

# Trustees' Report

and Financial Statements for the  
year ended 31 December 2020





# Working together



PATRON  
HM THE QUEEN

LVS

Ascot

A Co-educational Day & Boarding School  
for young people aged 4 - 18



PATRON  
HM THE QUEEN

LVS

Hassocks

A unique, positive education for  
young people on the autism spectrum



PATRON  
HM THE QUEEN

LVS

Oxford

A unique, positive education for  
young people on the autism spectrum



## Reference and administrative details of the Charity, its Trustees and advisors for the year ended 31 December 2020

### Trustees

Anita Adams (Chair – Ascot Governing Body)  
Tracy Bird (Vice Chair of Governors – Hassocks Governing Body)  
Jeff Booth (resigned 8th October 2020)  
Roy Boulter (Chairman)  
Toby Brett (Vice Chairman – Membership)  
Gerry Cleary  
Mike Clist (appointed 8th October 2020)  
Pat Duddy (Vice Chairman – Charity Services)  
Ludovick Halik (Vice Chair – Oxford Governing Body)  
Mike Hill (Chair of Governors – Hassocks Governing Body)  
Ian Inder (Vice Chairman – Events and Promotions)  
Annette King (Chairman – Charity Services)  
Anthony Mears  
Jeremy Phillips QC  
Peter Raynsford (Chairman – Membership and Chairman – Pension Committee)  
Pauline Ross (Chair – Oxford Governing Body and Vice Chair – Ascot Governing Body)  
Trevor Sparks  
Paul Wigham

### Chief Executive Officer

James Brewster

### Charity Registered Number

230011

### Registered Office

Heatherley, London Road, Ascot, Berkshire  
SL5 8DR

### Auditors

James Cowper Kreston, Reading Bridge House,  
George Street, Reading, Berkshire RG1 8LS

### Bankers

Metro Bank Plc, 2-24 Farnham Road,  
Slough SL1 3TA

### Solicitors

Hunters, 9 New Square, Lincolns Inn,  
London WC2A 3QN



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# Message from the Chairman



**William Roy Boulter**  
Chairman of Trustees

**At this point in the year, I traditionally reflect on the performance of the Charity and the impact it has made through both its educational services and the support given to beneficiaries facing difficulties in their lives. I also review the financial performance, including the outcomes of our operations and investments.**

For the financial year ending 2019, you will recall that I concluded in my report that the potential impact of COVID-19 was going to be the greatest challenge that the Charity has had to face in its history spanning over 200 years, excluding periods of armed conflict. This has certainly proved to be the case, not only for the Charity, but the country and the entire global community.

First of all, I would like to pass on my sincere condolences to a number of friends and colleagues within our community who have sadly lost loved ones. This pandemic has had an impact on so many who continue to feel the effects today. The thoughts of myself and my wife are with you all.

The licensed trade has been severely impacted by the various levels of lockdowns and severe restrictions placed on trading. Whilst the Government has put in place many financial support packages, all businesses have still had to carry the burden of large losses.

Our Charity has certainly not been immune to these financial losses across the whole organisation, whilst at the same time the demand for support has grown at an unprecedented level. In 2019, I proudly stated that we had assisted over 23,000 individuals from the Trade, the highest number in our history. This has now risen to over 73,000 people as a direct result of the pandemic.

I have to thank all of our staff for rising to this enormous challenge. I would like to particularly acknowledge the immense support and guidance given by our Trustees, Committees and Volunteers of the Licensed Trade Charity, many of whom are also having to deal with their own personal and business challenges.

Every aspect of income generation from our schools, local volunteer fundraising, lettings, events, investments and our trading division has been severely impacted. With prudent management and solid reserves, however, we have been able to sustain these losses.

I remain amazed and delighted that we continued to teach our pupils to a very high level remotely via online learning. I am also immensely proud that our business teams are successfully working from home, to deliver services across the organisation, dealing with a huge volume of requests for help, keeping our finances in order, maintaining our sites in good shape and ensuring our Human Resources team support our staff throughout.

In addition, we have all had to embrace technology to attend meetings online, including Trustee meetings, Charity Services Committee meetings, Governing Body meetings, staff meetings, pupil and parent forums and, for the first time in our history, our AGM was delivered online. This would not have been possible without our huge investment in Information Technology and the support from our delivery teams.

I believe that, whilst it will take some time for us all to recover, the spirit and determination shown by the whole nation will eventually pull us through to a brighter future. It will, however, take time to rebuild infrastructure and return to financial stability. Whilst everyone has clearly been impacted by the pandemic, I am optimistic about the future.

I would like to conclude by expressing my sincere thanks to all within the Licensed Trade Charity

community, our Supporters, Volunteers, supply organisations and the huge number of trade bodies and pub companies in particular, who have given significant financial support during the last 12 months.

I have had the great privilege of holding the position of Chairman of the Licensed Trade Charity for over six years, leading an extremely talented Trustee Board who give of their time freely. I have also supported the Chief Executive and all our teams and Volunteers, never ceasing to be impressed with the work carried out by all. However, I now believe it is time to relinquish my role as Chairman from the October AGM – by this point I will have had the honour of serving for seven years.

I am delighted that my successor will be Mike Hill, who has served on the Trustee Board for a number of years and will bring with him many attributes and fresh ideas to the organisation.

Over the last few months, Mike has been working very closely with myself and the Chief Executive to carry forward the next stage of our COVID-19 recovery plan. I will remain as a Trustee and be on hand to continue to give my support to the Charity, I hope for many years ahead.

Whilst concluding my introduction to the Trustees' Report for the year ending 31 December 2020, we heard of the very sad passing of His Royal Highness the Duke of Edinburgh, Patron of the Licensed Trade Charity, who always received a copy of our annual report and took a keen interest in the work the Charity had undertaken. Our condolences have been passed on to Her Majesty the Queen and the Royal Family.



# Chief Executive's Report



James Brewster  
Chief Executive

## Following on from the Chairman's report, I concur with his admiration on how well the Charity has supported the industry.

I always expect each year that a number of challenges will manifest themselves, but no one could have predicted the impact of the pandemic on the Licensed Trade Charity, the licensed trade industry and so many other organisations. This pandemic has touched everyone, both in the UK and around the world, whilst some organisations will not have been as severely impacted, their workforce would not have escaped the wider effects of COVID-19.

During 2020, the Charity has had to adapt to completely new ways of working. As the Chairman has already highlighted, moving from assisting 23,000 individuals in 2019 to a staggering 73,000 during this financial year, is an increase that none of us could have predicted. I would like to pass on my sincere gratitude to the many companies for the large financial support given to the Charity, to not only support their own employees, but many beyond this. I am conscious that many of these organisations are themselves financially impacted. Trade bodies have not only been supportive of the industry but have also given the Charity much needed support in helping to promote the services and assistance we can give to those working in the trade.

Whilst supporting beneficiaries to unprecedented levels, we continued to deliver lessons to over 900 pupils, gaining a first-class reputation for our high-quality online education, receiving positive feedback from both pupils and parents. As a fully fee-paying school, LVS Ascot has faced a number of hurdles, including a reduction in fee income, particularly with boarding being closed for many weeks. Our specialist schools at Oxford and Hassocks have both performed well, financially

and operationally, with LVS Hassocks now performing in line with our objectives. The strong reputation achieved for the education provided at all three schools is both the envy of many and the benchmark to which many aspire.

The Charity has always taken a long-term view in terms of its investments, operations and diversity of assets to ensure a spread of risk and reward. I have always believed that this is a prudent strategy but in 2020, every part of our income and investments have been negatively affected. I am pleased to say that some elements have shown signs of recovery, although they still remain volatile. The organisation has sound reserves and has taken prudent steps on cost control. With the positive vaccination programme well underway, I believe the UK economy will gradually recover.

The Licensed Trade Charity, like many organisations, has put in place a two-year recovery plan, enabling a return to economic outcomes similar to those achieved prior to the pandemic. With large parts of the trade impacted and higher unemployment levels, demands for our services will remain high.

At the heart of the Charity, expanding the range of services we offer to meet the needs of our beneficiaries during this last year has been key to ensuring the right levels of appropriate support have been delivered. This has been realised by our dedicated teams working collaboratively across the organisation and further opportunities made possible by the partnerships established with a number of specialist support organisations. This has included mental health support, assisting with housing issues, supporting individuals with job seeking, debt management, a dedicated telephone



helpline, legal support, education grants, bursaries at our Ascot school and crisis grants, to name just a few. Almost £2million of grants and bursaries have been given to support those in need, which does not include the human resources needed to deliver the myriad of services and requests for assistance.

I would like to pay tribute to all our staff members across the whole organisation, both working on the front line and in the business support departments. I am very proud of the dedication and

professionalism shown by all our team members, rising above any personal challenges they might have faced.

Our committee members, Volunteers and Trustees have fully supported the work that has been undertaken during 2020 and I thank them for their commitment and wisdom during a very challenging time. The Charity is in a strong position to continue to develop its education programmes and charitable provision to those in need.





# Trustees' Report for 2020

The Trustees are pleased to present their Report and Financial Statements for the Licensed Trade Charity, its associate company and trading subsidiary for the year ended 31 December 2020.

## Objectives and activities

The Charity continues to be committed to helping those who have previously worked or are currently working in the licensed drinks industry to alleviate poverty and distress. Its key objectives during the year were:

- helping those who are sick, infirm or distressed;
- aiding those experiencing financial hardship;
- offering relief to those suffering from the ills, consequent of old age; and
- helping those impacted by the COVID-19 pandemic either financially or by offering other support services.

The Charity educates children of the general public, but with preference to those working in the licensed trade, through its schools.

In setting its objectives and planning its activities, the Trustees have given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its guidance on advancing education and fee charging in accordance with Section 4 of the Charities Act 2006.

The Trustees apply the funds of the Charity at their discretion and in accordance with the charitable purposes and objectives of the Charity to provide financial assistance, support and advice to those who are currently working in, have previously worked in, or are retired from the licensed drinks trade.

All applications for help are means tested and vetted by the Charity Services Committee, which has delegated powers from the Trustee Body to administer the grant making policy.

During 2020, the Charity committed £1,862k to provide:

- regular financial assistance to help with essential living costs;
- grants to provide one-off assistance, such as deposits for housing, disability aids or convalescent breaks;
- emergency COVID-19 grants to assist those financially impacted;
- bursaries at LVS Ascot; and
- grants to help with education and training.

The Charity also:

- assists people to claim benefits and grants that are available from Government and other agencies;
- co-funds with other charities to make grants that a single charity would not be able to fund;
- provides information via its website and telephone helpline on a range of issues including housing, debt, employment support and relationship breakdown;
- trains regional volunteers who visit new applicants and existing beneficiaries to consider their position; and

- trains telephone Befrienders to call isolated people from the trade who are suffering from loneliness, to offer support and companionship on a regular basis.

The aim of the schools is to inspire independence.

The Charity delivers a high level of education and care for children through its non-selective, co-educational schools; LVS Ascot, LVS Hassocks and LVS Oxford.

Thanks to the addition of LVS Hassocks and LVS Oxford, for children with a diagnosis of autism, the Charity is able to offer education to children with a broad range of educational abilities.

LVS Hassocks and LVS Oxford are predominantly supported via local authority funding for learners with Education, Health and Care plans (EHCP's).

During 2020, bursaries of £301k were awarded to children from the licensed trade, who have either an educational or emotional need that cannot be met through their existing state provision, compared to £379k in 2019. To apply for a bursary, parents must have worked in the licensed trade for at least five years. Awards are also means tested and therefore are dependent on parental income.

LVS Ascot also offers scholarships to recognise academic, sport, music, art and drama potential. These are advertised to parents and prospective parents and awarded in the above categories, or according to the specific requirements of the external bodies that gave the funding. The value of these awards was £312k during 2020, compared to £289k in 2019.

Further details of the Charity's bursary and scholarship policies and how to apply for both are available at [www.lvs.ascot.sch.uk](http://www.lvs.ascot.sch.uk).

At LVS Ascot, fee discounts of up to 20% are available for fee payers who have been working in the trade for at least five years; discounts are also available to members of the Armed Forces, Diplomatic services and for local senior academic staff. In 2020, the value of these discounts amounted to £306k, compared to £300k in 2019.

As part of the emphasis placed on attracting and retaining high-calibre staff, a discount which increases with length of tenure is offered to staff members who educate their children at LVS Ascot. Also, to reinforce the value placed on continuity for families, a discount is offered where a family has more than two children at the Ascot school.

During 2020, in response to the COVID-19 pandemic and having given regard to guidance on advancing education and fee charging in accordance with Section 4 of the Charities Act 2006, the Charity offered a number of fee remissions in order to enable children to continue their education with LVS Ascot. These remissions totalled £3.2million.







## The environmental impact of our schools

The Licensed Trade Charity is committed to implementing new technology and environmental measures to improve its energy performance and promote sustainability. Adopting a programme of planned maintenance, mechanical plant upgrades and internal refurbishments, the Estates Department is making progress to achieve these objectives and reduce carbon consumption across the three sites. Here are some practical examples.

