

Loughborough Schools Foundation

Governors' Report and Financial Statements

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

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Governors' report

Introduction

Governors, Trustees & Directors

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

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

Co-opted Governors:

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

Nominated Governor:

Sister C Leydon *Rosminian Sisters of Providence*

Directors

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

Trustees

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

Governors' report (continued)

Professional Advisers:

Bankers:

National Westminster Bank plc
Market Place
Loughborough
LE11 3EA

Solicitors:

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5DS

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

Auditors:

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

Employment Tax Adviser:

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

Investment Advisers:

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

Insurance Broker:

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

Land Managers:

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

Registered Office:

3 Burton Walks
Loughborough
LE11 2DU

Governors' report (continued)

Reference information

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

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

Objects, aims and goals

Charitable objects

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

Aims

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

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

Goals

Academic Excellence

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

Developing our pupils

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

People

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

Community Engagement

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

Learning Environment

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

Governors' report (continued)

Sustainable Enterprise

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

Structure, Governance and Management

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

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

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

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

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

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

Membership of Relevant Professional Bodies

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

Governors' report (continued)

Governor Recruitment and Training

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

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

Governance and Committee Structure

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

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

The committees in existence during the year were:

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

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

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

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

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

Governors' report (continued)

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

Investment Policy/Performance:

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

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

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

Reserves

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

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

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

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

STRATEGIC REPORT

Main Aims for the Year

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

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

Financial Review

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

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

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

Covid 19 Pandemic

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

Philanthropy and Alumni Relations

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

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

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

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

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

Key Performance Indicators

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

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

Pupil Numbers

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

Fees

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

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

Academic

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

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

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

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

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

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

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

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

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

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

Co-Curricular

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

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

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

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

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

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

Employment

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

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

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

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

Salaries

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

Pension Costs

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

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

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

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

Future Plans

Initiatives for 2023/24 include:

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

Risk Management

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

The Trustees have a risk management strategy which comprises:

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

The Trustees group risks into five categories:

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

Public Benefit

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

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

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

Financial Support

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

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

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

Educational

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

Educational Experiences

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

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

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

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

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

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

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

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

Educational Expertise – Educational Training and Support

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

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

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

Community

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

Music

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

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

Sport

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

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

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

Sharing our Facilities

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

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

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

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

Volunteering

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

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

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

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

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

Charitable Donations and Fundraising

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

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

Loughborough Amherst School	£12,951
Fairfield Preparatory School	£ 7,239

Loughborough Grammar School	£ 7,434
Loughborough High School	£11,736

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

Throughout the year, our schools supported various charities, including Cancer Research, Dogs Trust, The Laura Centre, NHS England, Kalgidhar Trust, Ronald McDonald House Charities, RNLI, AOK 5000, and Amnesty International.

Economic Impact

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

In 2022/23 it employed on average 741 people, and 77.8% of the £19.4 million paid in salaries (£18.3 million in 2021/22) remained in Leicestershire, with an estimated 93.7% remaining in the East Midlands.

We support local businesses. In 2022/23 our total direct spend was circa £9.0 million (£7.8 million in 2021/22), of which £3.6 million was spent in the East Midlands economy.

We estimate that in providing an education to more than 2,283 local children, the exchequer collectively save more than £12.2 million a year which it would otherwise cost to educate those children in local maintained schools.

Section 172 Statement

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

Stakeholder	Section
Employees	Page 10 ("Employment")
Beneficiaries	Pages 9-10 (Academic) and Pages 11-12 ("Financial Support")
Community	Pages 14-16 ("Public Benefit")
Economic benefit	Page 16 ("Economic Impact")

Carbon Report

UK Greenhouse gas emissions and energy use data for the period 1 September 2022 to 31 August 2023:

