

CHARITY NO: 309905

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2021

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2021

CONTENTS	Page
Reference and administrative information	1
Report of the Trustees	2 – 6
Report of the Independent Auditors	7 – 9
Statement of Financial Activities	10
Balance Sheet	11
Statement of Cash Flows	12
Notes forming part of the Financial Statements	13 – 21

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

REFERENCE AND ADMINISTRATIVE INFORMATION

Names of the Trustees that served during the year are as follows:

<i>Trustees</i>		<i>Until</i>
Ex Officio	Mr. R. Bernard	Further notice
Nominated	Mr. O. Harris	25/11/2022
	Mr. P. Bason	22/04/2024
	Mrs. M. Kay	18/10/2023
	Mr. A. Hakes	20/03/2022
	Mr. J. Drown	28/04/2024
	Mr. J. Beswick (resigned 24/04/2020)	
Co-opted		
	Mr. G. Moss (Chairman)	12/03/2024
	Mr. A. Cockerill (Vice Chairman)	26/03/2022
	Mr. J. Harris	12/03/2024
	Mr. P. Maynard	12/03/2024
	Mr. J. Lavelle	13/07/2023
	Mr. C. Grimshaw (Retired 11/02/2021)	
	Ms. C. Deans (Appointed 13/07/2021)	13/07/2024
Clerk to the Trustees and Principal Address	Ms. N. Maher Kettering Parkway South, Kettering Venture Park, Kettering, Northamptonshire, NN15 6WN	
Solicitors	Wilson Browne LLP Kettering Parkway South, Kettering Venture Park, Kettering, Northamptonshire, NN15 6WN	
Auditors	Hawsons Chartered Accountants Jubilee House, 32 Duncan Close, Moulton Park, Northampton, NN3 6WL	
Investment Managers	Brewin Dolphin Securities Limited 12 Smithfield Street, London, EC1A 9BD	
Bankers	Lloyds Bank plc 2 George Row, Northampton, NN1 1DJ	
Valuers & Estate Managers	Fisher German 40 High Street Market Harborough LE16 7NX	

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

REPORT OF THE TRUSTEES

The Trustees present their report together with the financial statements for the year ended 31 March 2021. The financial statements have been prepared in accordance with the accounting policies set out on page 13 and comply with the Charity's Trust Deed and applicable law. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP), "Accounting and Reporting by Charities" issued in 2015 in preparing the annual report and financial statements of the charity.

Governing document

Northampton Old Grammar School Foundation is constituted by schemes dated 5 July 1911, 27 September 1961, 6 December 1978 and 24 April 2003. The Foundation is a registered charity number 309905.

Appointment of trustees

The charity has sought to achieve a cross-section of experience within the trustees. The current policy is outlined within the 2003 Scheme amendment and allows for twelve trustees comprised of:-

- 1 Ex Officio Trustee being the Headmaster
- 5 Nominated Trustees being appointed from the school governors
- 6 Co-opted Trustees who must not be governors or employees of the school

The appointment of future trustees is now dealt with in accordance with the 2003 Scheme amendment.

The names of trustees are set out on page 1 together with the terms of appointment.

Trustees who were due to retire during the year and who were eligible to seek re-election have been reappointed during the year. Trustees who are due for re-election during the next financial year will be reviewed at the forthcoming Trustees Meeting.

Trustee induction and training

New trustees on induction are provided with a copy of the Trust Scheme, the last set of audited accounts and a full set of the previous twelve months' minutes. Ongoing training, whilst not specifically provided, will be made available where the circumstances warrant it. Trustees are kept informed of changes in the law relating to charities and on governance issues by a variety of means, i.e. the clerk, the auditors, Charity Commission newsletters etc.

Organisation

The charity has a Chairman and Vice-Chairman and a Board of Trustees, consisting of an Ex Officio member, Nominated members and Co-opted members. The board meets on a regular basis during the financial year. The trustees have appointed a clerk to deal with the administration of the charity's affairs. The clerk convenes regular meetings of trustees or sub committees to deal with the business of the charity. The names and addresses of the clerk and other advisers to the trustees are set out on page 1.