### Electric car charging stations

We plan to install electric car charging stations at all LVS Schools during 2021. The aim is to encourage staff to transition over to electric vehicles and provide the infrastructure so that they can charge their car at work. By supporting this project, the Charity is helping reduce the carbon impact of staff commuting to the workplace. Research suggests that average “lifetime” emissions from electric cars are around 30% lower than petrol and diesel cars in the UK, reducing our carbon footprint and improving air quality around the sites.

### LED lighting

Over the past few years we have been replacing old incandescent and fluorescent light fittings with LED lighting across the LVS Schools. At LVS Ascot and LVS Hassocks 70% of the lights are now LED. We will continue this programme to the point where virtually all fittings are LED over the next 3-4 years. By transitioning to LED, we anticipate a significant reduction of our electricity consumption. We currently spend in the region of £90k on lighting at LVS Ascot each year. Once we have completed the LED lighting replacement programme, we anticipate that the cost will be in the order of £40k.

### Installation of Building Management Systems (BMS)

We continue to install smart monitoring and control systems across the LVS Schools to ensure that heating and hot/cold water services operate more efficiently and in turn reduce energy consumption. Previously the systems functioned very much as ‘on or off’. With BMS, we can remotely adjust these systems according to user demands, and they automatically regulate dependent on weather conditions. Furthermore, we can analyse consumption profiles to identify anomalies, unnecessary wastage, and potential faults.

## Thermally insulating our buildings

With each new project, whether refurbishment or new build, we enhance the level of thermal insulation to the building's envelopes. At LVS Hassocks we are replacing the original single-glazed louvred windows with new double glazed casement windows, which will be far more thermally and energy efficient. The next phase will be to replace the windows along the main corridor facing the central pond, and this will be done as part of wider refurbishment of the corridor and toilets.

## Continual replacement of old mechanical plant

Across all sites, we are implementing a rolling programme of mechanical plant replacement following condition survey recommendations. The current focus is replacement of boilers and water heaters, which are beyond their expected service life and spare parts are difficult to source. New condensing boilers are being installed, which are typically 25% more efficient and help reduce our maintenance liability. At LVS Hassocks a 50% reduction of LPG usage has been achieved through an upgrade of the heating system.

## Promote water economy by the installation of water conservation devices

During refurbishment work, we introduce technology such as sensor taps, dual-flush toilets and restrictors, which prove to be a cost-effective way of reducing water consumption.

## Waste

Each year we generate on average 130 tonnes of waste at LVS Ascot. This fluctuates depending on the extent of project work, lets and admission numbers. The waste generated at the other sites is considerably lower.

Our aim is to reduce the amount of waste we produce and to promote recycling. We continue to work with the Services team to reduce the weight and volume of waste that is produced. Some initiatives include the compaction of cardboard packaging, composting of organic matter, use of biodegradable disposable items (such as paper cups), and recycling furniture between the schools or donating to other organisations.

We also partner with waste contractors who promote segregation and recycling of waste. For instance, at LVS Ascot, 99% of the waste removed from the school is diverted from landfill and recycled. A high percentage of this waste, 88%, is then recycled for use as fuel. At LVS Hassocks 95% of all waste removed is recycled while 100% of all metal is directly recycled.

## Structure, governance and management

### Constitution

The Licensed Trade Charity was established in 1793 by publicans who wanted to provide support and a safety net for fellow publicans and their families. For more than two centuries, the Charity has worked to improve people's lives by providing a range of support, from setting up schools to educate children, providing houses for the elderly, to awarding financial grants for people in need and continuing to run independent schools today.

The Charity operates under the Royal Charter of the Society of Licensed Victuallers, dated 3rd May 1836, and a Supplemental Charter dated 5th February 1999.

Following the merger of the Society of Licensed Victuallers and the Licensed Victuallers National Homes in 2004, a further Supplemental Charter, dated 29th June 2012, was approved by the Privy Council.

During 2017, the Charity applied to the Charity Commission and the Privy Council to widen its objects in order that it could provide education for all ages (previously this was restricted to children) and to provide increased care to the elderly with both these provisions maintaining preference to those from the licensed trade. Both these requests were agreed by The Queen's Most Excellent Majesty in Council on February 8th, 2018 and the objects of the Charity amended accordingly.

### Charitable status

The Charity helps all those in the licensed trade and operates under the Charity registration number 230011.

### Governing body

The Trustee Body consists of between 12 and 18 Trustees (the number being at the discretion of the Trustees), two thirds of whom must be licensed victuallers with the remainder, members of the Charity.

Trustees must be a member of the Charity before they can stand for election. Each term of office is three years, although Trustees who are aged 70 or older must seek re-election every year. Two general meetings (or courts) are held each year, one in April and one in October, to which all members are invited.





The Trustees are responsible for overall governance and strategic direction. The Trustee Body delegates power within agreed budgets and responsibilities to committees that oversee the delivery of its Charity Services policy, Education policy, Fundraising activities and Membership.

The Trustees have recently resolved to form a new Investment subcommittee in 2021 which will have responsibility for governance and performance management of its investment portfolio.

The Trustees consider the Trustee Body along with the Executive team, which includes the Chief Executive and five senior staff members, comprises the key management personnel of the Charity, in charge of directing and controlling the Charity and running the operations on a day to day basis.

The Chief Executive regularly meets with the Chief Operating Officers of a number of occupational charities to discuss issues faced, share initiatives and best working practices.

The Charity also liaises closely with a number of other occupational based charities to share grant awards in order that funding is awarded that could otherwise not be made.

The Charity's regional fundraisers have been unable to raise any material sums in 2020 due to the pandemic and some have now decided to close.

### Induction and training of trustees

As part of its strategic planning process, the Charity conducts a skills audit of the Trustees on a regular basis and has compared it to the skills required by the Charity now and in the future. In addition, the Charity actively co-opts people with the desired skills to the Trustee Body and subcommittees, as well as actively recruiting new Trustees.

On joining the Charity, all Trustees follow a general induction programme with specific training, either provided in-house or externally, to prepare them for whichever committee they are appointed to. There is also an on-going training programme for all Trustees.

### Key management personnel remuneration

The pay of the Charity's Chief Executive is reviewed annually by the Trustee Body. The pay of the Executive Team is reviewed annually by the Chief Executive. Pay is normally increased in accordance with average earnings, although in 2020 due to COVID-19 a pay freeze was implemented. Remuneration is also bench-marked with charities of a similar size and activity, to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in note 13 to the accounts. There were no related party transactions in the year.

Trustees are required to disclose all relevant interests, register them with the Chief Executive and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

### Group structure

The Licensed Trade Charity has a wholly owned non-charitable trading subsidiary, Elvian Limited, which makes available the facilities of the schools to various organisations for events, educational and leisure purposes. The Charity also holds 25% of the equity of The Morning Advertiser Limited which is treated as an associate company in line with the Charities SORP (FRS102).



## Sector achievement in 2020

### Educational performance

## LVS Ascot

While 2020 was a challenging year for education across the globe, we are proud of the speed and resilience with which our school team adapted to accelerate existing plans to introduce blended learning. LVS Ascot delivered a full timetable of lessons for pupils, some 2300+ online lessons each fortnight to ensure the continuity of education for all.

### Boarding

Boarding at LVS Ascot has seen our resident pupils develop their resilience and sheer determination over the past academic year. Despite the majority of our international boarders having returned home due to the pandemic, the community spirit has continued to grow supported by our ongoing boarders' evening activity programme. This was particularly evident in our last full boarders' trip to Westfields Stratford in London pre-lockdown, providing our pupils with an opportunity to leave site and to spend some quality time together. We continue to nurture our boarding provision in line with current updates to the UK Government's National Minimum Standards for Boarding, and through our pastoral care and support, pupils continue to flourish.

### Co-curricular

Co-curricular provision once again shone out as a particular strength of LVS Ascot with a plethora of activities and opportunities for young people.

- The English department entered the ISA Debating and the Rotary Club Public Speaking Competition, winning through to the regional competition at which Harrison (Year 7) won best speaker. Mia (Year 7) won best speaker in the Yateley Manor competition.
- The Sixth Form team reached the final of the SATRO Problem Solving Challenge. LVS Ascot also had two winners in the ISA (Independent Schools Association) Regional Art competition, winning the Key Stage 5 drawing and the textiles category.
- The Gold Duke of Edinburgh award group completed their assessed expeditions in the Brecon Beacons in October 2019, even with poor weather. Despite the lockdown, and continual postponements of both the Bronze and Silver practice and assessed expeditions, the motivation of students remained high during the lockdown period and these awards were completed before returning to school in September 2020.



- The annual ski trip to Northern Italy was also a great success.
- The PE department have, for the fourth year in a row, hosted the ISA Girls Football Festival, which saw over 30 schools on site. In addition, LVS Ascot also organised the first Society of Heads' Girls Football Tournament and, for the second year in a row, the Boys Rugby Competition. Throughout the year we have had many pupil successes: two pupils in Year 7 gaining silver medals in the ISA National Swimming Competition; one pupil played for Chelsea Football Club and represented England.
- During the Year LVS Ascot took part in two ISA competitions, namely: Dance in November at Reddam House School against other local schools; and in March took part in the Drama ISA Competition, with a Year 9 performance winning Best Intermediate Boy and a Year 10 performance winning Best Comic Interpretation.
- LVS Ascot has held the regular programme of wide ranging inter-house competitions and used these to raise funds for Oxfam and the NHS.
- Students in Year 7 and 8 went to the O2 in January to take part in the Young Voices event, which they all thoroughly enjoyed.
- LVS Ascot held two services on Facebook live, our Remembrance Service and our Reflection Service in December led by our Chaplain The Revd Canon Nathan Jarvis live from Bangor.
- The Year 7-13 production this year was Kipps: A New Half a Sixpence Musical which was hugely successful and enjoyable.

## Well-being

Ms. Wilde took up her post as Student Well-Being and Child Protection Officer and assumed a leading role in creating and developing the Well-Being Hub. "The Hub" is an emotional "safe space" for pupils to access Well-Being support and resources, together with access to our counselling services, which have been expanded to cater for the increased pastoral needs of our pupils.

## Academic

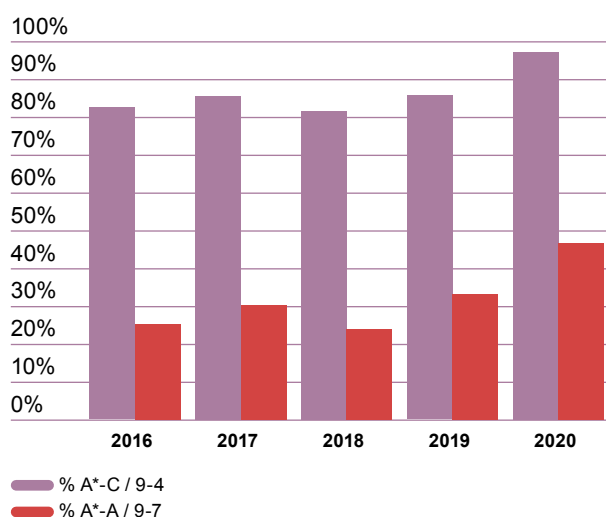
We were delighted with the results in 2020, given the unprecedented circumstances in which grades were awarded. As a result of good planning and preparation, we were able to provide high quality online delivery of around 2,300 online lessons each fortnight, with students following a timetable very close to a regular school day. We then followed a rigorous and thorough internal assessment process

based on Government and Ofqual guidance to award our grades, so we were satisfied that the results were deserved by our students who were denied the opportunity to sit external examinations.

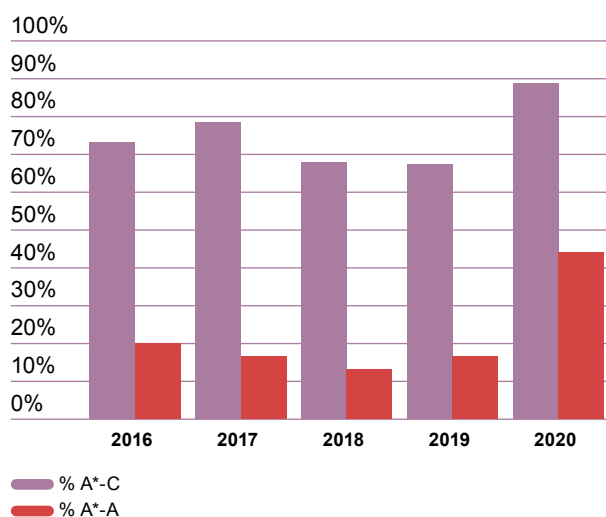
Our GCSE results showed value added overall at +1.42 with +0.84 in maths and +1.9 in English language. (The value added figure is the difference between the grades typically achieved at A Level by students with the same GCSE results). The overall pass rate was 97.2% Grade 9-4, compared to 85.7 in 2019, and 46.7% of students achieved Grade 9-7 compared to 33.1% in 2019.