	2022/23	2021/22 (Restated due to missing figures)
Energy consumption used to calculate emissions (kWh)	9,714,594	10,386,484
Energy consumption breakdown (kWh) :		
• gas	7,409,821	7,638,434
• electricity	2,203,773	2,656,960
• transport fuel	101,000	91,090
Scope 1 emissions in metric tonnes CO₂e		
Gas consumption	1,362.44	1,404.48
Owned transport – mini-buses	12.32	11.47
Total Scope 1	<u>1,374.76</u>	<u>1,415.95</u>
Scope 2 emissions in metric tonnes CO₂e		
Purchased electricity	513.79	540.16
Renewable electricity purchased	-505.95	
Scope 3 emissions in metric tonnes CO₂e		
Business travel in employee owned vehicles	5.57	4.48
Total gross emissions in metric tonnes CO₂e	1,390.18	1,960.59
Intensity ratio Tonnes CO₂e per pupil	0.61	0.87



Quantification and reporting methodology

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

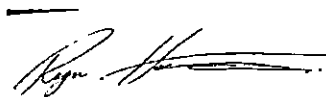
Intensity measurement

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

Measures taken to improve energy efficiency

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

Approved by the Board on 7 December 2023 and signed on its behalf by:



Roger Harrison
Chairman

Trustees' responsibilities statement

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

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

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

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

In so far as the Trustees are aware:

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinion

We have audited the financial statements of Loughborough Schools Foundation ("the company") and its subsidiaries ("the group") for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Company Balance Sheets, the Cashflow Statement and the related notes including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities SORP 2019.

In our opinion, the financial statements:

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

Basis for Opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities set out on page 19, the Governors (who are Trustees of the charitable company for the purpose of charity law and the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LOUGHBOROUGH SCHOOLS FOUNDATION

Use of our report

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

Simon Atkins FCA
Senior Statutory Auditor

A handwritten signature in cursive script, appearing to read 'Simon Atkins', followed by a horizontal line.

For and on behalf of:

COOPER PARRY GROUP LIMITED
Statutory Auditors

Date: 19 February 2024

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

**Consolidated statement of financial activities
for the year ended 31 August 2023**

	<i>Note</i>	Unrestricted income Funds £000	Restricted income funds £000	Endowed funds £000	2023 Total funds £000	2022 Total funds £000
Income and endowments from:						
Donations and legacies	3	-	392	-	392	377
Other trading activities	4	489	-	-	489	528
Investments	5	292	150	-	442	218
Charitable activities	6	34,054	932	-	34,986	32,794
Other		242	-	-	242	186
Total income and endowments		35,077	1,474	-	36,551	34,103
Expenditure on:						
Raising funds:						
Financing costs	9	471	-	-	471	314
Trading operations	9	327	-	-	327	382
Charitable activities	9	33,220	1,214	1,076	35,510	32,775
Total expenditure		34,018	1,214	1,076	36,308	33,471
Net income/(expenditure) before gains/(losses) on investments and transfers						
		1,059	260	(1,076)	243	632
Gain/(Loss) on sale of investments		-	(6)	(4)	(10)	9
Gain/(Loss) on investment assets	11	-	(91)	(63)	(154)	(406)
Net income/(expenditure) before transfers		1,059	163	(1,143)	79	235
Transfers between funds		-	-	-	-	-
Net movements in funds		1,059	163	(1,143)	79	235
Reconciliation of funds						
Total funds brought forward		13,972	5,379	48,619	67,970	67,735
Total funds carried forward		15,031	5,542	47,476	68,049	67,970

All incoming resources and resources expended derive from continuing operations.

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

The notes on pages 29 to 52 form part of these financial statements.

**Consolidated summary income and expenditure accounts
for the year ended 31 August 2023**

	<i>Note</i>	2023	2022
		£000	£000
Income from charitable related activities		35,620	33,358
Income from non-charitable trading activities		489	527
Interest and investment income	5	442	218
		<hr/>	<hr/>
Gross income in the reporting period		36,551	34,103
		<hr/>	<hr/>
Expenditure on charitable activities		(33,451)	(30,597)
Expenditure on non-charitable trading activities	9	(327)	(382)
Interest payable		(471)	(314)
Depreciation and charges for impairment of fixed assets		(983)	(1,103)
		<hr/>	<hr/>
Total expenditure in the reporting period		(35,232)	(32,396)
		<hr/>	<hr/>
Net income for the year		1,319	1,707
		<hr/>	<hr/>

The income for the year arises from continuing activities.