The Trustees operate in accordance with the Charity Commission Order dated 25 March 1994.

Related Parties

The charity has a close working relationship with the Northampton School for Boys, the main beneficiary of the charity and Wilson Browne Solicitors, who provide the Clerk and legal services.

Risk management

The trustees have performed a risk examination review during the year. This examined the major strategic business and operational risks which the Foundation faces and confirmed that systems have been established to enable regular reports to be produced so that necessary steps can be taken to lessen these risks.

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

REPORT OF THE TRUSTEES – CONTINUED

Objectives and Activities for the Public Benefit

The objects of the charity are as follows:-

1. The Trustees shall pay a yearly sum of £1,000 to the Borough Council and the County Council, or as they direct, to be applied towards the maintenance of the school. (This sum is now paid direct to the Governors of the Northampton School for Boys).
2. The residue of net yearly income of the Foundation shall be applied by the Trustees in one or more of the following ways:-
 - (a) The provision of items, services and facilities for the school; and
 - (b) Promoting the education of beneficiaries by the award of prizes, scholarships, bursaries or maintenance allowances.

In addition, the following subsidiary funds are included within the Foundation:-

Hermione Buckwalter Memorial Fund

Saul Doffman University Prize Fund (established 23 August 1954)

Fred Kilby and Stopford Sackville Scholarships (established 21 July 1937)

The Martin Travel Award

The objects of the subsidiary funds are to make available certain prizes or awards for pupils attending Northampton School for Boys.

Also included are:-

The Bugbrooke Fund (see page 21).

The Northampton Town and County Exhibition Fund (Charity Number 309906) which was amalgamated within this Foundation with the concurrence of the Charity Commissioners in 1996.

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when setting and reviewing our aims and objectives and in the planning of future activities. In particular the Board of Trustees consider how the planned future activities will contribute to the aims and objectives set.

Principal policies to achieve objectives

The trustees employ an investment manager to handle the investment of the endowment fund. The investment policy is as follows. There are no restrictions on the charity's power to invest. The investment strategy is set by the trustees in consultation with their investment managers on a medium-term basis which is reviewed at least annually. The trustees consider the income requirements, the risk profile and the investment manager's view of the market prospects. The overall strategy is to invest in a diversified portfolio of investments to maintain a sustainable level of income whilst preserving the real value of the capital over a rolling 5-year period.

With the income generated the trustees make periodic payments to assist the pupils at the school known as special donations. These payments are now made under an arrangement known as the September 2004 Structure. Surplus income can be applied to make other donations or meet specific expenses for the benefit of the pupils of the school either in the current year or subsequently. All such payments are made in accordance with the objects as set out in the scheme.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit and when reviewing the charity's aims and objectives and in planning future activities and setting the grant-making policy for the year. The trustees are satisfied that the objects of the charity have been met during the year.

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

REPORT OF THE TRUSTEES – CONTINUED

Achievements and Performance

The Trustees set their investment managers a composite benchmark to perform against. This is contained in the Investment Policy Statement which is reviewed annually. The Trustees have set out an investment objective as follows;

“Maintain the capital value of the assets and the net income from the Northampton Old Grammar School Foundation Endowment and Restricted (Bugbrooke) Fund at least in line with inflation over a rolling 5-year period”.

The investment portfolio has seen a strong recovery in capital values over the course of the financial year. Although investment income has fallen, due to the negative impact of the Covid-19 pandemic on company dividend distributions, this was not as bad as our investment managers had initially expected. Taking account of both income and capital returns the investment managers have met our target objective of providing a ‘real’ (i.e. ahead of inflation) total return over a rolling 5-year period. As at 31st March 2021, the 5-year cumulative return for the General Endowment was 31.6% and 36.4% for the Bugbrooke restricted fund, compared with CPI and RPI inflation of 9.3% and 13.8% respectively.

Financial Review

The total income of the charity has decreased by £60,683, which has been due to a significant decrease in investment income.