At A Level, our Value added was +0.42, which was last achieved in 2011. The overall pass rate was 100 % A\*-E compared to 98.2% in 2019, with 88.6% achieving A\*-C compared to 67.3% in 2019. 100% of students passed their vocational courses, with 77.8% gaining Merit or higher.

### GCSE Results 2016 – 2020



### A Level Results 2016 – 2020



## Sector achievement in 2020

### Educational performance

#### Infant & Junior School (IJS)

In the Autumn term LVS Ascot staff underwent INSET training on Philosophy for Children, White Rose Maths and Talk for Writing Non-fiction. The Sounds Write Phonics scheme was introduced to Key Stage 1. Between September and March, the IJS staff offered 53 different co-curricular clubs before school, at lunchtime and after school with 94% of pupils taking part in at least one of these.

LVS Ascot continued to raise their profile locally by participating in a range of competitions and achieved success at the Holme Grange Performance Poetry Competition, in the Junior Choir section of the Woodley Festival of Arts, as U11 football regional champions and in the Royal Ascot Art competition. In March, just prior to lockdown, our first Careers Week took place in the IJS, supported by the WoW group (World of Work group of parents and staff sharing their experience and expertise to give LVS Ascot

students the advantage in their next steps). Twenty three speakers visited the IJS to share world of work experiences with the children and the whole school went on a trip to Kidzania in London, where they experienced a range of careers in a role play situation.

During lockdown, lessons were delivered to all pupils – a mixture of live teaching and assignments according to the age of pupils. A weekly Headteacher Challenge encouraged children to continue to engage with the Junior School Diploma.

Children also got involved in NHS initiatives in their local area – making visors, scrub bags, masks and collecting donations for local hospitals. Each week, virtual assemblies were held on a Monday and Friday morning, helping to keep our sense of community alive and recognising all the children's achievements.





## Sector achievement in 2020

### Specialist education

The overarching achievement of both SEN schools during 2020 has been their ability to remain open throughout the various pandemic lockdowns, ensuring that students and parents have been fully supported with both academic learning and mental well-being. Staff and students had to quickly adapt to a different way of working, with many students accessing their learning through Microsoft Teams. For those students who were unable to access Microsoft Teams, either because of a lack of devices at home or poor internet connections, hard copies of work were sent out. Students were regularly contacted via Teams or telephone to maintain good safeguarding practice.



## LVS Hassocks

### Co-curricular

- Two students won at the Independent Schools Association (London South) Art Competition and students in Year 11 and the Sixth Form participated in the Independent Schools Association Sports Limitless Skills Series, which saw them perform a series of challenges, upload the evidence and receive feedback from TopYa! (a set of experienced virtual sports coaches). Two students from LVS Hassocks won the U18 and U16 trophies.
- Students in Year 11 and Sixth Form commenced work on their Bronze Duke of Edinburgh Awards participating in mentoring younger students, honing map reading skills and working on problem solving activities.
- Students, staff and parents supported with the Burgess Hill Lions Club Christmas Hamper project, donating the largest amount of food to date from the school.

- With Government restrictions limiting the ability to host the annual Summer and Christmas sharing events, students were still able to celebrate both with smaller, socially distanced activities planned.
- Partnership working with Hurstpierpoint College saw students from both schools participating in sporting activities as part of the Level 3 Sports Leaders Award that students from Hurst were completing.

### Well-being

- Throughout 2020, the well-being of staff and students was a key priority. Throughout the lockdown, students and their families were supported by weekly phone calls home, therapy sessions continued online, and the school offered well-being challenges for all to take part in.
- Well-being sessions are on student timetables, along with yoga, life skills and PSHE.



- Development of the outside horticulture area, including raised beds and improvements made to the polytunnel, has allowed students the opportunity to develop work related skills, take part in physical activities and aid in well-being.
- During the year, an ecological project to encourage more wildlife to the site saw 36 tonnes of silt removed from the pond. A grazing licence was issued to a local farmer, allowing sheep on the fields resulting in improved relationships with the local community and a reduction in usage of outside contractors.
- External moderation visits to the school and postal moderation of student work enabled clear demonstration of students' achievements. Government and Ofqual guidance was followed strictly to ensure that internal moderation was thorough and that students were not disadvantaged from not being able to sit the GCSE examinations.
- All student leavers went on to college courses, with one student progressing to a Level 3 ICT course at Greater Brighton Metropolitan College.

### Academic

- Academic results for students at LVS Hassocks were very positive with students gaining qualifications in BTEC's, GCSE's, ASDAN awards, Functional Skills and Entry Level (English and Maths). 18 GCSE's were awarded at Grade 4 and above. 75% of Maths entries were passed at Grade 4 and above and 71% of English entries passed at Grade 4 and above. Two students gained Grade 7 for their Art GCSE. GCSE Statistics students gained 100% pass rate.
- In September 2020, Level 3 qualifications were introduced at LVS Hassocks for those in the Sixth Form, which saw students start A Level Art and the Extended Project.
- Student numbers have remained strong and the school ended the year with a strong surplus against the budget.



## Sector achievement in 2020

### Specialist education

# LVS Oxford

#### Co-curricular

- Students supported the local food banks by collecting food at both Harvest Festival and Christmas and boxing the donations up ready for delivery.
- Visitors to the school included the Amy Winehouse Foundation who delivered a session on the misuse of drugs and alcohol, MYCO Performing Arts who supported a workshop for students and the Musical Youth Company of Oxford who hosted a workshop for pupils to celebrate the benefits of performing arts and work on areas such as building confidence, teamwork and resilience.
- The students enjoyed den building in Bladon Woods which is part of the Blenheim Estate during their Forest Schools activities, and visits were made to Oxford museums. Students participated in afternoon tea with the Head of School, giving them an opportunity to engage in discussions regarding their diagnosis.
- COVID-19 restrictions prevented the usual summer and Christingle events, but the students took part in smaller, socially distanced celebrations.





## Well-being

- Student and staff well-being was at the forefront of the work at LVS Oxford during 2020. Some students found attending school difficult during the lockdown and were supported by staff teaching online and making regular calls to both students and their parents to support their well-being. One teacher delivered online mindfulness lessons for both students and staff.
- For those students who did attend school, plenty of outdoor activities took place, with regular walks timetabled and the horticulture area was revamped to provide an additional outdoor learning space.



## Academic

- The students achieved good exam results with both English Language and Maths entries gaining 100% pass rate. A range of BTECs, Entry Level and Functional Skills qualifications were also achieved. All students leaving the school in July went on to college placements or employment, with one student gaining an apprenticeship with a large pub group, Mitchells and Butlers.
- As part of the VE Day celebrations, one of the Speech and Language Therapists delivered an online dance tutorial and the English teacher composed a drama, dressed in period costume. Students posted their work on-line with a video being made of students reading their VE Day poems and this was shared with parents.
- A Careers week was held enabling students to gain pertinent information about possible careers when they complete their education. Work experience and college links were strong at the beginning of the year but unfortunately had to cease when the first lockdown was implemented. The 6th formers were able to end their year with a socially distanced get together.







## Sector achievement in 2020

# Fundraising

With an established reputation for professionally delivering support services that many of the pub companies that we work with promote as part of their support for staff, the Charity continues to benefit from ever increasing fundraising opportunities.

During 2020, collaborations with well known and respected household brands including Kopparberg and Tyrrells further enhanced the Charity's profile in addition to raising money.

These collaborative campaigns gave PR opportunities to achieve national, regional and trade press coverage. The accompanying social media campaigns extended the Charity's reach further and engagement with celebrity ambassador Jodie Kidd, as well as social media VIPs and influencers, achieved 23 million 'opportunities to see' that social media as part of the Tyrrells campaign alone.

The teams of Regional Fundraisers, LVAs, LA's and trade contacts who have supported the Charity for many years and continue to fundraise for us were unable to hold their usual array of events. However, many were still able to make generous donations from their previous year's surplus.

Due to greater awareness of the Charity, its strong reputation, visibility of the increased volume of

people that were helped during 2020 and a licensed trade community that, as it always does, wants to 'give back' wherever and whenever it can, we saw huge growth in individuals, groups and companies offering to raise funds in so many different ways:

- A sponsored head shave;
- Sale of bespoke Christmas Cards;
- On pack promotions of gin, cider, crisps and beer;
- Sponsored walks, cycles, runs and hill climbs; and
- Donations from events including 'Brewer In a Mash Tun', 'Beer Rebus' and 'Ugly Jumper Day'.

Recognition must also go to those who supported the Charity by donating their time and expertise while furloughed.

The majority of fundraising income derives from the industry we support through corporate donations. The remainder is derived from individual giving and grants. The Licensed Trade Charity has registered with the Fundraising Regulator. The Charity does not use professional fundraisers and no complaints relating to fundraising activities have been received during the year.

## Sector achievement in 2020

# Charity Services

2020 was by far the most challenging year the Licensed Trade Charity has had to face.

When COVID-19 struck, we could never have foreseen that the hospitality sector would have their doors closed for nearly a year, an outcome not seen even during both world wars.

However, the crisis gave us an opportunity to demonstrate our value and show the licensed trade what we are made of. We took the initiative to proactively approach operators with a whole host of support.

In the first few months of 2020, we offered classroom style mental health training sessions. After March these were suspended due to COVID-19. We adapted the format and in November launched free 2-hour online training sessions for licensed trade managers.

We wanted pub managers to leave the session feeling confident to approach someone they knew was struggling with their mental well-being. Not to make them counsellors, but to give them the tools to help their staff get the support they needed to move forward.





## Sector achievement in 2020

Furlough reduced income for many people especially in the licensed trade. To help individuals develop the tools to deal with this challenge, we sourced a partner called Nudge. They offer a financial well-being programme that helps people make the most of their money and improve their finances. The Charity funds use of their web app so that it is free to the trade. We launched this in November and just under 30 people registered to use the app. A campaign is in place to drive take-up during 2021.

The app caters for all age groups and financial situations. We felt that, as people have more time on their hands, it would be great for them to use the app to manage their money, set achievable goals that could include to reduce outgoings and save for that long-awaited holiday or weekend break.

Before COVID-19 we were keen to continue our goal to work with operators across the sector, especially those with large estates that would give us access to large numbers of people who could benefit from our help. Early in the COVID-19 crisis, we approached some operators, including Greene King, to see if they would be prepared to make ringfenced donations, to enable the Charity to support their employees and their families experiencing financial hardship as a result of the pandemic. Greene King generously gave £666k of restricted hardship donations. We received over 3,000 applications, which not only financially helped thousands of Greene King families, but also cemented a great relationship with them going forward. It was agreed later in the year that Greene King would make future restricted hardship donations, enabling the Charity to provide further help to their team members and their families.

Four other pub companies also decided to take part, however chose to remain anonymous. In total we processed 4,519 applications and awarded £904k in grants.

As it became more evident that people in the trade were going to be made redundant, we wanted to put some support in place to extend our services to specifically tackle this. We formed a partnership with CPL Learning who offer free online courses ranging from beer styles and gin pairing, hospitality compliance, and personal development. The courses are available to anybody who currently

works or has previously worked in the industry. Each course is between 30-45 minutes and once completed, candidates can download their own certificate.

From a grants and general support perspective, we were able to support a staggering 73,171 people which is a massive increase on the year before which was at 23,020.

Within those figures we helped 282 people with housing issues, 4,089 people with money issues (this included short term hardship grants and ringfenced COVID-19 grants) and 77 families with an educational grant.

Our helpline calls more than doubled and just under 2,700 people phoned our helpline for emotional support and practical advice.

Direct enquiries to the Charity Services team stood at 5,429, it was 458 in 2019. This was mainly due to the ringfenced fund schemes that we administered.

Including the ringfenced projects we gave away £1.9m in grants.

We are proud to have achieved this with a small team of six, all working remotely.



# Volunteering in 2020

2020 has been a very different year for us all and this includes our Volunteers. The only team not to really be affected was our Telephone Befrienders, who continued to call their Befriendees as often as they were able to.

Volunteers play an important role in supporting and promoting the Licensed Trade Charity's work, reaching out to the community and helping to deliver an holistic service for the people it supports. They continued to do this as much as they could, but mainly by phone due to COVID-19 restrictions.

In 2020, we extended the key areas the Charity regularly recruits Volunteers in to include Charity Ambassadors. We now have 5 categories:

- Trustees
- Fundraisers
- Telephone Befrienders
- Charity Services Volunteers
- Charity Ambassadors

Our Charity's Trustees play a vital role in the decisions and direction the Charity takes, donating their time to not only attend regular board meetings, but also numerous other committee meetings. Since March 2020, all meetings have been conducted online and never has their input been more important.

Our Regional Fundraisers started the year well but as lockdown hit, all their events had to be cancelled.

We had 14 Telephone Befrienders calling 16 individuals throughout the year. Some of our Befrienders caught COVID-19 themselves, as did some of the Befriendees, so calls could not take place as regularly whilst people recovered but they still spent approximately 182 hours talking to each other.