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

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

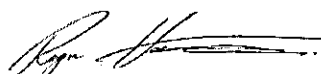
The summary income and expenditure account excludes endowed funds and unrealised gains/(losses) in accordance with Companies Act 2006. The account is derived from the statement of financial activities on page 24 which together with the notes to the financial statements provides information on the movement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

The notes on pages 29 to 52 form part of these financial statements.

**Consolidated balance sheet
at 31 August 2023**

	Note	2023 £000	2022 £000
Fixed assets			
Tangible assets	10	63,970	64,993
Investments	11	4,795	4,846
		68,765	69,839
Current assets			
Stock	12	214	254
Debtors	13	905	715
Cash at bank and in hand		6,950	6,971
		8,069	7,940
Liabilities: amounts falling due within one year			
Creditors	14	(5,291)	(5,170)
Net current assets		2,778	2,770
Total assets less current liabilities		71,543	72,609
Creditors: amounts falling due after more than one year	15	(3,354)	(4,424)
Provisions for liabilities			
Provisions	16	(140)	(215)
Net assets		68,049	67,970
Funds			
Endowed funds	18	47,476	48,619
Restricted income funds	18, 19	5,542	5,379
Unrestricted income funds	18	15,031	13,972
Total funds		68,049	67,970

The financial statements were approved by the board of directors on 7 December 2023 and were signed on its behalf by:



Roger Harrison
Chairman

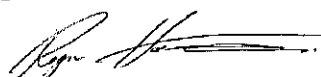
Company registered number: 4038033

The notes on pages 29 to 52 form part of these financial statements.

**Charitable balance sheet
at 31 August 2023**

	Note	2023		2022	
		£000	£000	£000	£000
Fixed assets					
Tangible assets	10		63,968		64,987
Investments	11		4,795		4,846
			<u>68,763</u>		<u>69,833</u>
Current assets					
Stock	12	44		54	
Debtors	13	1,342		1,137	
Cash at bank and in hand		6,667		6,683	
		<u>8,053</u>		<u>7,874</u>	
Liabilities: amounts falling due within one year					
Creditors	14	(5,273)		(5,098)	
		<u></u>		<u></u>	
Net current assets			<u>2,780</u>		<u>2,776</u>
Total assets less current liabilities			<u>71,543</u>		<u>72,609</u>
Creditors: amounts falling due after more than one year	15		(3,354)		(4,424)
Provisions for liabilities					
Provisions	16		(140)		(215)
			<u></u>		<u></u>
Net assets			<u>68,049</u>		<u>67,970</u>
Funds					
Endowed funds	18		47,476		48,619
Restricted income funds	18, 19		5,542		5,379
Unrestricted income funds	18		15,031		13,972
			<u>68,049</u>		<u>67,970</u>
Total funds			<u>68,049</u>		<u>67,970</u>

The financial statements were approved by the board of directors on 7 December 2023 and were signed on its behalf by:



Roger Harrison
Chairman

Company registered number: 4038033
The notes on pages 29 to 52 form part of these financial statements.

**Consolidated statement of cash flows
for the year ended 31 August 2023**

	<i>Note</i>	2023 £000	2022 £000
Net cash flow from operating activities			
Net cash flow (used)/provided by operating activities	20	1,746	2,557
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(1,078)	(843)
Purchase of investments	11	(1,207)	(492)
Proceeds from sale of investments	11	1,104	292
Dividends, interest and rents received from investments	5	442	218
Net cash used in investing activities		1,007	1,732
Cash flows from financing activities			
Repayment of finance leases		-	(124)
Repayment of Loan and Mortgage		(1,028)	(1,028)
New loan		-	-
Net cash generated in financing activities		(1,028)	(1,152)
Change in cash and cash equivalents in the reporting period		(21)	580
Cash and cash equivalents at the beginning of the reporting year		6,971	6,391
Cash and cash equivalents at the end of the reporting year		6,950	6,971