Resources expended have decreased by £301,958, which can be attributed to the decrease in grants paid during the year. During the 12 months, the Trustees agreed to payments of £232,500. £225,000 in respect of the structure grant and a further £7,500 in respect of special projects.

Net incoming resources therefore have increased by £241,275, however, this has still led to a negative surplus of expenditure over income for the year of £1,027.

The investments have increased in value with an unrealised gain totalling £1,743,315 being recognised during the year. This recovery has happened towards the back end of the year due to Covid-19 restrictions looking like being lifted with more optimism in the markets.

The capital loan of £250,000 made in the financial year ended 31 March 2008 initially provided for the balance to be repaid by March 2018 via equal yearly instalments of £31,250. In 2014 the trustees agreed to the re-scheduling of the repayment term such that £12,500 would be repayable annually commencing in the financial year ending 31st March, 2015. During 2020, the trustees decided to restructure the loan repayments so the outstanding amount would be repayable over 8 years, with a repayment holiday for the first 3 years, leading to the first repayment falling due in the financial year ending 31st March 2024.

Reserves policy

It is the policy of the charity to maintain unrestricted funds that are the free reserves of the charity at a level that equates to not less than approximately 6 months estimated unrestricted expenditure inclusive of annual loan repayments to capital. This provides sufficient funds to cover management, administration and support costs and to give stability to the September 2004 Structure grant. The reserve policy is monitored on a regular basis during the trustees’ meetings.

Plans for future periods

In accordance with existing policy there was no change in the budget forecast during the year.

Impact assessment

During the financial year 2020/2021, the level of income generated was more important than ever to ensure that we were able to maintain the payments that we make to the School, particularly in what has been such a challenging year for the School. The pandemic had affected the capital value of investment portfolios and companies cut dividends, which meant that not only did the overall value of the portfolio reduce in value overnight but so did the income that was being generated.

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

REPORT OF THE TRUSTEES – CONTINUED

The Trustees took advice from their Investment Managers Brewin Dolphin and have been in constant contact with the Investment Managers throughout the year, keeping a close eye on not only the capital value of the portfolio but also the income levels, which were the most impacted aspect of the investment overall as it was expected that the capital value would recover over time but of course the School needed the income more than ever. Income levels had reduced compared to previous years, but as a result of the Trustees and their Investment Managers being proactive it was better than expected and we were able to make sure that the usual grant that was paid to the School on an annual basis was still paid. The Trustees were very careful not to panic during such scary times and make any rash decisions on investments during the pandemic.

The Trustees also decided to maximise the value of some derelict barns on land owned by the Foundation. Planning permission was applied for two barn conversions, which was granted after a lengthy appeal, and the barns were sold although completion took place just outside of the financial year. This meant that the Trustees still maintained the income that they were obtaining from the site concerned but managed to raise an additional net sum of £305,514.80 to put towards the objects of the charity. Previously the barns would have had very little value as they were derelict and were not being used by the current tenants.

The Trustees also entered into a Promotion Agreement in respect of land owned by them with a long-term view of maximising the value of the land. In doing so they had interviewed a number of developers and decided that entering into a Promotion Agreement with Mulberry Land would be the most favourable for the Foundation in the long term. The Trustees also continued to maintain close contact with the School throughout the pandemic and continued to have their meetings, albeit via Zoom. A number of extra meetings were also held because of the projects in respect of the barns and the land detailed above.

The Trustees agreed to change the terms of a loan that was previous made to the School to extend the repayment period and allow flexibility in light of the uncertain times that we live in and the financial strain on the School

Responsibilities of the Trustees in relation to the Financial Statements

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015;
- 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;
- 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 responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

REPORT OF THE TRUSTEES – CONTINUED

Statement of disclosure of information to auditors

The trustees of the charity who held office at the date of approval of this Annual Report as set out on page 1 confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the charity's auditors in connection with preparing their report) of which the charity's auditors are unaware, and
- they have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Approved by the trustees on 7 December 2021 and signed on their behalf by:-


.....
Mr. G.T. Moss – Chairman


.....
Mr. A. Cockerill – Vice Chairman

REPORT OF THE INDEPENDENT AUDITORS

TO THE TRUSTEES OF NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

Opinion

We have audited the financial statements of Northampton Old Grammar School Foundation (the 'charity') for the year ended 31 March 2021, which comprise Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 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 charity's affairs as at 31 March 2021, and of its 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 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 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.

