income funds					
Bursary fund	-	-	600	-	600
Burton bursaries 2	-	-	171	-	171
A & PM Shepherd bequest	-	731	1,291	-	2,022
HS Gym Equipment	-	-	69	-	69
BF Dyson bequest	-	139	167	-	306
Parkin bequest	-	-	402	-	402
Coltman bequest	-	10	175	-	185
Wolfson bequest	8	111	54	-	173
GN Harvey fund	-	4	15	-	19
Bancroft bequest	-	-	65	-	65
Steinway Appeal	-	-	71	-	71
Hammersley bequest	1	-	-	-	1
Prize funds	-	9	20	-	29
Scholarships	-	133	127	-	260
New Grammar School CCF Building	105	-	-	-	105
The Old Loughburian Benevolent fund	-	124	(7)	-	117
OLAFOC fund	-	-	74	-	74
Donations restricted fund	-	-	154	-	154
Cockrell bequest	-	121	21	-	142
Total	114	1,382	3,469	-	4,965
Unrestricted income funds	19,721	-	(901)	(6,427)	12,393
Endowed funds	47,666	2,763	-	-	50,429
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	67,501	4,145	2,568	(6,427)	67,787
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

19 Movement on restricted funds 2021

	Balance at 1 September 2020 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Investment gains on revaluation £000	Investment gains on sales £000	Balance at 31 August 2021 £000
Bursary fund	600	1,072	(1,072)	-	-	-	600
Burton bursaries	171	47	(30)	-	-	-	188
A & PM Shepherd bequest	2,022	29	(29)	1	142	-	2,165
HS Gym Equipment	69	-	(8)	1	-	-	62
BF Dyson bequest	306	7	(6)	-	32	-	339
Parkin bequest	402	2	(8)	-	-	-	396
Coltman bequest	185	1	(3)	-	-	-	183
Wolfson bequest	173	2	(7)	(2)	39	-	205
GN Harvey fund	19	-	(1)	-	-	-	18
Bancroft bequest	65	1	-	(1)	-	-	65
Steinway Appeal	72	-	(5)	-	-	-	67
Hammersley bequest	-	-	-	-	-	-	-
Prize funds	29	2	-	-	-	-	31
Scholarships	260	94	(84)	-	17	-	287
New Grammar School CCF Building	105	-	(3)	-	-	-	102
The Old Loughburian Benevolent fund	117	4	(5)	(1)	21	-	136
OLAFOC	74	-	(2)	-	-	-	72
Donations restricted fund	154	44	(3)	(44)	-	-	151
Cockrell bequest	142	3	-	-	43	-	188
Total	4,965	1,308	(1,266)	(46)	294	-	5,255

The bursary fund represents sums transferred each year by the schools, under the terms of the trust deed, calculated as a percentage of fees excluding those received under foundation bursaries. The percentages this year were 6%, 6% and 1% for the Grammar School, the High School and Fairfield respectively. Loughborough Amherst School makes no contribution.

After a review of the usage of the bursary fund in 2018 the governors have decided to reduce the balance of the fund to £600,000. Transfers from fee income will continue to be made as described above and any difference between the transfer and the awards for the year will be adjusted by an additional transfer to maintain the fund balance at £600,000.

The restricted New Grammar School CCF building fund of £102,000 represents a contribution by the local cadet force towards the cost of a new building, which is being charged to the statement of financial activities over the life of the asset.

Notes (continued)

Movement on restricted funds 2020

	Balance at 1 September 2019 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Investment gains on revaluation £000	Investment gains on sales £000	Balance at 31 August 2020 £000
Bursary fund	600	1,075	(1,075)	-	-	-	600
Burton bursaries	170	24	(23)	-	-	-	171
A & PM Shepherd bequest	2,020	22	(22)	-	2	-	2,022
HS Gym Equipment	77	-	(8)	-	-	-	69
BF Dyson bequest	309	6	(7)	-	(2)	-	306
Parkin bequest	400	2	-	-	-	-	402
Coltman bequest	189	3	(7)	-	-	-	185
Wolfson bequest	186	6	(12)	-	(7)	-	173
GN Harvey fund	20	-	(1)	-	-	-	19
Bancroft bequest	64	1	-	-	-	-	65
Steinway Appeal	77	-	(5)	-	-	-	72
Hammersley bequest	21	-	(21)	-	-	-	-
Prize funds	30	-	-	-	-	-	29
Scholarships	252	127	(117)	-	(2)	-	260
New Grammar School CCF Building	108	-	(3)	-	-	-	105
The Old Loughburian Benevolent fund	115	4	(5)	-	3	-	117
OLAFOC	80	-	(6)	-	-	-	74
Donations restricted fund	-	46	108	-	-	-	154
Cockrell bequest	147	4	-	-	(9)	-	142
Total	4,865	1,319	(1,204)	-	(15)	-	4,965

Certain Wolfson and Hammersley bequests relating to equipment and fixtures and fittings are being charged to the statement of financial activities over the life of the asset.