The notes on pages 29 to 52 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting Policies

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

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

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

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

Basis of consolidation

The group financial statements are the result of the consolidation of the financial statements of the company and its subsidiaries LSF Shop Limited, Thomas Burton Developments Limited and Loughborough Schools International (Qingdao) Limited (dormant and dissolved 20 June 2023). The financial statements of all companies are made up to 31 August 2023.

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

Fund accounting

Funds held by the charitable company are either:

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

Income recognition

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

Fees receivable

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

Notes (continued)

Investment income

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

Donations

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

Trading income

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

Expenditure recognition

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

- Expenditure on raising funds
- Expenditure on charitable activities

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

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

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

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

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

Redundancy / termination payments

All redundancy and termination payments are recognised within the year.

Notes (continued)

Tangible fixed assets

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

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

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

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

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

Investment properties

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

Fixed asset investments

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

Stock

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

Operating Leases

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

Deferred income

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

Taxation

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

Notes (continued)

Pension schemes

Teachers' Pension Scheme

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

Defined Contribution Scheme

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

Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. After taking into consideration the effects of the cost of living crisis and the prospect of changes to the Foundation's VAT status, Governors are still satisfied that the budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

Limited by guarantee

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

Re-statement of prior year figures

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

2 Judgements and key sources of estimation uncertainty

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

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

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

Leases

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

Notes (continued)

Investment properties

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

Recoverability of trade debtors

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

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

Depreciation and residual values

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

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

3 Donations and legacies

	Unrestricted £000	Restricted £000	2023 £000
Donations	-	392	392
Legacies	-	-	-
	<hr/>	<hr/>	<hr/>
	-	392	392
	<hr/>	<hr/>	<hr/>
	Unrestricted £000	Restricted £000	2022 £000
Donations	-	377	377
Legacies	-	-	-
	<hr/>	<hr/>	<hr/>
	-	377	377
	<hr/>	<hr/>	<hr/>

Notes (continued)

4 Other trading activities before consolidation

The Foundation owns the entire share capital of The LSF Shop Limited and Thomas Burton Development Limited. Both subsidiaries covenant any taxable profits to the Foundation. The trading results for the year ended 31 August 2023 for both entities, as extracted from their audited accounts, are summarised below and all relate to unrestricted funds.

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2023 £000	Total 2022 £000
Turnover	290	199	489	528
Cost of sales	(201)	(4)	(205)	(261)
Gross profit	89	195	284	267
Administration	(70)	(50)	(120)	(120)
Other operating income	-	-	-	-
Operating profit	19	145	164	147
Interest payable	(1)	(1)	(2)	(2)
Net profit	18	144	162	145
Retained reserves bought forward	-	-	-	-
Covenant	(18)	(144)	(162)	(145)
Retained reserves carried forward	-	-	-	-

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

	The LSF Shop Ltd £000	Thomas Burton Development Ltd £000	Total 2023 £000	Total 2022 £000
Non-current assets	-	2	2	6
Current assets	315	218	533	514
Creditors: amounts falling due within one year	(315)	(220)	(535)	(535)
Net current liabilities	-	(2)	(2)	(6)
Creditors: due after more than one year	-	-	-	-
Net liabilities	-	-	-	-
Share capital and reserves	-	-	-	-

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

Notes (continued)

5 Investment income

	Unrestricted £000	Restricted £000	2023 £000	2022 £000
Bank interest receivable	215	94	309	73
Investment income	68	56	124	130
Rental income	9	-	9	15
	<u>292</u>	<u>150</u>	<u>442</u>	<u>218</u>

6 Charitable activities

School income receivable comprised:

	2023 £000	2022 £000
Tuition fees	31,750	29,611
Boarding fees	1,548	1,600
Bursary awards and grants	(939)	(897)
Bursary awards and grants paid for by restricted funds	932	897
	<u>33,291</u>	<u>31,211</u>
Catering receipts	1,309	1,234
Other fees & grant	386	349
	<u>34,986</u>	<u>32,794</u>

School income was £34,986,000 (2022: £32,794,000) of which £34,054,000 (2022: £31,897,000) was attributable to unrestricted funds and £932,000 (2022: £897,000) was attributable to restricted funds.