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.

REPORT OF THE INDEPENDENT AUDITORS

TO THE TRUSTEES OF NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION - CONTINUED

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- the charity has not kept adequate accounting records; or
- the 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 set out on page 3, 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 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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

The charity is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the charity and the environment it operates within, we determined that the laws and regulations that were most significant included FRS 102, Charities Act 2011, and Health and Safety regulations. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override on controls), and determined that the principal risks were related to the posting of inappropriate accounting entries to improve the charity's results for the period, and management bias in key accounting estimates. In addition to this, we have also identified the following principal risk areas:

- Revenue recognition – there are two components to this risk, being revenue completeness and revenue cut-off;
- Going concern – an area that requires enhanced scrutiny in the context of the challenging economic conditions caused by the COVID-19 pandemic;
- Grant expenditure – there is a risk that grants made close to the period-end could be included within the incorrect period;
- Portfolio valuation – there is a risk that the carrying value of the investment portfolio could be misstated due to changes in market values of shares.

REPORT OF THE INDEPENDENT AUDITORS

TO THE TRUSTEES OF NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION - CONTINUED

Audit procedures performed by the engagement team included:

- Discussions with management and those responsible for legal compliance procedures within the charity to obtain an understanding of the legal and regulatory framework applicable to the charity and how the charity complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of Trustees' meetings;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Robustly challenging the Trustees' assessment of going concern;
- Reviewing the grant expenditure close to the period-end to gain assurance that expenditure is included in the period to which it relates;
- Reviewing the valuation of investment portfolios at the year-end, and comparing share values to market values available on that date, to ensure values are recognised as appropriate.

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk>. This description forms part of our auditor's report.

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.

Hawsons

David Owens
Senior Statutory Auditor
Hawsons Chartered Accountants
Statutory Auditor
Jubilee House
32 Duncan Close
Moulton Park
Northampton
NN3 6WL

7 December 2021

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MARCH 2021

	Note	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Buildings Funds £	Windfall Grant Funds £	Astro Turf Funds £	Total Funds 2021 £	Total Funds 2020 £
Income									
Incoming resources from other trading activities:									
Other trading activities:									
Income from investments:									
Property income	3	8,000	6,967	-	-	-	-	14,967	15,336
Other income	3	-	5,000	-	-	-	-	5,000	-
Investment income	3&4	323,372	5,248	-	-	4	30	328,654	393,968
Total income		331,372	17,215	-	-	4	30	348,621	409,304
Expenditure									
Expenditure on raising funds	5	-	6,932	44,639	-	-	-	51,571	46,989
Expenditure on charitable activities									
Grants payable	6&7	232,500	2,125	-	-	-	-	234,625	545,562
Governance costs	8	35,276	-	28,176	-	-	-	63,452	59,055
Total expenditure		267,776	9,057	72,815	-	-	-	349,648	651,606
Net income / (expenditure) before gains and losses on investments		63,596	8,158	(72,815)	-	4	30	(1,027)	(242,302)
Net gains/(losses) on investments	10	-	26,884	1,716,431	-	-	-	1,743,315	(1,265,092)
Net income / (expenditure)		63,596	35,042	1,643,616	-	4	30	1,742,288	(1,507,394)
Transfers between funds	11	6,176	(6,176)	-	-	-	-	-	-
Net movement in funds		69,772	28,866	1,643,616	-	4	30	1,742,288	(1,507,394)
Reconciliation of funds									
Balance at 1st April 2020		641,578	707,300	7,966,196	2,503,626	-	-	11,818,700	13,326,094
Balance at 31st March 2021	15	711,350	736,166	9,609,812	2,503,626	4	30	13,560,988	11,818,700