The Old Loughburian Benevolent Fund represents funds to be transferred to the Foundations Schools following a decision made by the trustees of the fund during 2011. The funds will be used for objects contained in the original trust Deed of the Old Loughburian Benevolent Fund.

The A&PM Shepherd and Dyson bequests generate income used to fund scholarships awarded by Loughborough Grammar School and Loughborough High School.

The other restricted funds all relate to bequests and gifts to be used for specific prizes or scholarships (note 18).

Notes (continued)

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

	2021	2020
	£000	£000
Cash flows from operating activities		
Net Income/(expenditure) for the reporting period (as per the statement of financial activities)	(52)	(873)
Adjustment for:		
Depreciation charge	2,231	2,205
Dividends, interest and rents received from investments	(138)	(123)
Decrease/(increase) in stock	20	(96)
Decrease/(increase) in debtors	708	(357)
Increase/(decrease) in creditors	630	(1,247)
Increase/(decrease) in provisions	388	
Gain/(loss) on revaluation of investments	(828)	91
Profit on disposal of investments	-	6
Net cash (used)/provided by operating activities	2,959	(394)

21 Analysis of changes in net debt

	Balance at 31 August 2020	Cash Flows	Non Cash Flows	Balance as at 31 August 2021
	£000	£000	£000	£000
Cash	4,590	1,800	-	6,390
Loans falling due within one year	(111)	(917)	-	(1,028)
Loans falling due after more than one year	(5,559)	1,028	-	(4,531)
Finance lease obligations due within one year	(124)	-	-	(124)
Finance lease obligations due after more than one year	(124)	80	44	-
Totals	(1,328)	1,991	44	707

Notes (continued)

22 Analysis of mortgage loan

Repayments are due as follows	2021	2020
	£000	£000
Amounts falling due:		
- Within one year	28	28
- Between one and two years	28	28
- Between two and five years	586	84
- After five years	-	530
	642	670

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

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

23 Analysis of CBILS loan

Repayments are due as follows	2021	2020
	£000	£000
Amounts falling due:		
- Within one year	1,000	83
- Between one and two years	1,000	1,000
- Between two and five years	2,000	3,000
- After five years	917	917
	4,917	5,000

Lender	Term	Security	Interest Rate
Natwest Bank PLC	6 years	TBC – by November 2021	1 year interest free, interest rate after 1 year 2.37% over base rate

24 Pensions

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

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

Valuation of the Teachers' Pension Scheme.

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

Notes (continued)

report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £2,534,000 (2020: £2,491,000).

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

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

25 Governors expenses

In connection with their role as governors of the charitable company, the governors received reimbursement amounting to £469 (2019: £1,879) for expenses incurred.

26 Operating Leases

As at 31 August 2021 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2021	2020
	£000	£000
Expiry date:		
Within 1 year	138	121
Between 2 and 5 years	251	147
Greater than 5 year	-	2
Total	389	270

Notes (continued)

27 Related Party Transactions

During the year recharges of £54,000 (2020: £66,000) were charged to subsidiary undertakings.

Profits of £118,000 (2020: £80,000) were gift aided to the school in line with covenants.

Included within debtors on the charitable balance sheet are amounts owed from group undertakings of £231,000 (2020: £303,000) of which £118,000 (2020: £230,000) relates to a loan which is repayable within one year, and is subject to interest at 0.5% per annum. During the year interest of £1,000 (2020: £1,000) was charged on loan accounts with group undertakings.

The transactions were made in the normal course of business.

28 Capital Commitments

Bluecon Construction was appointed in August 2019 for the construction of the new girl's dance studio. Bluecon has submitted a valuation for final account of £91,000 which is disputed by LSF and its QS adviser. Negotiations are continuing in this respect and settlement is expected within the next financial year.

29 Controlling party

The Governors consider that the company has no controlling party.

30 Company

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

Thomas Burton Developments Ltd has called up share capital of £2; LSF Shop Ltd has called up share capital of £2. The third subsidiary, Loughborough Schools International (Qingdao) Limited was incorporated on 11 March 2020 and is considered dormant as at 31 August 2020 and has called up share capital of £100.

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