Tuition fees for the year include £939,000 (2022: £897,000) transferred to restricted fund bursaries.

Bursary awards, grants and scholarships were made to 158 pupils (2022: 177) from restricted funds.

Notes (continued)

7 Charitable net income is stated after charging:

	2023	2022
	£000	£000
Auditor's remuneration:		
For audit	31	34
For other services	4	5
Governors' professional liability insurance	9	9
Depreciation of tangible fixed assets	2,101	2,213
Staff costs	=====	=====
Wages and salaries	19,411	18,181
Social security costs	1,881	1,836
Pension contributions	3,053	2,348
	=====	=====
	24,345	22,365
	=====	=====

The number of employees whose contracts were terminated and who left our employment within the financial year totalled 7, with an associated cost of £200k.

The average number of employees in the year was 741 (2022: 708) of whom 290 (2022: 282) were teaching staff and 54 were casual staff. Neither the governors nor persons connected with them received any remuneration or other benefits from the charitable company or any connected organisation.

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

	2023	2022
£60,001 - £70,000	10	13
£70,001 - £80,000	3	6
£80,001 - £90,000	1	2
£90,001 - £100,000	3	-
£100,001 - £110,000	-	-
£110,001 - £120,000	1	1
£120,001 - £130,000	1	1
£130,001 - £140,000	2	2
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	-	1
	=====	=====
	21	26
	=====	=====

Contributions were made to the Teachers' Pension scheme, which is a defined benefit scheme for 15 higher paid employees (2022: 0). Contributions were paid to a defined contribution pension scheme for 6 employees (2022: 25).

Notes (continued)

8 Governors and key management personnel remuneration and expenses

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

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

The total amount of employee benefits received by key management personnel is £798,000 (2022 : £831,000).

The Trustees neither received nor waived any remuneration during the year (2022: £NIL).

Notes (continued)

9 Analysis of total resources expended

	Staff costs £000 (note 7)	Other £000	Depreciation £000 (note 10)	Total 2023 £000	Total 2022 £000
Cost of generating funds					
Trading	84	239	4	327	382
Financing	-	471	-	471	314
	<u>84</u>	<u>710</u>	<u>4</u>	<u>798</u>	<u>696</u>
Charitable expenditure					
Teaching costs	18,052	2,077	-	20,129	19,084
Welfare costs	290	-	-	290	325
School meals and catering	701	1,230	-	1,931	1,599
Premises	1,620	2,652	2,060	6,332	5,761
Support costs	3,369	1,849	-	5,218	4,657
Financial Assistance including Bursaries and Scholarships	-	1,177	37	1,214	1,032
Governance costs	313	83	-	396	317
	<u>24,345</u>	<u>9,068</u>	<u>2,097</u>	<u>35,510</u>	<u>32,775</u>
Total expenditure	<u>24,429</u>	<u>9,778</u>	<u>2,101</u>	<u>36,308</u>	<u>33,471</u>

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

Resources expended total £36,308,000 (2022: £33,471,000) of which the split between funds is as follows;

	Staff costs £000	Other £000	Depreciation £000	Total 2023 £000	2022 £000
Unrestricted funds	24,429	8,601	988	34,018	31,333
Restricted funds	-	1,177	37	1,214	1,063
Endowment funds	-	-	1,076	1,076	1,075
Total expenditure	<u>24,429</u>	<u>9,778</u>	<u>2,101</u>	<u>36,308</u>	<u>33,471</u>

Bursaries and scholarship costs of £1,066,000 (2022: £1,032,000) have been charged directly to restricted funds.