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

BALANCE SHEET AS AT 31 MARCH 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	2	3,513,878	3,513,878
Investments	10	9,717,208	8,214,022
		<u>13,231,086</u>	<u>11,727,900</u>
Current assets			
Debtors	12	6,900	7,275
Cash at bank and in hand		350,302	112,020
		<u>357,202</u>	<u>119,295</u>
Creditors: amounts falling due within one year	13	(27,300)	(28,495)
Net current assets		<u>329,902</u>	<u>90,800</u>
Net assets		<u>13,560,988</u>	<u>11,818,700</u>
Funds:			
Endowment fund			
Capital funds		9,184,312	7,540,696
Revaluation reserve		425,500	425,500
	15	<u>9,609,812</u>	<u>7,966,196</u>
Restricted fund			
Capital funds		275,760	246,894
Revaluation reserve		460,406	460,406
	15	<u>736,166</u>	<u>707,300</u>
Income Funds			
Unrestricted fund - Endowment fund	15	711,350	641,578
Designated funds: - Windfall Grant fund	15	4	-
- Astro Turf Grant fund	15	30	-
- Buildings fund	15	2,503,626	2,503,626
		<u>3,215,010</u>	<u>3,145,204</u>
Total funds	15	<u>13,560,988</u>	<u>11,818,700</u>

The financial statements were approved on 7 December 2021 by the trustees and signed on their behalf by:



 Mr. G.T. Moss – Chairman



 Mr. A. Cockerill – Vice Chairman

The notes on pages 12 to 20 form part of these accounts.

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Total funds 2021 £	Total funds 2020 £
Net cash used in operating activities	16	(345,468)	(657,815)
Cash flows from investing activities			
Portfolio income		328,654	393,968
Proceeds from sale of investments		2,617,115	2,154,087
Property income		14,967	15,336
Purchase of investments		(2,235,625)	(2,011,279)
<i>Net cash provided by investing activities</i>		<i>725,111</i>	<i>552,112</i>
Increase/(Decrease) in cash and cash equivalents in the year		379,643	(105,703)
Cash and cash equivalents at the beginning of the year	17	277,128	382,831
Total cash and cash equivalents at the end of the year	17	656,771	277,128

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1. PRINCIPAL ACCOUNTING POLICIES

(a) **Accounting Convention**

The financial statements are prepared under the historical cost convention as modified by the inclusion of investments at market value and subject to revaluations of interest in land, as indicated in note 2, and in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP (FRS 102)).

(b) **Investment Income**

Income is credited to incoming resources on a receipts basis for securities, and on an accruals basis for land.

Income from capital distributions are recognised as income in the Endowment Fund.

(c) **Resources Expended**

Costs of generating funds comprise those costs directly attributable to managing the investment portfolio and raising investment income.

All expenditure is accounted for on an accruals basis. Provision is made in the accounts for grants and special donations payable that have been approved during the accounting year.

Special donations are those donations for the benefit of the pupils of the school.

Parts of special donations are spent on equipment which remains in the ownership of the Foundation. As these assets are not income producing, they are written off in the year of acquisition.

Governance costs comprise all costs incurred in the general running of the charity.

(d) **Tangible Fixed Assets**

Certain of the charity's properties are held for long-term investment and are included in the balance sheet at the trustees' estimate of open market values. The surpluses or deficits on revaluation of such properties are transferred to the investment property revaluation reserve. Depreciation is not provided in respect of freehold investment properties. The charity operates a policy of undertaking a formal independent revaluation every 3 years.

(e) **Fixed Asset Investments**

Investments are included at closing mid market value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

(f) **Fund Accounting**

Details of the nature and purpose of each fund is set out in note 15.