Our 40 Charity Services Volunteers had to adapt to the new restrictions from March as they were no longer able to visit people in their homes. Instead, they also took to the phones and called applicants where we had complex cases that needed a deeper understanding. Where cases were more

straightforward, needing grants of up to £1,500, office decisions were made to expediate the help provided. We also moved our application form online during the first lockdown, which allowed people to upload their documents, helping speed up the whole application process. Paper applications continued to be sent out to those who didn't have access to the internet.

We were able to train 15 new Volunteers into the Charity Ambassador role in February before the country went into lockdown. Sadly, none of them have been able to put their new skills into practice yet as all events were cancelled. We hope this will change towards the latter part of 2021 when the events programme resumes.

Almost all our Volunteers have a history in the licensed trade in various guises, from Licensee to HR Personnel for large pubco's, giving them valuable insight into the rewards and challenges a career in the licensed trade offers.

One of the team's biggest goals for later in 2021, when it is safe to do so, is to organise face to face meetings with all the Volunteers to celebrate their experience, knowledge, brilliant sense of humour, passion and the fact they give of their time so freely. We've really missed seeing them in the last year and are grateful that they have remained committed to us and adapted so well to all we have asked of them.





## Financial review

The full financial results for the year are dealt with in the Statement of Financial Activities on page 30.

### Financial performance compared with the previous year

2020 results were significantly impacted by the COVID-19 pandemic with almost all areas of the Charity finances affected resulting in a £2,226k deficit for the year.

The Charity's net income, after charitable donations and before changes in the value of investments, is a deficit of £1,634k, due to the restatement of 2019 account for the depreciation there was a deficit of £127k.

Net income from the schools, which had 939 pupils, a decrease of 2 pupils when compared to the previous year, was £1,840k lower largely due to COVID-19 fee remissions granted.

Net investment income was £542k, £327k lower than last year as a result of the varied impacts of COVID-19 on property investments due to higher voids and rent holiday periods granted, and on commercial paper investments due to lower dividends as companies sought to conserve cash.

Profit from the subsidiary, Elvian Limited, decreased by £222k due to COVID-19 restrictions which prevented the letting of school facilities and the travel of overseas students to the UK.

Fundraising increased dramatically to £1,284k, an increase of £1,179k compared to 2019, mainly due to generous COVID-19 hardship restricted donations from companies within the licensed trade, fundraising partnerships with household brands like Tyrrells and Kopparberg, as well as the facilitation of the Great British Pub Awards.

During 2020 an internal audit of tangible fixed assets was undertaken. This audit identified some assets no longer in use by the Charity, and some assets which had been misclassified and under-depreciated. As a result £138k of additional depreciation has been charged to the year ended 31 December 2019, and £224k of additional depreciation has been charged to periods prior to 2019 (see Note 31 Prior Year Adjustment), and assets with Net Book Value of £876k have been disposed of in the year to 31 December 2020.

Net gains on investments amounted to £459k, compared to a net gain of £708k in 2019, which included revaluation gains of £617k on commercial paper investments and £476k on residential property holdings, partly offset by revaluation losses of £636k on property funds. The Stafford investment property was sold during the year with a gain of £8k.

Actuarial losses on defined benefit pension schemes resulted in a charge of £1,154k in the year, compared to a charge of £659k in 2019.

### Financial performance compared with expectations for the year

Due to COVID-19, the results for the year were significantly worse than expectations, being c. £2,747k lower than the budgeted surplus.

Net income from the schools overall was £1,699k lower than expected due to COVID-19 fee remissions at Ascot. Results for LVS Oxford and LVS Hassocks were higher than expectations due to cost savings.

Central costs were £110k lower than planned largely due to reduced travel, meeting and committee expenditures, as activities were held online due to COVID-19.

Fundraising income was £1,269k higher than budget due primarily to the COVID-19 hardship restricted donations from corporations within the industry.

Charity Services' costs were £629k higher than budget. Awareness and numbers of people helped by the Charity grew strongly with need increasing due to COVID-19. By working with our industry partners and other charities, we were able to provide help without increasing the financial cost to the Charity with the additional grants funded from higher corporate donations.

The results also include the unbudgeted adjustments resulting from the internal audit of Fixed Assets. This generated an unplanned charge of £876k in the year.

### Reserves policy

The financial statements show that at 31 December 2020, the unrestricted funds totalled £62,418k and restricted funds £342k. The unrestricted



reserves include a funding deficit of £3,916k calculated under FRS102 in respect of the notional funding deficit on the defined benefit pension plan for Charity staff. The Trustees believe that this notional funding calculation, which can vary between surplus and deficit, depending upon the assumptions used at year end, will have no material effect on the Charity's cash flows in the short term and that in the longer term its effects are manageable out of future income.

The Charity is an operational organisation and needs to hold sufficient reserves to fund its current operations, to provide for unforeseen events and to invest for the future. It also needs to sustain sufficient reserves to provide long-term support for its beneficiaries. The Trustees have developed the reserves policy with regard to the Charity Commission's guidelines. In the short-term, the Charity expects to fund the excess of charitable expenditure over income out of reserves. In the long-term, it is anticipated that the Charity will aim to hold a level of general reserves equivalent to 18 months operating expenditure, equating to approximately £35m.

The reserves policy is reviewed with the strategic plan to ensure they are consistent. In order to make a judgement on the reserves which should be held by the Charity, the Trustees have considered the risks in respect of expenditure, unrestricted income and where funds can only be released by

the disposal of investments. The Trustees have also considered external identified potential risks to income and expenditure. The policy is monitored and reviewed annually.

Over the years to 2017, the Charity had worked towards increasing the reserves by gradually improving operating surpluses in order to fund investment into broadening services provided to beneficiaries. However, in recent times the Charity has either recorded a deficit or a breakeven each year. In 2020, due to COVID-19, the Charity has recorded a larger deficit and needed to use some of the accumulated reserves. At the end of 2020, the general reserves, unrestricted reserves excluding fixed assets, directly owned investment property and the equity investment in the Morning Advertiser, were £25m, approximately 12 months operating expenditure. In 2021, due to the continued impacts of COVID-19 on both the licensed trade and on the education environment, the Charity expects to continue to record a deficit and to need to further draw on its reserves. It is anticipated that the Charity may return to breakeven in 2022 and would then seek in the longer-term to continue to work to re-build reserves.

The Charity reviews the finances of beneficiaries before approving the payment of grants to individuals. Historically, once a beneficiary reached 80 years of age, the Charity no longer performed an annual review of the beneficiary's



finances and continued to pay the awarded grant until the beneficiary died. This practice has now stopped and the finances of all beneficiaries are reviewed annually. Where the annual means testing has previously ceased, the Trustees have accepted that payment will be made until the death of the beneficiary and have, therefore, designated funds equivalent to the estimated value of these future payments in the financial statements. At 31 December 2020 the value of this designated fund was £230k.

## Investment policy and objectives

The Trustees have reviewed their Investment policy with regard to the Charity Commission's guidance on social, ethical and responsible investment.

The Charity's assets should be invested in line with its aims. The Trustees do not wish to adopt an exclusionary policy, but individual investments may be excluded if perceived to conflict with the Charity's purposes.

The investment strategy is set out in the governance handbook and is consistent with the cash flow requirements of the current strategic plan.

The Charity seeks to produce the best financial return within an acceptable level of risk. The investment objectives are to generate a sustainable income stream which at least maintains both its real value in future years and the real capital value of the investment portfolio over the long term.

The Charity seeks to have a constructive and positive engagement with the corporate world and requires that Investment Managers, together with all underlying collective holdings, have signed up, or are in the process of signing up to the United Nations-supported, Principles for Responsible Investment (PRI) Initiative.

In 2018, a review of the Investment policy agreed a change in strategy to reduce the holding in the property sector overall from 50% to 40% and to increase the holding in equities. During 2019 and 2020, changes were made which have resulted in the total property investment being 43% of the overall investment portfolio at the end of the year.

The performance for 2020 resulted in an overall gain of £459k, including a gain on directly owned property and commercial paper investments and a loss on property funds.

Property fund investments total 31% of the portfolio, comprising investments in Mayfair

Capital, Schroders, CCLA and Savills. A loss of £636k was made on the portfolio this year, largely due to COVID-19 impacts including higher voids, the granting of rent holidays and temporary ceasing of trading within the funds due to uncertainty.

Directly owned property amounts to 12% of the portfolio, including land and residential properties. A revaluation gain of £476k was made on the portfolio.

Commercial paper investments, including equity, gilts and alternative investments are actively managed for the Charity by SG Kleinwort Hambros Bank and CCLA. These total 57% of the total portfolio and generated a gain of £617k.

During 2021, an Investment subcommittee of the Trustee Body has been formed in order to increase governance and to review the investment portfolio in line with the strategic plan and funding needs of the Charity.

## Pensions

The Charity contributes to two defined benefit schemes, one, a national government-operated scheme for teaching staff, and the other, its own scheme, for non-teaching staff.

The Charity has no control over the national scheme but has continued to pay increased contributions into its own scheme. The Government increased employer contributions for the teachers' pension scheme from 16.48% to 23.68% in September 2019.

The Charity is subject to the automatic enrolment legislation introduced by the Government to encourage staff to save for their retirement. All employees not currently in one of the schemes mentioned above, were automatically enrolled into a group personal pension plan in May 2014. Those that had subsequently opted out of the scheme were re-automatically enrolled in February 2017 and were re-enrolled once again in April 2020.

All new employees have the option to join the appropriate final salary scheme. If they fail to do so, they are automatically enrolled into the group pension scheme, if eligible.

## Tax status

The Trustees are of the opinion that the Charity is not liable for taxation on its charitable activities.

## Plans for the future

### Expectations for 2021

The Charity expects that, due to the ongoing impacts of COVID-19 on both the licensed trade and the education environment, that it will record a deficit in 2021. This is being driven by lower income from the Schools as pupil numbers are lower at LVS Ascot, particularly in boarding, and planned annual fee increases are deferred. However, due to the ongoing COVID-19 pandemic, significant uncertainty exists and it is now likely that, due to increased demand for short-term hardship grants from licensed trade employees and a likely reduction in both school income and investment income, this will result in a deficit for the year.

### The strategic plan

The Charity has reviewed the Strategic plan 2017-2021 and has concluded that this plan will continue for a further two years and will be further enhanced with the introduction of a two year plan for recovery from the effects of the global pandemic. At the end of this period a new Strategic plan will be produced involving staff, Trustees and externally benchmarking the Charity, in order to determine the direction of travel of the Charity for a further five years.

The Charity's existing five-year strategic plan commenced in 2017 and progress is reviewed annually. When setting the plan, the Charity was

very clear in reviewing the potential areas for expansion and a quest to deliver more services in line with the recent changes in the organisation's objects. This allows for the provision of education to a wider population, to the general public but with preference to those having worked or still in the licensed trade and now to any age group. In addition, the Charity can provide residential care to the general public but with preference to the trade.

The Charity set a target to assist in a number of ways and aimed to help around 13,000 individuals by the year 2021. This was based on a targeted marketing plan to the licensed trade. The plan has been so successful that the Charity assisted over 73,000 individuals during 2020.

Research into the provision of residential care has been carried out and whilst there is certainly a demand due to the ageing population, a decision has been made not to pursue this.

Whilst the organisation will continue to invest in its material assets, further investment in the recruitment and development of staff will be at the forefront, to ensure the increasing demands placed on the organisation can be achieved and that beneficiaries' and customers' expectations can be met.

COVID-19, whilst disruptive to the Charity, has brought a unique opportunity to accelerate automation, to improve efficiency and to optimise ways of working which will allow the organisation to evolve to meet the changing needs of its beneficiaries and pupils.







## Risk management

The Trustees are responsible for the management of the risks faced by the Charity and have examined the major strategic, business and operational risks to which the organisation is and may potentially be exposed. The Trustees are satisfied that the systems, controls and policies are in place to mitigate and manage exposure to such major risks.

The Charity's comprehensive risk register is reviewed and updated annually, or more regularly if necessary, prior to review and discussion by the Trustees. In assessing the risks, the impact on Charity activity disruption, injury or property damage, loss of income, reputation, management focus, missed opportunity and strategic direction change are all considered.