Notes (continued)

10 Consolidated tangible fixed assets

	Freehold land and Buildings £000	Furniture and fittings £000	Equipment £000	Total £000
Cost or valuation				
Balance at 1 September 2022	74,110	2,569	9,970	86,649
Additions at cost	368	66	644	1,078
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	74,478	2,635	10,614	87,727
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
Balance at 1 September 2022	(10,807)	(1,944)	(8,905)	(21,656)
Charge for year	(1,529)	(122)	(450)	(2,101)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	(12,336)	(2,066)	(9,355)	(23,757)
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 August 2023	62,142	569	1,259	63,970
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 August 2022	63,303	625	1,065	64,993
	<hr/> <hr/>	<hr/> <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 (2022: £1,600,000) and £4,260,000 (2022: £4,260,000) respectively.

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

All assets are held for use on charitable activities.

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

Notes (continued)

Charitable company tangible fixed assets

	Freehold land and buildings £000	Furniture and fittings £000	Equipment £000	Total £000
<i>Cost or valuation</i>				
Balance at 1 September 2022	74,110	2,569	9,954	86,633
Additions at cost	368	66	644	1,078
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	74,478	2,635	10,598	87,711
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
Balance at 1 September 2022	(10,807)	(1,944)	(8,895)	(21,646)
Charge for year	(1,529)	(122)	(446)	(2,097)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	(12,336)	(2,066)	(9,341)	(23,743)
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 August 2023	62,142	569	1,257	63,968
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	63,303	625	1,059	64,987
	<hr/>	<hr/>	<hr/>	<hr/>

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

Notes (continued)

11 Investments

Consolidated and charitable company	Freehold property £000	Listed and managed investments £000	Total £000
Balance at 1 September 2022	1,210	3,636	4,846
Disposal of property	-	-	-
Additions at cost	-	1,207	1,207
Disposals	-	(1,104)	(1,104)
Change in market value of investments	-	(154)	(154)
Balance at 31 August 2023	1,210	3,585	4,795

The listed and managed investments of £3,585,000 (2022: £3,636,000) comprise £2,038,000 (2022: £1,071,000) charity investments and £1,547,000 (2022: £2,565,000) investments directly listed in the United Kingdom.

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

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

12 Stocks

	2023		2022	
	Consolidated £000	Charitable company £000	Consolidated £000	Charitable Company £000
Stocks	44	44	54	54
Subsidiaries' stocks	170	-	200	-
	214	44	254	54

Notes (continued)

13 Debtors

	2023		2022	
	Consolidated	Charitable Company	Consolidated	Charitable company
	£000	£000	£000	£000
Fees receivable	403	403	191	191
Other debtors	446	422	499	499
Trade debtors	56	-	25	-
Due from group undertakings	-	517	-	447
	<hr/>	<hr/>	<hr/>	<hr/>
	905	1,342	715	1,137
	<hr/>	<hr/>	<hr/>	<hr/>

14 Creditors: amounts falling due within one year

	2023		2022	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£000
Prepaid fees	1,715	1,715	2,101	2,101
Fee guarantees	74	74	80	80
Taxation and social security	509	502	509	502
Net obligations under hire purchase contracts	-	-	-	-
Mortgage obligation	28	28	28	28
CBILs loan	1,000	1,000	1,000	1,000
Other creditors	1,350	1,339	998	933
Accruals	615	615	454	454
	<hr/>	<hr/>	<hr/>	<hr/>
	5,291	5,273	5,170	5,098
	<hr/>	<hr/>	<hr/>	<hr/>

Net obligations under hire purchase contracts are secured on the assets to which they relate. Fee guarantees are repayable when pupils leave. Other creditors include £137,000 (2022: £312,000) of outstanding pension contributions.