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. INTEREST IN PROPERTY

	Note	Cost/ Valuation As at 31 March 2021 £	Cost/ Valuation As at 31 March 2020 £	Income	
				2021 £	2020 £
SCHOOL SITE, BILLING ROAD, NORTHAMPTON	(a)	1	1	-	-
THE CRIPPS HALL	(b)	1	1	-	-
LAND AT BILLING ROAD	(c)	1,064,468	1,064,468	-	-
SPORTS HALL	(d)	1,439,158	1,439,158	-	-
AGRICULTURAL LAND					
6 acres at Sywell Road, Holcot	(e)	60,000	60,000	-	-
RECREATION GROUND - O.N.A. 15.57 acres	(e)	360,000	360,000	8,000	8,000
BUGBROOKE ESTATE					
Ground rents and wayleaves, notional value, say	(e)	250	250	817	1,186
BUGBROOKE ESTATE Agricultural land and buildings, 67.944 acres	(e)	590,000	590,000	6,150 14,967 (6,039)	6,150 15,336 (4,910)
Less: Outgoings (Note 5)					
		<u>3,513,878</u>	<u>3,513,878</u>	<u>8,928</u>	<u>10,426</u>
SUMMARY:					
Land at Billing Road		1,064,468	1,064,468		
Sports Hall		<u>1,439,158</u>	<u>1,439,158</u>		
Building Fund		2,503,626	2,503,626		
Endowment Fund		420,002	420,002		
Restricted Fund		<u>590,250</u>	<u>590,250</u>		
		<u>3,513,878</u>	<u>3,513,878</u>		

NORTHAMPTON OLD GRAMMAR SCHOOL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

2. INTEREST IN PROPERTY (CONT.)

(a) SCHOOL SITE, BILLING ROAD, NORTHAMPTON

The site and buildings are the subject of a long lease to the Northampton School for Boys at a peppercorn rent. The estimated current value to the charity is £1. The site and buildings are held for charitable activities and held at cost.

(b) THE CRIPPS HALL

The Cripps Hall is also the subject of a long lease to the Northampton School for Boys at a peppercorn rent. The estimated current value to the charity is £1. The building is held for charitable activities and held at cost.

	2021 £	2020 £
(c) LAND AT BILLING ROAD		
Cost at 1 April 2020 and 31 March 2021	<u>1,064,468</u>	<u>1,064,468</u>
The land is held for charitable activities.		
(d) SPORTS HALL		
Value at 1 April 2020	1,439,158	1,439,158
Additions	<u>-</u>	<u>-</u>
Value at 31 March 2021	<u>1,439,158</u>	<u>1,439,158</u>

The Sports Hall which stands on the "Land at Billing Road" was opened for use by the pupils of the School in the financial year 1992/93 with final costs in connection with the building being expended in 1993/94. During the year ended 31 March 2019, property improvements to the sports hall were undertaken. These improvements included the replacement of the sports hall floor and associated sports hall ventilation works.

- (e) The Bugbrook Estate, land at Sywell Road, Holcot and the recreation ground are all held as investment properties. All properties are held at valuation and were independently valued by Fisher German, a firm of professional valuers on 31 March 2019. The historic cost of the land and property is £44,344 (2020: £44,344).

The trustees maintain a policy whereby the investment properties are formally valued every 3 years. Properties are held at the Trustees' valuation in years where a formal valuation has not taken place.

NORTHAMPTON OLD GRAMMAR SCHOOL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
3. OTHER TRADING ACTIVITIES		
<i>Property income</i>		
Rental income: unrestricted	8,000	8,061
Rental income: restricted	6,967	7,275
<i>Other income</i>		
Promotion agreement funds	5,000	-
	<u>19,967</u>	<u>15,336</u>
<i>Investment income</i>		
Portfolio income (see note 4)	328,654	393,968
	<u>328,654</u>	<u>393,968</u>
4. INVESTMENT INCOME	2021 £	2020 £
Portfolio income		
UK fixed interest securities	50,736	65,581
Non UK fixed interest securities	24,754	15,476
UK equities - income	156,284	148,745
Non UK equities - income	96,682	162,413
Interest on uninvested cash	198	1,753
	<u>328,654</u>	<u>393,968</u>
	<u>328,654</u>	<u>393,968</u>
Restricted	5,248	8,250
Unrestricted	323,406	385,718
	<u>328,654</u>	<u>393,968</u>
	<u>328,654</u>	<u>393,968</u>
5. EXPENDITURE ON RAISING FUNDS	2021 £	2020 £
Rent collection and associated property costs : restricted	6,039	4,910
Investment management fees : endowment	44,639	41,439
: restricted	893	640
	<u>51,571</u>	<u>46,989</u>
	<u>51,571</u>	<u>46,989</u>