There are four principal areas of risk as well as COVID-19 which have the potential to significantly affect the operations of the Charity:

- **Government policy** – Independent schools have been the subject of ongoing discussions by Government. There is a risk that changes to Government policy (such as amendments to VAT legislation on educational supplies, business rates relief, levy charges, and Teachers Pension contribution levels) would have a significant impact on the Charity's ability to operate. The Charity seeks to mitigate this by reviewing the reserves policy, preparing long-term forecasts and contingency planning.
- **Affordability** – LVS Ascot operates in a very competitive market with fees increasing faster than earnings prompting parents to reconsider affordability. Places at LVS Hassocks and LVS Oxford are primarily funded by local authorities which are under financial pressure with reduced budgets and increasing demands for services. This is causing local authorities to consider alternative means of fulfilling services such as the development of specialist hubs attached to mainstream secondary schools. The Schools all look to ensure that they offer value for money whilst providing an excellent well-balanced education to mitigate this risk as far as possible.
- **Economic environment** – The Charity has investments across commercial paper and property which have been exposed to increasing volatility over recent times. The Charity aims to operate a long-term diversified investment strategy at low to medium risk and regularly reviews the performance of investments.
- **Safety and security of pupils, staff, volunteers and vulnerable grantees** – The Charity aims to provide a safe and secure environment by having in place policies and procedures including in the areas of safeguarding children, anti-bullying, health and safety, physical security, cyber-security, data protection, well-being and critical incident management.
- **COVID-19** – Many of the risks associated with COVID-19 have already impacted the

Charity's financial reserves and will continue to do so. These include increased claims from beneficiaries, poor performance of investments, inability for Elvian Limited to hire out school facilities and losses at LVS Ascot due to granting of fee remissions and lower pupil numbers as parental income is under threat. The Charity has received additional donations from licensed trade participants to cover increased demand from beneficiaries. The Charity's assessment of this risk is that it will impact in the short-term but that the Charity has sufficient liquid reserves to manage this period.

## Trustees' responsibility statement

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Charity. These records also allow the Trustees to make sure the financial statements comply with the requirements of the Charities Act 2011.

Charity law also requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and of the results for that period.

In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud.

## Auditor

James Cowper Kreston offers itself for re-appointment as auditor for the year beginning 1 January 2021.

## Approval of the financial statements

The Trustees confirm this report and accounts comply with the requirements of the Charities Act 2011 and the Charities SORP (FRS102).

The Trustee Body approves the financial statements.

BY ORDER OF THE TRUSTEE BODY



**Mr William Roy Boulter**

Chairman of Trustees

Dated: 10th June 2021



## LICENSED TRADE CHARITY

### INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LICENSED TRADE CHARITY

#### Opinion

We have audited the financial statements of Licensed Trade Charity (the 'parent charity') and its subsidiary (the 'Group') for the year ended 31 December 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated Statement of Cash Flows 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and the Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent charity's affairs as at 31 December 2020, and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the Trustees' annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LICENSED TRADE CHARITY

### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' report

We have nothing to report in respect of the following matters in relation to which the Part 4 of the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of Trustees

As explained more fully in the Trustees' responsibilities statement the Trustees 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 Trustees 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 Trustees are responsible for assessing the Group's and parent charity'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 Trustees either intend to liquidate the Group or parent charity 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.

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.

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of 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 evidence of bias.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.



## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LICENSED TRADE CHARITY

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

Date: 1st July 2021

James Cowper Kreston is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	Restricted funds 2020 £	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 Restated £
<b>INCOME FROM:</b>					
Donations and legacies	4	1,155,684	98,149	1,253,833	61,525
Charitable activities:					
School fees		-	18,059,660	18,059,660	21,223,048
Grants		64,364	12,500	76,864	130,690
Other trading activities:					
Fundraising and events income	5	-	30,541	30,541	43,874
Gross income trading subsidiaries	2	-	243,706	243,706	614,091
Investments	6	-	1,107,085	1,107,085	1,602,728
Other income	7	-	771,440	771,440	-
<b>TOTAL</b>		<b>1,220,048</b>	<b>20,323,081</b>	<b>21,543,129</b>	<b>23,675,956</b>
<b>EXPENDITURE ON:</b>					
Raising funds:					
Costs of generating voluntary income	8	-	141,998	141,998	48,516
Expenditure trading subsidiaries	2	-	192,614	192,614	340,679
Investment management costs	10	-	565,206	565,206	733,357
Cost of events	9	-	47,907	47,907	87,667
Charitable activities:					
Schools	11	69,032	19,093,356	19,162,388	20,486,137
Grants		1,108,819	452,214	1,561,033	596,009
Bursaries		-	301,115	301,115	379,108
Charity Services	12	6,000	822,593	828,593	635,947
Support costs	13	-	376,160	376,160	495,556
<b>TOTAL</b>	14	<b>1,183,851</b>	<b>21,993,163</b>	<b>23,177,014</b>	<b>23,802,976</b>
<b>NET INCOME/(EXPENDITURE) BEFORE NET GAINS ON INVESTMENTS</b>		<b>36,197</b>	<b>(1,670,082)</b>	<b>(1,633,885)</b>	<b>(127,020)</b>
Net gains on investments	16	-	458,816	458,816	708,389
<b>NET INCOME/(EXPENDITURE)</b>		<b>36,197</b>	<b>(1,211,266)</b>	<b>(1,175,069)</b>	<b>581,369</b>
Transfer of funds		(32,187)	32,187	-	-
Income from associate company	3	-	103,059	103,059	64,757
Actuarial losses on defined benefit pension schemes		-	(1,154,000)	(1,154,000)	(659,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>4,010</b>	<b>(2,230,020)</b>	<b>(2,226,010)</b>	<b>(12,874)</b>
<b>RECONCILIATION OF FUNDS:</b>					
TOTAL FUNDS AT 1 JANUARY RESTATED		<b>338,402</b>	<b>64,648,222</b>	<b>64,986,624</b>	<b>64,999,498</b>
<b>TOTAL FUNDS AT 31 DECEMBER</b>		<b>342,412</b>	<b>62,418,202</b>	<b>62,760,614</b>	<b>64,986,624</b>

All activities relate to continuing operations. The notes on pages 34 to 53 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET  
AS AT 31 DECEMBER 2020**

		<b>2020</b>		2019
	<b>Note</b>	<b>£</b>	<b>£</b>	<b>Restated £</b>
<b>FIXED ASSETS</b>				
Tangible assets	17	31,784,761		33,737,540
Investments at market value	20	41,480,673		42,204,331
Investment in associate company	18	1,265,551		1,162,491
		<b>74,530,985</b>		<b>77,104,362</b>
<b>CURRENT ASSETS</b>				
Debtors	21	4,464,176	1,286,594	
Cash at bank		4,958,918	3,820,181	
		<b>9,423,094</b>	<b>5,106,775</b>	
<b>CREDITORS:</b> Amounts falling due within one year	22	<b>(10,265,331)</b>	<b>(7,192,556)</b>	
<b>NET CURRENT LIABILITIES</b>		<b>(842,237)</b>	<b>(2,085,781)</b>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>73,688,748</b>	<b>75,018,581</b>	
<b>CREDITORS:</b> amounts falling due after more than one year	23	<b>(7,012,134)</b>	<b>(7,564,957)</b>	
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>		<b>66,676,614</b>	<b>67,453,624</b>	
Defined benefit pension scheme liability	27	(3,916,000)	(2,467,000)	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>		<b>62,760,614</b>	<b>64,986,624</b>	
<b>CHARITY FUNDS</b>				
Restricted funds	24	342,412		338,402
Unrestricted funds:	24			
Unrestricted funds excluding pension liability		66,334,202	67,115,222	
Pension reserve		(3,916,000)	(2,467,000)	
Total unrestricted funds		<b>62,418,202</b>	<b>64,648,222</b>	
<b>TOTAL FUNDS</b>		<b>62,760,614</b>	<b>64,986,624</b>	

The financial statements were approved by the Trustees on 10th June, 2021 and signed on their behalf by:



Mr William Roy Boulter

The notes on pages 34 to 53 form part of these financial statements.



**CHARITY BALANCE SHEET  
AS AT 31 DECEMBER 2020**

		2020		2019
	Note	£	£	Restated £
<b>FIXED ASSETS</b>				
Tangible assets	17	31,784,761		33,737,540
Investment in subsidiary	19	5,000		5,000
Investments at market value	20	41,480,673		42,204,331
Investment in associate company	18	<u>500,025</u>		<u>500,025</u>
		<b>73,770,459</b>		<b>76,446,896</b>
<b>CURRENT ASSETS</b>				
Debtors	21	4,574,215	1,157,080	
Cash at bank		<u>4,825,654</u>	<u>3,790,189</u>	
		<b>9,399,869</b>	<b>4,947,269</b>	
<b>CREDITORS:</b> amounts falling due within one year	22	<u>(10,247,106)</u>	<u>(7,038,050)</u>	
<b>NET CURRENT LIABILITIES</b>		<b>(847,237)</b>	<b>(2,090,781)</b>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>72,923,222</b>	<b>74,356,115</b>	
<b>CREDITORS:</b> amounts falling due after more than one year	23	<u>(7,012,134)</u>	<u>(7,564,957)</u>	
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>		<b>65,911,088</b>	<b>66,791,158</b>	
Defined benefit pension scheme liability	27	<u>(3,916,000)</u>	<u>(2,467,000)</u>	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>		<b><u>61,995,088</u></b>	<b><u>64,324,158</u></b>	
<b>CHARITY FUNDS</b>				
Restricted funds	24	342,412		338,402
Unrestricted funds:				
Unrestricted funds excluding pension liability		65,568,676	66,452,756	
Pension reserve		<u>(3,916,000)</u>	<u>(2,467,000)</u>	
Total unrestricted funds		<b><u>61,652,676</u></b>	<b><u>63,985,756</u></b>	
<b>TOTAL FUNDS</b>		<b><u>61,995,088</u></b>	<b><u>64,324,158</u></b>	

The financial statements were approved by the Trustees on 10th June, 2021 and signed on their behalf by:



Mr William Roy Boulter

The notes on pages 34 to 53 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT  
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 Restated £
<b>NET CASH PROVIDED BY OPERATIONS</b>		<b>286,631</b>	<b>1,539,772</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Dividends, interest and rents from investments		1,107,085	1,602,728
Purchase of fixed assets	17	(870,834)	(2,007,825)
Proceeds from the sale of fixed assets		-	81,250
Purchase of investments	20	(6,026,975)	(8,803,314)
Proceeds from the sale of investments		7,209,448	8,957,855
Net cash generated by/(used in) investing activities		<u>1,418,724</u>	<u>(169,306)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of loans		(566,618)	(558,458)
Net cash used in financing activities		<u>(566,618)</u>	<u>(558,458)</u>
Change in cash and cash equivalents in the year		1,138,737	812,008
Cash and cash equivalents brought forward		3,820,181	3,008,173
Cash and cash equivalents carried forward		<u>4,958,918</u>	<u>3,820,181</u>
<b>NET MOVEMENT IN FUNDS</b>		<b>(2,226,010)</b>	<b>(12,874)</b>
Adjustments for:			
Dividends, interest and rents from investments		(1,107,085)	(1,602,728)
Depreciation charges	17	1,947,194	2,054,231
Loss on disposal of fixed assets		876,419	9,480
Fair value gains made on investments		(458,816)	(708,389)
(Increase)/Decrease in debtors	21	(3,177,582)	987,386
Increase/(Decrease) in creditors	22	3,086,570	(142,577)
Movement in provision for defined benefit pension scheme		1,449,000	1,020,000
Income from associate company	3	(103,059)	(64,757)
<b>NET CASH PROVIDED BY OPERATIONS</b>		<u>286,631</u>	<u>1,539,772</u>

The notes on pages 34 to 53 form part of these financial statements.

**RECONCILIATION OF NET DEBT**

	At 1 January 2020 £	Cash Flows £	Other Changes £	At 31 December 2020 £
Cash at bank and in hand	3,820,181	1,138,737	-	4,958,918
Borrowing due within one year	(565,343)	566,618	(590,234)	(588,959)
Borrowing due after one year	<u>(7,206,264)</u>	<u>-</u>	<u>590,234</u>	<u>(6,616,030)</u>
	<u>(3,951,426)</u>	<u>1,705,355</u>	<u>-</u>	<u>(2,246,071)</u>

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **1 . ACCOUNTING POLICIES**

Licensed Trade Charity is an unincorporated charity. It is registered in England and Wales with Charity Registered number 230011. The principal address of the Charity is Heatherley, London Road, Ascot, Berkshire, SL5 8DR.

#### **1.1 Basis of Accounting**

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition issued on 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

These provisions mean that the consolidated financial statements have been prepared to aggregate the Charity together with its trading subsidiary, Elvian Limited.

The Charity constitutes a public benefit entity as defined by FRS 102.

#### **1.2 Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### **Tangible Fixed Assets ( see note 17 )**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values may vary depending upon the type of asset and its use and management use historic experience to assess these factors.

##### **Pension Commitments ( see note 27 )**

Various assumptions are made in reporting the performance of the Charity's pension scheme. A valuation is carried out for reporting purposes by a qualified independent actuary. The principal actuarial assumptions made are disclosed in note 27.

##### **Investment properties ( see note 20 )**

Residential investment property valuations are made annually by management, based upon external indications of value and consideration of market conditions. Commercial investment properties are valued annually by qualified independent Chartered Surveyors.

#### **1.3 Basis of Consolidation**

The Licensee & Morning Advertiser and the assets of the Pub, Club and Leisure Show Limited were incorporated into The Morning Advertiser Limited (MA Ltd) in January 2000. At that time the Charity owned £75 shares and William Reed Holdings Limited owned £25 shares. The financial statements of MA Ltd were consolidated into William Reed Holdings Limited financial statements as a subsidiary since it had a majority representation on the Board of Directors. The Charity's investment was shown as an investment in a joint venture.



## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **1 . ACCOUNTING POLICIES (continued)**

#### **1.3 Basis of Consolidation (continued)**

In March 2002, William Reed Holdings Limited bought £50 of the Charity's shares and the Charity became a minority shareholder with a 25% shareholding.

Under the Charities SORP (FRS102), the Charity treats MA Ltd as an associate company in its financial statements (see note 3) and consolidates that percentage of its shareholding (25%) of its income and expenditure into its Consolidated Statement of Financial Activities.

The MA Ltd's year end is 31 March and so unaudited management accounts have been taken for the company's financial year. The Charity's investment is shown as an investment in an associate company (see note 18).

#### **1.4 Going Concern**

The Trustees have considered the impact of the global COVID-19 pandemic on the ability of the Group to continue trading for the foreseeable future. This review has included considering the impact of the pandemic to the date of signing the financial statements and updating financial projections in respect of income and expenses. Based on this review and taken together with existing group financing facilities the Trustees believe that the financial statements have been prepared appropriately on the going concern basis.

#### **1.5 Fund Accounting**

The Charity's funds consist of general funds which the Charity may use for its purposes at its discretion. When donors indicate that an amount is for a specific purpose, such amounts are treated as restricted funds.

#### **1.6 Donation Income**

Donation income is accounted for on a cash received basis.

#### **1.7 Gift Aid**

Voluntary income by way of gift aid is credited in the year it is receivable. Corporate gift aid is received gross of tax, but the Charity is able to recover basic rate income tax from UK individual tax payers and such gift aid donations are shown gross of the relevant credit.

#### **1.8 Income from Investments**

Investment income comprises dividends received during the accounting period and interest received on listed and unlisted investments.

#### **1.9 School Fees**

School fees are accounted for in the period to which they relate and are shown gross, including bursaries paid by the Charity, on the Statement of Financial Activities.

#### **1.10 Government Grants**

Government Grants relating to the Coronavirus Job Retention Scheme included within other income are recognised as receivable in the period in which the corresponding the expense has been incurred.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 1 . ACCOUNTING POLICIES (continued)

#### 1.11 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

School Buildings*	-	at 2.00% on cost
Building Improvements*	-	at various rates between 6.67% and 20%
Motor Vehicles	-	at 25.00% on cost
Furniture & Fittings	-	at various rates between 6.67% and 20%
IT Equipment	-	at 33.33% on cost
Land*	-	not depreciated

\* Reported in Land and Buildings (see Note 17 Tangible Fixed Assets).

Building Improvements will be separately disclosed in the year ended 31 December 2021.

Items costing less than £1,000 are written off as an expense when acquired.

The 2019 comparative numbers have been restated to correct the depreciation in prior years.  
(See Note 31 Prior Year Adjustment)

#### 1.12 Allocation of Central Support Costs

Central costs are allocated between the following categories: Investments, Schools, Fundraising, Event costs, Charity Services, Subsidiary and Support (including governance costs).

The method of allocation for costs, which cannot be specifically allocated to each category, is based on the time spent on each category by each management function. Allocations for the year ending 31 December 2020 are as follows:-

Type of expense	Management	Professional	Establishment	Other	Total
Method of allocation	Time	Usage	Usage	Per capita	
Functions	£000's	£000's	£000's	£000's	£000's
Investments	77	223	-	265	565
Schools	325	65	8	426	824
Generating Voluntary Income	79	14	1	48	142
Events	35	7	-	6	48
Charity Services	515	97	3	214	829
Subsidiary	7	2	-	10	19
Support	225	83	1	67	376
<b>Total</b>	<b>1,263</b>	<b>491</b>	<b>13</b>	<b>1,036</b>	<b>2,803</b>

Support costs comprise the costs of running the Charity including strategic planning, internal and external audit, legal advice, Trustees expenses and all of the costs of complying with statutory requirements such as the preparation of statutory financial statements and meetings of the Trustee Body and its subcommittees (note 13).

Charity Services costs comprise staff and other costs incurred in helping those in need including advising on their qualification for state benefits, preparing their cases for submission to the Charity Services committee, giving emotional support and arranging payments for agreed grants.

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **1 . ACCOUNTING POLICIES (continued)**

#### **1.13 Pension Costs**

Teaching staff employed by the Licensed Trade Charity are eligible for membership of the Teachers Pension Scheme, which is a national statutory contributory, defined benefit scheme administered by the Teachers Pension Scheme, an agency of the Department for Education. Pension costs are assessed in accordance with the advice of the Government Actuary. Although this is a multi-employer scheme whose assets and liabilities are not separately identifiable, under the Charities SORP (FRS 102) it is treated as a defined contribution scheme with a charge to the accounts for the contributions paid and relevant disclosures about the scheme as a whole provided in note 27.

In addition, the Charity operates a defined benefit pension scheme for its non teaching staff. This is funded by contributions at rates determined by independent, qualified actuaries. These contributions are invested separately from the Charity's assets and are charged to the Statement of Financial Activities and relevant disclosures about the scheme are provided in note 27.

The Charity is subject to the automatic enrolment legislation. All eligible employees of the Charity that do not join the appropriate final salary scheme are automatically enrolled into a group pension plan, with employer pension contributions charged to the Statement of Financial Activities in the year in which they arise.

#### **1.14 Investments**

##### **Listed investments**

Investments are included in the financial statements at mid-market value as at the year end. Realised and unrealised gains and losses are recognised as they arise and are included separately in the Statement of Financial Activities.

##### **Investment in Associate**

As at 31st December 2020, the Charity holds a minority shareholding in an associate company, The Morning Advertiser Limited. The share of the associate's profits are shown as income from associate in the Consolidated Statement of Financial Activities.

The Charity's interest is recorded as follows:-

In the Consolidated Balance Sheet, shares at cost and minority reserves accumulated to date.  
In the Charity's Balance Sheet, the cost of the shares in the associated company is shown.

#### **1.15 Investment Properties**

Investment properties are stated at open-market valuation. Realised and unrealised gains and losses are recognised as they arise and are included separately in the Statement of Financial Activities.

#### **1.16 Stocks**

School books and other teaching materials are written off in the year of acquisition.

#### **1.17 Debtors**

Trade debtors, other debtors and prepayments are recognised at their settlement amount.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**1 . ACCOUNTING POLICIES (continued)**

**1.18 Creditors and provisions**

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

**1.19 Advance Fee Plan Scheme payments**

Amounts received under the school's advance fee plan scheme which have not been used to settle school fees are recognised as deferred income within current liabilities where education will be provided within one year of the reporting date and within non-current liabilities where education will be provided in subsequent years.

**1.20 Financial Instruments**

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. The basic instruments are held at amortised cost and at fair value (note 32).

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**2 . NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES**

The Charity has one wholly owned trading subsidiary, Elvian Limited. Elvian Limited pays its taxable profits to the Charity under a deed of covenant and its audited financial statements are filed with the Registrar of Companies. The Company has not recognised a corporation tax charge in the year as taxable profits will be distributed in full to the parent charity within nine months of the year end and charitable donations relief will be claimed under Part 6 (s189) of the Corporation Tax Act 2010 .

Elvian Limited's audited results are as follows:

Profit and Loss Account	<b>2020</b> £	2019 £
Turnover	<b>243,706</b>	614,091
Cost of sales	<b>(158,210)</b>	(271,964)
Gross profit	<b>85,496</b>	342,127
Administration costs	<b>(34,404)</b>	(68,715)
Net profit	<b>51,092</b>	273,412
Profit gifted to parent charity under deed of covenant	<b>(51,092)</b>	(273,412)
Profit retained in subsidiary	<b>-</b>	-

**3 . NET INCOME FROM TRADING ACTIVITIES OF ASSOCIATE COMPANY**

The Charity has a 25% shareholding in The Morning Advertiser Limited (MA Ltd). The principal activity of this company is the publication of a fortnightly trade journal "The Morning Advertiser" which the Charity had managed for 200 years before transferring its management to William Reed Publishing Ltd in 2000.

The Morning Advertiser Limited's unaudited results are as follows:-

	<b>2020</b> £	2019 £
Revenue	<b>2,268,245</b>	3,397,569
Cost of sales	<b>(942,972)</b>	(1,428,101)
Gross profit	<b>1,325,273</b>	1,969,468
Overhead costs	<b>(913,033)</b>	(1,610,437)
Profit for the year	<b>412,240</b>	359,031
Reserves brought forward	<b>4,649,964</b>	4,390,933
Dividend paid in year	-	(100,000)
Reserves carried forward	<b>5,062,204</b>	4,649,964

The Charity's share of the total profit for the year resulting from its investment in MA Ltd is £103,059 (2019: £64,757)  
No dividend income was received from MA Ltd during the year.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**4 . DONATIONS AND LEGACIES**

	<b>Restricted Funds 2020 £</b>	<b>Unrestricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Donations	<u><b>1,155,684</b></u>	<u><b>98,149</b></u>	<u><b>1,253,833</b></u>	<u><b>61,525</b></u>

In 2019, of the donations and legacies income, £6,019 related to restricted Funds and £55,506 related to unrestricted Funds.

**5 . FUNDRAISING AND EVENTS INCOME**

	<b>Restricted Funds 2020 £</b>	<b>Unrestricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Fundraising and events income	<u><b>-</b></u>	<u><b>30,541</b></u>	<u><b>30,541</b></u>	<u><b>43,874</b></u>

In 2019, all amounts related to unrestricted Funds.

**6 . INVESTMENT INCOME**

	<b>Restricted Funds 2020 £</b>	<b>Unrestricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Rental income	-	<b>130,586</b>	<b>130,586</b>	377,469
Income from investments	-	<b>971,751</b>	<b>971,751</b>	1,219,103
Bank deposit interest	-	<b>4,748</b>	<b>4,748</b>	6,156
	<u><b>-</b></u>	<u><b>1,107,085</b></u>	<u><b>1,107,085</b></u>	<u><b>1,602,728</b></u>

In 2019, all amounts related to unrestricted Funds.

**7 . OTHER INCOME**

	<b>Restricted Funds 2020 £</b>	<b>Unrestricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2020 £</b>
Coronavirus job retention scheme	-	<b>544,425</b>	<b>544,425</b>	-
Other	-	<b>227,015</b>	<b>227,015</b>	-
	<u><b>-</b></u>	<u><b>771,440</b></u>	<u><b>771,440</b></u>	<u><b>-</b></u>

**8 . COSTS OF GENERATING VOLUNTARY INCOME**

	<b>Restricted Funds 2020 £</b>	<b>Unrestricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Staff costs	-	<b>78,748</b>	<b>78,748</b>	18,799
Administration and depreciation	-	<b>63,250</b>	<b>63,250</b>	29,717
	<u><b>-</b></u>	<u><b>141,998</b></u>	<u><b>141,998</b></u>	<u><b>48,516</b></u>

In 2019, all amounts related to unrestricted Funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**9 . COST OF EVENTS**

	<b>Restricted Funds 2020 £</b>	<b>Unrestricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Staff costs	-	35,147	35,147	28,757
Direct costs	-	-	-	40,469
Administration and depreciation	-	12,760	12,760	18,441
	<u>-</u>	<u>47,907</u>	<u>47,907</u>	<u>87,667</u>

In 2019, all amounts related to unrestricted Funds.

**10 . INVESTMENT MANAGEMENT COSTS**

	<b>Restricted Funds 2020 £</b>	<b>Unrestricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Total Funds 2019 £</b>
Investment advice	-	163,396	163,396	221,187
Property charges	-	36,140	36,140	46,029
Interest paid on loan for investments	-	251,474	251,474	272,091
Staff costs	-	77,306	77,306	46,161
Administration and depreciation	-	36,890	36,890	147,889
	<u>-</u>	<u>565,206</u>	<u>565,206</u>	<u>733,357</u>

In 2019, all amounts related to unrestricted Funds.

**11 . COST OF RUNNING SCHOOLS**

	<b>Restricted Funds 2020 £</b>	<b>Unrestricted Funds 2020 £</b>	<b>Total Funds 2020 £</b>	<b>Restated Total Funds 2019 £</b>
Staff costs	-	11,764,415	11,764,415	12,577,968
Catering and cleaning	-	1,282,144	1,282,144	1,902,867
Establishment costs	-	352,754	352,754	535,830
Administration, loss on disposal and depreciation	57,835	4,769,761	4,827,596	3,761,220
Other costs	11,197	924,282	935,479	1,708,252
	<u>69,032</u>	<u>19,093,356</u>	<u>19,162,388</u>	<u>20,486,137</u>

In 2019, of the cost of running schools, £57,835 related to restricted Funds and £20,428,302 related to unrestricted Funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**12 . CHARITY SERVICES**

	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Staff costs	5,520	509,549	515,069	222,321
Administration and depreciation	480	313,044	313,524	413,626
	<u>6,000</u>	<u>822,593</u>	<u>828,593</u>	<u>635,947</u>

In 2019, all amounts related to unrestricted Funds.