Notes (continued)

15 Creditors: amounts falling due after one year

	2023		2022	
	Consolidated	Charitable Company	Consolidated	Charitable Company
	£000	£000	£000	£000
Fee guarantees	879	879	805	805
Prepaid Fees	-	-	116	116
Mortgage obligation	558	558	586	586
CIBLs loan	1,917	1,917	2,917	2,917
	<hr/>	<hr/>	<hr/>	<hr/>
	3,354	3,354	4,424	4,424
	<hr/>	<hr/>	<hr/>	<hr/>

Analysis of Mortgage Loan

Repayments are due as follows:	2023	2022
	£000	£000
Amounts falling due:		
• Within one year	28	28
• Between one and two years	28	28
• Between two and five years	530	558
• After five years	-	-
	<hr/>	<hr/>
	586	614
	<hr/>	<hr/>

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

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

Analysis of CBILS Loan

Repayments are due as follows:	2023	2022
	£000	£000
Amounts falling due:		
• Within one year	1,000	1,000
• Between one and two years	1,000	1,000
• Between two and five years	917	1,917
• After five years	-	-
	<hr/>	<hr/>
	2,917	3,917
	<hr/>	<hr/>

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

Notes (continued)

16 Provisions

	Legal Costs	Compliance	Total
	£000	£000	£000
Balance at 1 September 2022	105	110	215
Charged in year	29	-	29
Utilised/released in year	<u>(104)</u>	<u>-</u>	<u>(104)</u>
	30	110	140
	<u> </u>	<u> </u>	<u> </u>

Legal costs relate to provisions to defend both known and potential litigation regarding employment matters and capital projects.

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

17 Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023		2022	
	Consolidated	Charitable company	Consolidated	Charitable Company
	£000	£000	£000	£000
Within one year	-	-	-	-
Between 1-5 years	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Notes (continued)

18. Analysis of net assets between funds 2023

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

Notes (continued)

Analysis of net assets between funds 2022

	Tangible Fixed assets	Investments	Net current assets/ (liabilities) (restated)	Non current (liabilities) (restated)	Total
	£000	£000	£000	£000	£000
Restricted income funds					
Bursary fund	-	-	600	-	600
Burton bursaries 2	-	-	226	-	226
A & PM Shepherd bequest	-	775	1,292	-	2,067
HS Gym Equipment	136	-	-	-	136
BF Dyson bequest	-	156	168	-	324
Parkin bequest	387	-	-	-	387
Coltman bequest	-	8	178	-	186
Wolfson bequest	-	126	53	-	179
GN Harvey fund	12	-	-	-	12
Bancroft bequest	-	-	66	-	66
Steinway Appeal	62	-	-	-	62
Prize funds	-	8	23	-	31
Scholarships	-	138	138	-	276
New Grammar School CCF Building	100	-	-	-	100
The Old Loughburian Benevolent fund	-	140	(10)	-	130
OLAFOC fund	-	-	70	-	70
Donations restricted fund	-	-	88	-	88
Cockrell bequest	-	137	17	-	154
Lorraine Simmons Scholarship	-	195	58	-	253
Huston Bequest	24	-	8	-	32
Total restricted income funds	721	1,683	2,975	-	5,379
Unrestricted income funds (restated)	18,817	-	(206)	(4,639)	13,972
Endowed funds	45,455	3,163	1	-	48,619
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	64,993	4,846	2,654	(4,639)	67,970
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The unrestricted income funds have been restated to correct the misclassification of £116,000 of non-current liabilities as current liabilities.

Notes (continued)

19 Movement on restricted funds 2023

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

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

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

Notes (continued)