NORTHAMPTON OLD GRAMMAR SCHOOL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

6. CHARITABLE ACTIVITIES - UNRESTRICTED

	2021	2020
	£	£
Special Donations - "September 2004 Structure"	225,000	300,000
OTHER DONATIONS/EXPENSES		
School grant	7,500	236,335
Travel costs	-	5,602
	<u>232,500</u>	<u>541,937</u>

7. CHARITABLE ACTIVITIES - RESTRICTED

	2021	2020
	£	£
Northampton Freemans Trust	100	100
Blue Coat Educational Charity	2,025	3,525
	<u>2,125</u>	<u>3,625</u>

8. CHARITABLE ACTIVITIES - GOVERNANCE COSTS

	2021	2020
	£	£
Clerk's fees - unrestricted	16,335	13,625
- endowment	16,335	4,000
Audit fees - unrestricted	10,100	9,900
Legal and other professional fees - unrestricted	8,841	4,800
- endowment	11,841	26,730
	<u>63,452</u>	<u>59,055</u>

Included within legal and other professional services are amounts paid to the auditors for non-audit services of £8,811 (2020: £8,010).

NORTHAMPTON OLD GRAMMAR SCHOOL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

9. TRUSTEES REMUNERATION

Trustees received no remuneration in the year (2020: £nil). Travel expenses were reimbursed in the amount of £nil for expenses incurred in the year (2020: £60).

10. INVESTMENTS

	Restricted Funds £	Endowment Funds £	Total £	2020 £
Market value at 1 April 2020	115,852	7,933,062	8,048,914	9,456,814
Acquisitions	64,269	2,171,356	2,235,625	2,011,279
Disposal proceeds	(57,483)	(2,559,632)	(2,617,115)	(2,154,087)
Net investment gains / (losses)	26,884	1,716,431	1,743,315	(1,265,092)
Market value at 31 March 2021	149,522	9,261,217	9,410,739	8,048,914
Uninvested cash	6,664	299,805	306,469	165,108
	156,186	9,561,022	9,717,208	8,214,022

Investments at market value comprise:

UK Equities	3,862,967	3,134,212
Non UK Equities	3,909,124	2,555,123
UK Fixed Interest Securities	1,145,250	1,665,843
Non UK Fixed Interest Securities	493,398	693,736
Uninvested cash	306,469	165,108
	9,717,208	8,214,022

11. FUNDS TRANSFER

	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Buildings Funds £	Windfall Grant Funds £	Astro Turf Grant Funds £
Endowment fund (a)	-	-	-	-	-	-
Restricted fund transfer (b)	6,176	(6,176)	-	-	-	-
	6,176	(6,176)	-	-	-	-

NORTHAMPTON OLD GRAMMAR SCHOOL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

11. FUNDS TRANSFER (CONT.)

(a) Endowment Loan

The Endowment Fund lent £250,000 to the Unrestricted Fund to cover the all-weather sports facilities grant paid during 2008. During 2014, the trustees agreed to the re-scheduling of the repayments such that annual repayments to capital are £12,500. During 2020, the trustees decided to restructure the loan repayments so the outstanding amount would be repayable over 8 years, with a repayment holiday for the first 3 years.

(b) Restricted funds transfer

Income and expenses excluding the management fees are transferred (to)/from the restricted fund.