**13 . SUPPORT COSTS**

	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
<b>Governance costs</b>				
Auditor's remuneration	-	27,036	27,036	26,982
Auditor's remuneration - non audit	-	5,514	5,514	4,800
Other committee expenses	-	3,066	3,066	12,096
Trustees allowances - chairman	-	765	765	3,292
Trustees travel expenses	-	10,625	10,625	57,127
<b>Other support costs</b>				
Legal and professional	-	48,818	48,818	113,214
Bank charges and interest	-	655	655	1,194
Staff costs	-	225,242	225,242	193,654
Administration and depreciation	-	54,439	54,439	83,197
	<u>-</u>	<u>376,160</u>	<u>376,160</u>	<u>495,556</u>

In 2019, all amounts related to unrestricted Funds.

**14 . TOTAL RESOURCES EXPENDED**

	Staff Costs £	Depreciation £	Other Costs £	2020 £	Restated 2019 £
School running costs	11,439,094	1,729,098	5,170,101	18,338,293	19,389,365
School support costs	325,321	130,509	368,265	824,095	1,096,772
Investment costs	77,306	6,810	481,090	565,206	733,357
Cost of trading subsidiary	6,763	5,533	180,318	192,614	340,679
Fundraising events	35,147	3,096	9,664	47,907	87,667
Support costs	225,242	19,841	131,077	376,160	495,556
Grants	-	-	1,561,033	1,561,033	596,009
Bursaries	-	-	301,115	301,115	379,108
Charity Services costs	515,069	45,370	268,154	828,593	635,947
Costs generating voluntary income	78,748	6,937	56,313	141,998	48,516
	<u>12,702,690</u>	<u>1,947,194</u>	<u>8,527,130</u>	<u>23,177,014</u>	<u>23,802,976</u>

All grants are paid to individuals in line with our objectives.

**15 . STAFF COSTS**

	2020 £	2019 £
Wages and salaries	9,652,554	10,565,176
Social security	935,008	991,715
Pension costs	1,483,992	1,326,203
Re-organisation costs	188,985	84,466
Other staff costs	442,151	175,781
	<u>12,702,690</u>	<u>13,143,341</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**15 . STAFF COSTS (continued)**

Employee emoluments	2020	2019
£ 60,000 - £ 70,000	5	6
£ 70,000 - £ 80,000	3	4
£ 80,000 - £ 90,000	1	1
£ 90,000 - £100,000	1	1
£100,000 - £110,000	3	1
£110,000 - £120,000	0	1
£150,000 - £160,000	1	1
£230,000 - £240,000	0	1
£240,000 - £250,000	1	0

Employee emoluments include remuneration and benefits-in-kind, as defined for taxation purposes. All the employees except for three in the above emolument bands are members of defined benefit pension scheme.

The Charity considers its key management personnel who comprise of the Trustees and the Chief Executive, Executive Director Education and Operations, Finance Director, HR Director, Director of SEN (from January 2020) and Principal of LVS Ascot. The total employment benefits including employer national insurance and pension contributions of the key management personnel were £947,714 (2019: £789,134).

No Trustees received any remuneration in 2020 and 2019. During the year expenditure of £11,390 (2019: £60,419) was re-imbursed to or paid on behalf of eighteen Trustees.

The average number of employees analysed by function is as follows:

	2020	2019
Direct charitable expenditure:		
School	283	309
Other	1	1
	<u>284</u>	<u>310</u>
Fundraising and publicity	5	6
Welfare	6	5
Management and administration	26	29
	<u>37</u>	<u>40</u>
	<u>321</u>	<u>350</u>

**16 . REALISED AND UNREALISED INVESTMENT GAINS & LOSSES**

	2020 £	2019 £
Unrealised gains on investment revaluation	3,085,786	394,072
Realised (losses)/gains on sale of investments	(2,626,970)	314,317
	<u>458,816</u>	<u>708,389</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**17 . TANGIBLE FIXED ASSETS**

	Land and Buildings £	Motor Vehicles £	Equipment, Fixtures and Fittings £	Total £
<b>Group</b>				
<b>Cost</b>				
At 1 January 2020	49,906,319	366,700	4,313,796	54,586,815
Additions	442,534	43,099	385,201	870,834
Disposals	(1,247,428)	-	(1,367,231)	(2,614,659)
At 31 December 2020	<u>49,101,425</u>	<u>409,799</u>	<u>3,331,766</u>	<u>52,842,990</u>
<b>Depreciation</b>				
At 1 January 2020 (as previously stated)	17,837,569	192,434	2,457,390	20,487,393
Prior year adjustment	350,673	-	11,209	361,882
At 1 January 2020 (restated)	18,188,242	192,434	2,468,599	20,849,275
Charge for the year	1,386,735	76,593	483,866	1,947,194
On disposals	(522,086)	-	(1,216,154)	(1,738,240)
At 31 December 2020	<u>19,052,891</u>	<u>269,027</u>	<u>1,736,311</u>	<u>21,058,229</u>
<b>Net book value</b>				
At 31 December 2020	<u>30,048,534</u>	<u>140,772</u>	<u>1,595,455</u>	<u>31,784,761</u>
At 31 December 2019 (restated)	<u>31,718,077</u>	<u>174,266</u>	<u>1,845,197</u>	<u>33,737,540</u>

	Land and Buildings £	Motor Vehicles £	Equipment, Fixtures and Fittings £	Total £
<b>Charity</b>				
<b>Cost</b>				
At 1 January 2020	49,906,319	366,700	4,313,796	54,586,815
Additions	442,534	43,099	385,201	870,834
Disposals	(1,247,428)	-	(1,367,231)	(2,614,659)
At 31 December 2020	<u>49,101,425</u>	<u>409,799</u>	<u>3,331,766</u>	<u>52,842,990</u>
<b>Depreciation</b>				
At 1 January 2020 (as previously stated)	17,837,569	192,434	2,457,390	20,487,393
Prior year adjustment	350,673	-	11,209	361,882
At 1 January 2020 (restated)	18,188,242	192,434	2,468,599	20,849,275
Charge for the year	1,386,735	76,593	483,866	1,947,194
On disposals	(522,086)	-	(1,216,154)	(1,738,240)
At 31 December 2020	<u>19,052,891</u>	<u>269,027</u>	<u>1,736,311</u>	<u>21,058,229</u>
<b>Net book value</b>				
At 31 December 2020	<u>30,048,534</u>	<u>140,772</u>	<u>1,595,455</u>	<u>31,784,761</u>
At 31 December 2019 (restated)	<u>31,718,077</u>	<u>174,266</u>	<u>1,845,197</u>	<u>33,737,540</u>

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

### **18 . INVESTMENT IN ASSOCIATE COMPANY**

In 2000, the Charity incorporated the assets of its publishing division The Licensee and Morning Advertiser and its trading company Pub, Club and Leisure Show Limited into The Morning Advertiser Limited.

The funding for the company was raised by the issue of shares and debentures. The shareholding at 31 December 2001 was £75 held by the Charity and £25 held by William Reed Holdings Limited.

In March 2002, William Reed Holdings Limited exercised its option to buy £50 of the Charity's shares in The Morning Advertiser Limited for £465,000 and both parties agreed to defer the maturity dates on their debentures from 2005 to 2010.

In March 2003, The Morning Advertiser Limited de-merged Pub, Club and Leisure Show Company Limited which has been dormant since its integration into The Morning Advertiser Limited and the Charity bought it for £1. The Pub, Club and Leisure Show Company Limited was dissolved on 21 August 2012.

Between 2001 and the rights issues in 2009, the losses incurred by The Morning Advertiser Limited were funded by the debentures and unsecured funding from William Reed Holdings Limited.

In 2009, shareholders decided to recapitalise The Morning Advertiser Limited by repaying its debentures and issuing a rights issue under the new percentage split of the shareholding. The Charity owned £404,813 of the debentures and its share of the £2million rights issue was £500,000. The net payment into The Morning Advertiser Limited was therefore £95,117 with the Charity accepting £500,000 shares in exchange for surrendering £408,813 debentures. This has been used partly to finance The Morning Advertiser Limited and partly to repay the unsecured loan to William Reed Holdings Limited.

In the Consolidated Balance Sheet, the value of the Charity's investment in The Morning Advertiser Limited as at 31 December 2020 is represented by the cost of its shares of £500,025 and its minority share of reserves at 31 December 2020 of £765,526 totalling £1,265,551. In the Charity's Balance Sheet, only the cost of £500,025 is shown.

Initially the Trustees considered the venture with William Reed Holdings Limited to be a joint venture but following the disposal of their majority holding, now regard it as an associate company and adopt the treatment required by the Charities SORP (FRS102).

The Morning Advertiser Limited has a 31 March year end and therefore results shown in note 3 are based on management accounts and statutory financial statements information to bring them in line with the Charity's year end.

### **19 . INVESTMENT IN SUBSIDIARY**

As detailed in note 2, the Charity is the parent company of Elvian Limited with a shareholding of £5,000.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**20 . INVESTMENTS AND INVESTMENT PROPERTIES**

	2020 £	2020 £	2019 £
<b>STOCK MARKET</b>			
The mid-market value of the investments were:		<b>23,678,431</b>	23,809,586
Details of cost are shown below:			
At 1 January 2020	<b>21,660,841</b>		
Additions	<b>5,989,289</b>		
Disposals	<b>(7,113,280)</b>		
At 31 December 2020	<b><u>20,536,850</u></b>		
<b>PROPERTY FUNDS</b>			
The mid-market value of the investments were:		<b>12,969,742</b>	13,605,279
Details of cost are shown below:			
At 1 January 2020	<b>12,939,892</b>		
Additions	-		
Disposals	-		
At 31 December 2020	<b><u>12,939,892</u></b>		
<b>TOTAL INVESTMENTS</b>		<b><u>36,648,173</u></b>	<u>37,414,865</u>
<b>INVESTMENT PROPERTIES</b>			
The mid-market value of the investments were:		<b>4,832,500</b>	4,789,466
Details of cost are shown below:			
At 1 January 2020	<b>4,735,807</b>		
Additions	<b>38,102</b>		
Disposals	<b>(2,723,138)</b>		
At 31 December 2020	<b><u>2,050,771</u></b>		
<b>TOTAL INVESTMENTS AND INVESTMENT PROPERTIES</b>		<b><u>41,480,673</u></b>	<u>42,204,331</u>

The disposal of investment property relates to the sale of commercial property in Stafford.  
The remaining non-residential investment property was valued at 31 December 2020 by The Frost Partnership at a value of £500,000 (2019 all non-residential properties: £700,000).  
All residential investment properties were professionally valued as at 31 December 2020.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**21 . DEBTORS**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	<b>3,414,427</b>	179,780	<b>3,404,830</b>	52,628
Due from subsidiary	-	-	<b>130,634</b>	-
Other debtors	<b>183,616</b>	279,356	<b>183,616</b>	279,356
Prepayments	<b>866,133</b>	827,458	<b>855,135</b>	825,096
	<b>4,464,176</b>	1,286,594	<b>4,574,215</b>	1,157,080

Debtors include a loan of £47,647 (2019: £51,537) to the Hilda Webber Trust. This loan is to provide capital repairs to a property from which the Charity will benefit in the will, to which the Charity's Chief Executive is an Executor.

**22 . CREDITORS**

**Amounts falling due within one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b>588,959</b>	565,343	<b>588,959</b>	565,343
Trade creditors	<b>478,379</b>	445,442	<b>478,379</b>	441,836
Due to subsidiary	-	-	-	19,819
Other taxation and social security	<b>250,158</b>	265,134	<b>250,158</b>	264,371
Other creditors and accruals	<b>2,415,185</b>	3,002,165	<b>2,396,960</b>	2,937,174
Deferred income	<b>6,532,650</b>	2,914,472	<b>6,532,650</b>	2,809,507
	<b>10,265,331</b>	7,192,556	<b>10,247,106</b>	7,038,050

**23 . Amounts falling due after more than one year**

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b>6,616,030</b>	7,206,264	<b>6,616,030</b>	7,206,264
Deferred income	<b>396,104</b>	358,693	<b>396,104</b>	358,693
	<b>7,012,134</b>	7,564,957	<b>7,012,134</b>	7,564,957

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>Group</b>		<b>Charity</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Repayable by instalments	<b>6,616,030</b>	7,206,264	<b>6,616,030</b>	7,206,264

The Allied Irish bank loan is secured on the Charity's Ascot site which represents 40% of the net book value of the property, which is included in the financial statements at £15,960,836. The Lloyds Bank loan is secured on the Charity's Hassocks site which represents 10% of the net book value of the property, which is included in the financial statements at £8,066,514.