Movement on restricted funds 2022

	Balance at 1 September 2021 £000	Incoming £000	Outgoing £000	Transfer and adjustment £000	Movements in investments £000	Balance at 31 August 2022 £000
Bursary fund	600	897	(897)	-	-	600
Burton bursaries	188	66	(15)	(13)	-	226
A & PM Shepherd bequest	2,165	52	(52)	-	(98)	2,067
HS Gym Equipment	62	-	(12)	86	-	136
BF Dyson bequest	339	8	(8)	-	(15)	324
Parkin bequest	396	-	(9)	-	-	387
Coltman bequest	183	5	-	-	(2)	186
Wolfson bequest	205	7	(9)	-	(24)	179
GN Harvey fund	18	-	(1)	-	(5)	12
Bancroft bequest	65	1	-	-	-	66
Steinway Appeal	67	-	(5)	-	-	62
Prize funds	31	-	-	-	-	31
Scholarships	256	45	(14)	-	(11)	276
New Grammar School CCF Building	102	-	(2)	-	-	100
The Old Loughburian Benevolent fund	136	4	(5)	(73)	(5)	130
OLAFOC	72	1	(3)	-	-	70
Donations restricted fund	151	25	(15)	-	-	88
Cockrell bequest	188	7	(14)	-	(27)	154
Lorraine Simmons Scholarship	-	250	-	-	3	253
Huston Bequest	31	1	-	-	-	32
Total	5,255	1,369	(1,061)	-	(184)	5,379

Notes (continued)

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

	2023	2022
	£000	£000
Cash flows from operating activities		
Net Income/(expenditure) for the reporting period (as per the statement of financial activities)	79	235
Adjustment for:		
Depreciation charge	2,101	2,213
Dividends, interest and rents received from investments	(442)	(218)
Decrease/(increase) in stock	40	28
Decrease/(increase) in debtors	(190)	(179)
Increase/(decrease) in creditors	79	245
Increase/(decrease) in provisions	(75)	(173)
Gain/(loss) on revaluation of investments	154	406
	<hr/>	<hr/>
Net cash (used)/provided by operating activities	1,746	2,557
	<hr/> <hr/>	<hr/> <hr/>

21 Analysis of changes in net debt

	Balance at 31 August 2022	Cash Flows	Non Cash Flows	Balance as at 31 August 2023
	£000	£000	£000	£000
Cash	6,971	(21)	-	6,950
Loans falling due within one year	(1,028)	1,028	(1,028)	(1,028)
Loans falling due after more than one year	(3,503)	-	1,028	(2,475)
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Totals	2,440	1,007	-	3,447
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Notes (continued)

22 Pensions

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

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

Valuation of the Teachers' Pension Scheme

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

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

The employer's pension costs paid to TPS in the period amounted to £2,056,000 (2022: £NIL).

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

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

23 Governor's expenses

In connection with their role as governors of the charitable company, three governors received reimbursement amounting to £450 (2022: £1,652) for expenses incurred.

Notes (continued)

24 Operating Leases

As at 31 August 2023 the charitable company had future minimum lease payments under non-cancellable operating leases as follows:

	2023 £000	2022 £000
Expiry date:		
Within 1 year	270	144
Between 2 and 5 years	390	201
Greater than 5 year	-	-
	<hr/>	<hr/>
Total	660	345
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25 Related Party Transactions

During the year recharges of £42,000 (2022: £55,000) were charged to subsidiary undertakings.

Profits of £162,000 (2022: £145,000) were gift aided to the school in line with covenants.

Included within debtors on the charitable balance sheet are amounts owed from group undertakings of £517,000 (2022: £447,000) of which £279,000 (2022: £145,000) relates to a loan which is repayable within one year, and is subject to interest at 0.5% per annum. During the year interest of £2,000 (2022: £1,000) was charged on loan accounts with group undertakings.

The transactions were made in the normal course of business.

26 Capital Commitments

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

27 Post Balance Sheet Events

There were no post balance sheet events to report.

28 Controlling party

The Governors consider that the company has no controlling party.

Notes (continued)

29 Company

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

Thomas Burton Developments Ltd (company number 02750735) was incorporated on 25 September 1992 and has called up share capital of £2. LSF Shop Ltd (company number 02100016) was incorporated on 16 February 1987 and has called up share capital of £2. The third subsidiary, Loughborough Schools International (Qingdao) Limited (company number 12510335) was incorporated on 11 March 2020 and was dissolved on 20 June 2023.

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