12. DEBTORS, PREPAYMENTS AND ACCRUED INCOME

	2021	2020
	£	£
Other debtors	6,900	7,275
	<u>6,900</u>	<u>7,275</u>

13. CREDITORS AND ACCRUED CHARGES

	2021	2020
	£	£
Costs of generating funds	11,700	11,700
Management and administration expenses	13,475	13,170
Grants payable: restricted	2,125	3,625
	<u>27,300</u>	<u>28,495</u>

NORTHAMPTON OLD GRAMMAR SCHOOL

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

14. BUILDING FUND	2021 £	2020 £
Balance at beginning of year	2,503,626	2,503,626
Transfers into the fund	-	-
Balance at end of year	<u>2,503,626</u>	<u>2,503,626</u>
Relating to:-		
Acquisition of land at Billing Road facilitated by mortgage of £850,000 which became fully repaid in year 1999/2000	1,064,468	1,064,468
Costs of building the Sports Hall of which £1,000,000 was financed by a loan from the endowment fund	1,308,040	1,308,040
Sports hall property improvements	131,118	131,118
	<u>2,503,626</u>	<u>2,503,626</u>

15. FUNDS

Fund balances at 31 March 2021 are represented by;

	Unrestricted Fund £	Restricted Fund £	Endowment Fund £	Buildings Fund £	Windfall Grant Fund £	Astro Turf Fund £	Total Funds £
Tangible fixed assets	-	590,250	420,002	2,503,626	-	-	3,513,878
Investments	-	156,186	9,561,022	-	-	-	9,717,208
Net current assets/(liabilities)	711,350	(10,270)	(371,212)	-	4	30	329,902
Total Net Assets	<u>711,350</u>	<u>736,166</u>	<u>9,609,812</u>	<u>2,503,626</u>	<u>4</u>	<u>30</u>	<u>13,560,988</u>

Endowment Fund

The endowment fund, which is permanent, cannot be converted to income. Realised gains and losses on the sale of investments are transferred to the endowment fund. Portfolio management fees are set against the fund, as are fees incurred on capital projects.

The Endowment Fund has lent £250,000 to the Unrestricted Fund to cover the all-weather sports facilities grant paid during 2008. The annual repayments to Capital have been re-scheduled effective from 2014/15 and have further been re-scheduled in 2019/20 for a further 8 years.

Restricted Fund

Income from the Bugbrooke Estate is allocated to a restricted fund to be applied in accordance with trusts that require £100 per annum to be donated to Northampton Freemans Trust and one third of the net income to be donated to Blue Coat Educational Charity. The remaining net income is not restricted and is transferred to unrestricted funds. Capital of the Bugbrooke Estate is held within the Restricted Fund.

NORTHAMPTON OLD GRAMMAR SCHOOL FOUNDATION

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

15. FUNDS (CONT.)

Designated Fund

A designated fund has been set aside out of unrestricted funds by the trustees representing a building fund to meet costs of land acquisition, the building of a Sports Hall (as detailed in note 2) and any subsequent improvement to these land and buildings for the benefit of the pupils of the school.

Windfall Grant Fund

The Windfall Grant Fund represents unrestricted funds which have been set aside into a designated fund from the Unrestricted Fund for future application on Project 471 being for the benefit of the pupils of the school.

Astro Turf Grant Fund

The Astro Turf Grant Fund represents unrestricted funds which have been set aside into a designated fund from the Unrestricted Fund for the future application of the new astro turf courts being for the benefit of the pupils.

Unrestricted Fund

All income, except for the income of the Bugbrooke Fund, is credited to the unrestricted fund and can be used at the trustees' discretion, as long as within the objects of the charity (page 3).

16. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net movement in funds	1,742,288	(1,507,394)
Deduct dividend income from investment	(328,654)	(393,968)
Deduct property income from investment	(14,967)	(15,336)
Add/(deduct) losses/(gains) on investments	(1,743,315)	1,265,091
Decrease/(increase) in debtors	375	(4,200)
Decrease in creditors	(1,195)	(2,008)
Net cash used in operating activities	(345,468)	(657,815)

17. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	350,302	112,020
Unexpended investment cash	306,469	165,108
Total cash and cash equivalents	656,771	277,128