Changes in the balance of deferred income are recognised in the Statement of Financial Activities during the year. In June 2020 an overdraft facility of £5 million was set up with SG Hambros. The facility is secured on the Charity's cash balances and investments held by SG Hambros and has not been used during the year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**24 . SUMMARY OF FUNDS**

	Brought Forward Restated £	Incoming Resources £	Resources Expended £	Gains / (Losses) £	Transfers £	Carried Forward £
General funds	64,359,115	20,323,081	(21,993,163)	(592,125)	91,524	62,188,432
Designated funds	289,107	-	-	-	(59,337)	229,770
Total unrestricted funds	<u>64,648,222</u>	<u>20,323,081</u>	<u>(21,993,163)</u>	<u>(592,125)</u>	<u>32,187</u>	<u>62,418,202</u>
Restricted funds	338,402	1,220,048	(1,183,851)	-	(32,187)	342,412
	<u>64,986,624</u>	<u>21,543,129</u>	<u>(23,177,014)</u>	<u>(592,125)</u>	<u>-</u>	<u>62,760,614</u>

Brought forward reserves have been restated in respect of a prior year adjustment of £361,882 relating to the correction of the depreciation calculation in previous years (see note 31).

Designated funds relate to amounts set aside by the Trustees for potential future payments to certain beneficiaries and does not meet the conditions to be recorded as a liability. During 2018 Sodexo made a capital investment of £399,000, which is being depreciated over the length of the contract.

**ANALYSIS OF RESTRICTED FUNDS**

2020	Brought Forward £	Income £	Expenditure £	Transfer to unrestricted funds £	Carried Forward £
Community Fund	-	150,000	(150,000)	-	-
Hardship Fund 1*	-	250,000	(217,813)	(32,187)	-
Hardship Fund 2*	-	668,881	(647,643)	-	21,238
Hardship Fund 3*	-	4,489	(4,489)	-	-
Hardship Fund 4*	-	20,500	(19,706)	-	794
Hardship Fund 5*	-	19,500	(19,500)	-	-
Grant 1	-	24,464	(24,464)	-	-
Grant 2	3,242	21,900	(18,337)	-	6,805
Grant 3	-	15,000	-	-	15,000
Welfare Grant	-	10,000	(10,000)	-	-
Scholarships	-	8,000	(2,667)	-	5,333
Ascot School	-	9,290	(9,290)	-	-
Hassocks School	-	369	(369)	-	-
Oxford School	-	7,700	(1,738)	-	5,962
Sodexo Capital grants	335,160	-	(47,880)	-	287,280
Oxford dining room	-	9,955	(9,955)	-	-
	<u>338,402</u>	<u>1,220,048</u>	<u>(1,183,851)</u>	<u>(32,187)</u>	<u>342,412</u>
2019	Brought Forward £	Income £	Expenditure £	Transfer to unrestricted funds £	Carried Forward £
Grant 2	-	21,900	(18,658)	-	3,242
Grant 3	-	15,000	(15,000)	-	-
Welfare Grant	-	7,500	(7,500)	-	-
Hospitality grants	-	6,019	(6,019)	-	-
Scholarships	-	10,450	(10,450)	-	-
Sodexo Capital grants	383,040	-	(47,880)	-	335,160
Oxford dining room	-	9,955	(9,955)	-	-
	<u>383,040</u>	<u>70,824</u>	<u>(115,462)</u>	<u>-</u>	<u>338,402</u>



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 24 . SUMMARY OF FUNDS (continued)

#### Community Fund

Restricted to the administration of the awards of community partnership grants via the Great British Pub awards in order to support the licensed trade industry through funding pub centred community projects during the COVID-19 pandemic.

#### Hardship Funds \*

Donations received to be used to alleviate poverty and hardship endured by employees of the donors and their families resulting from the COVID-19 pandemic.

#### Grant 1

Restricted to current and ex employees of a Pub Company. Grants are awarded by the Charity and reimbursed by the Pub Company.

#### Grant 2

Restricted to the provision of mental health training for managers in the licensed trade.

#### Grant 3

Restricted to funding the cost of awards made to sixth form pupils.

#### Welfare Grant

Restricted to grants awarded to individuals living in London.

#### Sodexo Capital Grant

Restricted expenditure relates to depreciation charges in respect of capital investment made by Sodexo.

### 25 . ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2020 £	Unrestricted Funds 2020 £	Total Funds 2020 £	Total Funds 2019 £
Tangible fixed assets	287,280	31,497,481	31,784,761	33,737,540
Fixed asset investments	-	42,746,224	42,746,224	43,366,822
Current assets	55,132	9,367,962	9,423,094	5,106,775
Creditors due within one year	-	(10,265,331)	(10,265,331)	(7,192,556)
Creditors due in more than one year	-	(7,012,134)	(7,012,134)	(7,564,957)
Pension scheme liability	-	(3,916,000)	(3,916,000)	(2,467,000)
	<u>342,412</u>	<u>62,418,202</u>	<u>62,760,614</u>	<u>64,986,624</u>

### 26 . CONTINGENT ASSETS

The Hilda Webber Trust was set up to allow for Hilda Florence Webber's niece to benefit from the accommodation and income generated from two properties in Hove, Sussex. On the death of her niece, the full ownership of the properties will be left to the Charity in Hilda Florence Webber's will to which the Charity's Chief Executive is an Executor.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 27 . PENSION COMMITMENTS

The Charity participates in the Teachers' Pension Scheme (TPS) and the Licensed Trade Charity 1967 Life Assurance and Pension Scheme (LTC). The Charity makes contributions to both in accordance with recommended rates. These are both defined benefit schemes. In 2020, the cost of the contributions to these schemes was £1,417,446 (2019: £1,254,193) being £1,026,532 (2019: £841,583) to the TPS and £390,914 (2019: £412,610) to the LTC.

The schemes are accounted for differently as the assets and liabilities of the LTC scheme can be separately identified as belonging to the Licensed Trade Charity. This is not the case for the TPS scheme and only summary information as a whole is provided. During the year, the Charity contributed £66,548 (2019: £72,010) to their defined contribution scheme with Legal & General.

#### Teachers' Pension Scheme

The Charity participates in the TPS, for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the TPS which are attributable to the Charity. As required by FRS 102 "Retirement Benefits", the Charity accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions paid to the TPS of £1,031,628 (2019: £807,085) and contributions accrued at the year end £114,671 (2019: £119,767).

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department every 4 years. The latest valuation report for the TPS was prepared as at 31 March 2016 and published in March 2019. The report confirmed an employer contribution rate for the TPS of 23.6% from 1 September 2019. A new valuation as at 31 March 2020 is now underway but has yet to be published. Any changes required to contribution rates as a result of the 2020 valuation will be made in 2023.

The Department for Education has also devolved the scheme administration costs to scheme employers in the form of an administration charge of 0.08% of the employers' salary costs which has resulted in a total employer payment of 23.68%.

#### Licensed Trade Charity 1967 Life Assurance and Pension Scheme

The Charity operates a defined benefit pension scheme providing benefits based on final pensionable pay. The assets of the Scheme are held separately from those of the Charity, and are invested in a range of funds. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Charity. The contributions are determined by a qualified actuary on the basis of triennial valuations based on the projected unit method.

The triennial valuation in April 2020 showed a deficit of £1,761,000. Following agreement of a deficit recovery plan the Charity has agreed to make additional payments of £500,000 in February 2021, £250,000 in February 2022 and £250,000 in February 2023 should the scheme be in deficit at those time points. In addition, the valuation demonstrated a need to increase the employer contribution rate to the scheme from 20.00% of pensionable earnings to 26.00% of pensionable earnings from 1 April 2021, followed by an increase to 31.00% in 2023.

In 2020, the FRS 102 valuation shows a deficit of £3,916,000 (2019: £2,467,000).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 27 . PENSION COMMITMENTS (continued)

The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the rates of increase in pensionable salaries and pension payments. The assumptions adopted for the most recent actuarial valuation assumed that investment returns would increase by 3.05% per annum, pensionable salary increases would be 3% in 2021 and 2.50% per annum thereafter, future increases in pensions in payment would be 3.05% per annum and the discount rates would be 1.34% per annum.

The normal contribution for the period was £390,914 (2019: £412,610). During 2020, the Charity paid contributions to the Scheme at a rate of 20.00% of pensionable salaries.

	2020 £	2019 £
Fair value of scheme assets	19,420,000	17,096,000
Present value of unfunded obligations	(23,336,000)	(19,563,000)
Net liability	<u>(3,916,000)</u>	<u>(2,467,000)</u>

Changes in the present value of the defined benefit obligation were as follows:

	2020 £	2019 £
Opening defined benefit obligation	19,563,000	17,034,000
Actuarial losses	3,052,000	1,765,000
Current service cost	788,000	882,000
Employee contributions	13,000	17,000
Interest costs	408,000	472,000
Benefits paid	(488,000)	(607,000)
Closing defined benefit obligation	<u>23,336,000</u>	<u>19,563,000</u>

Changes in the fair value of scheme assets were as follows:

	2020 £	2019 £
Opening fair value of scheme assets	17,096,000	15,587,000
Actual return on scheme assets less expected return	1,898,000	1,106,000
Expected return	355,000	429,000
Benefits paid	(488,000)	(607,000)
Contributions paid by the Charity	546,000	564,000
Employee contributions	13,000	17,000
	<u>19,420,000</u>	<u>17,096,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2020	2019
Equities	26.00%	25.00%
Diversified Growth Fund	41.00%	47.00%
Bonds	0.00%	1.00%
Other assets and cash	33.00%	27.00%

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**27 . PENSION COMMITMENTS (continued)**

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2020	2019
Discount rate	1.34%	2.07%
Inflation	3.05%	3.12%
Rate of increase in salaries - year 1	3.00%	2.50%
Rate of increase in salaries - year 2 onwards	2.50%	2.50%
Limited price indexation pension increase capped at 5.0%	2.98%	3.05%
Limited price indexation pension increase capped at 2.5%	2.13%	2.16%

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2020 £	2019 £	2018 £	2017 £	2016 £
Defined benefit obligation	<b>(23,336,000)</b>	(19,563,000)	(17,034,000)	(17,073,000)	(15,613,000)
Scheme assets	<b>19,420,000</b>	17,096,000	15,587,000	15,862,000	14,290,000
Surplus/(Deficit)	<b>(3,916,000)</b>	(2,467,000)	(1,447,000)	(1,211,000)	(1,323,000)
Experience adjustments on scheme liabilities	<b>156,000</b>	59,000	(9,000)	(273,000)	431,000
Experience adjustments on scheme assets	<b>1,898,000</b>	1,106,000	(758,000)	1,163,000	860,000

**28 . RELATED PARTY TRANSACTIONS**

There were no related party transactions between the Charity and the Trustees during the year.

One member of the key management personnel team had a child at one of the Charity's schools. Fees were charged in line with the staff discount policy.

**29 . OPERATING LEASES COMMITMENTS**

At 31 December 2020 the Group had future minimum lease payments under non-cancellable operating leases.

	2020 £	2019 £
Within one year	<b>272,843</b>	195,273
Later than one year but within five years	<b>482,606</b>	341,224
Later than five years	-	-
	<b>755,449</b>	536,497

**30 . CAPITAL COMMITMENTS**

At 31 December 2020 the Group had capital commitments of £247,396 relating to refurbishment works.



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 31 . PRIOR YEAR ADJUSTMENT

During the year to 31 December 2020 a review of Tangible Fixed Assets was undertaken. This review identified some assets no longer in use by the Charity and some assets which had been misclassified and under-depreciated. As a result the comparative results for the year to 31 December 2019 and the opening balances at 1 January 2019 have been restated as set out below. Those assets which were no longer in use have been disposed of in the year to 31 December 2020.

	General Funds	Designated Funds	Total unrestricted reserves	Restricted reserves	Total reserves
	£	£	£	£	£
Reserves as at 1 January 2019 as previously stated	64,504,767	335,923	64,840,690	383,040	65,223,730
Prior year depreciation adjustment pre 2019	(224,232)	-	(224,232)	-	(224,232)
Restated reserves as at 1 January 2019	64,280,535	335,923	64,616,458	383,040	64,999,498
Net movement in funds previously reported in 2019	169,414	-	169,414	(44,638)	124,776
Transfer	46,816	(46,816)	-	-	-
Prior year depreciation adjustment 2019 charge	(137,650)	-	(137,650)	-	(137,650)
Restated reserves as at 31 December 2019	64,359,115	289,107	64,648,222	338,402	64,986,624

### 32 . FINANCIAL INSTRUMENTS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Cash and cash equivalents	4,958,918	3,820,181	4,825,654	3,790,189
Financial assets measured at amortised cost	3,598,043	4,279,317	3,719,080	331,984
Financial assets measured at fair value	36,648,173	37,414,865	36,648,173	37,414,865
	<b>45,205,134</b>	<b>45,514,363</b>	<b>45,192,907</b>	<b>41,537,038</b>
Financial liabilities measured at amortised cost	<b>(10,348,711)</b>	<b>(11,484,348)</b>	<b>(10,330,486)</b>	<b>(11,434,807)</b>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtor. Financial assets measured at fair value comprise listed investments.

Financial liabilities measured at amortised costs comprise bank loans, trade creditors, amounts owed to group undertakings and other creditors.



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