

Charity Registration No. 503982

Company Registration No. 01204450 (England and Wales)

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

SOMERBYS LIMITED
CHARTERED ACCOUNTANTS
30 NELSON STREET
LEICESTER
LE1 7BA

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

Governors

Mrs M Bowler JP BA (Hons) (Chair)
Mrs M Neilson
Mr J A Allen FCA
Mr T Leah BA(Hons) PGCE NPQH (Vice Chair)
Mr M Dunkley LLB (Hons) TEP
Mrs K Mayes BSc (Hons) FCA
Mrs S Siesage BA (Hons) PGCE MBA NPQH
Mr J Tomlinson MA (Hons) FCA
Mr M Joannou BSc (Hons) PGCE, MEd

Secretary and Bursar E Mackay

Headmaster Mr A Whelpdale BA PGCE NPQH

Charity number 503982

Company number 01204450

Registered office 454 London Road
Leicester
LE2 2PP

Auditor Somerbys Limited
30 Nelson Street
Leicester
LE1 7BA

Bankers HSBC Plc
2-6 Gallowtree Gate
Leicester
LE1 1DA

Allied Irish Bank (GB)
Byron House
Maid Marian Way
Nottingham
NG1 6HS

Handelsbanken
Provincial House
37 New Walk
Leicester
LE1 6TU

Solicitors Shakespeare Martineau LLP
One Colton Square
Leicester
LE1 1QH

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

CONTENTS

	Page
Governors' report	1 - 7
Statement of Governors' responsibilities	8
Independent auditor's report	9 - 10
Statement of financial activities	11 - 12
Balance sheet	13
Statement of cash flows	14
Notes to the financial statements	15 - 28

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

The Governors, who are also Directors and Trustees of the Trust, present their report and audited financial statements for the year ended 31 July 2020.

Reference and administrative information

The Trust is a charitable company founded in 1975, with the liability of its members limited to £1 each by guarantee.

The Trust's Governors, Officers and principal address are as listed within the legal and administrative information at the front of this document. Particulars of the Trust's professional advisers are also given within this information.

Objectives and activities

The Trust's objective and principal activity continues to be the promotion of girls' education, based on Christian principles according to the doctrines of the Church of England, and remain unchanged from previous years.

Aims and intended impact

At the School, through its teaching, the Trust aims:

- to create a friendly, caring community where every individual is valued
- to develop intellectual curiosity, academic excellence and a life-long love of learning
- to discover and nurture individual talents, creativity and self-belief
- to develop personal values of respect, acceptance, understanding and determination to succeed

Objectives for the year

The Trust's main objective continued to be to educate the school's pupils to an excellent academic standard as achieved by the School in previous years. The Governing Body has the following strategic targets:

- Finance** – to secure the long term health and viability of the school by developing a strategic plan to realise and secure the school's aims and objectives and by regular monitoring of its financial position with appropriate responsive action where required.
- Estates** – to maintain and develop the school site, and its facilities, to provide a high quality educational experience for all stakeholders.
- Educational experience** – to continue to be committed to providing a broad, high quality experience for students from the early years to the sixth form and beyond.
- Responding to demographic change** – to respond to demographic change to ensure the school is best placed to continue to meet its aims.

The Governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the Trust should undertake.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

Principal activities of the year

The primary focus was, as always, on the continual achievement of high performance in all areas of the curriculum: academic, pastoral, sporting and expressive arts – alongside a continuing commitment to development, especially leadership, service and responsibility. Another equally important focus has been to widen further access to the education provided by the School, and to develop an aspirational culture. These aims have continued to be developed and actioned despite the unprecedented times of COVID-19.

In a bid to maintain and improve our high academic performance, there has been a continued emphasis on Teaching and Learning, ensuring that pedagogical methods are varied and highly effective. One of our aims has been to strengthen our commitment to those identified as highly able and those who are on the SEND Register.

Needless to say, the COVID-19 pandemic has impacted hugely on all schools and Leicester High School has been adapting to the 'new normal' on a daily basis. During the lockdown and summer break, the Leadership Team met remotely every week, sometimes more frequently, to discuss Government and Public Health England updates with the result that the School was fully prepared for the new term. Our primary concerns throughout these challenging times have been to continue to provide our students with a relevant and purposeful education, and maintain a safe environment for both students and staff; these aims have been achieved to an exceptionally high standard.

During lockdown, all lessons were delivered remotely through different platforms: Teams, Zoom and One Note. Also the *Showmyhomework* app. was used by the teaching staff. The Teaching and Learning was monitored by the Assistant Head and the highest possible standards were maintained throughout the Summer Term. Homework was set, marked and returned to the students on a two weekly basis in accordance with the School's Marking Policy.

The pastoral care we offer our students is a strength of the School, and continued to be so during the Summer Term. All students met remotely with their form group and tutor on a weekly basis, and with their Head of Year for a weekly remote assembly. Students were personally telephoned by their Head of Year every week and parents were similarly contacted on a regular basis. The Headmaster contacted all staff by email or telephone throughout this time; the School continued to work as a 'community' despite the challenging conditions imposed by COVID-19.

Students in Year 11 were provided with introductory work for A Level, and those in Year 13 were set tasks based on current affairs and other relevant materials that might enhance their studies at university.

Owing to lockdown, innovative systems have been put into place which will continue to be embedded in the life of the School. A paperless tracking and reporting system is currently being created which was trialled at the end of the Summer Term.

For staff, our principal whole-School common target is anchored in, and will be developed from, our experiences of remote teaching. Further training has been offered to all staff to improve their digital skills and knowledge.

The Autumn and Spring Term provided the usual high quality concerts and drama productions, culminating in the whole-School production of *Annie – the Musical*.

As a School, we value the extra-curricular trips and visits that we are able to offer our students; all of which enrich student experience, and create memories. We are always keen to broaden our students' perspectives, build resilience and develop a wide appreciation of the World. During the first two terms of the academic year a number of trips took place including visits to France, London, Norfolk and America. Owing to COVID-19 restrictions, the Food Technology and Geography trip to Italy was postponed.

As a School, we are proud of our diverse community which reflects the multi-ethnic demograph of the city of Leicester. However, we recognise that with an issue as important as diversity and inclusion there is always more work to be done.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

Leicester High School believes that black lives matter, and embraces the underlying tenets of the movement, and is working to further ensure equality in all areas of school life. Heads of Department are reviewing their curriculum; a dedicated blog post is released every half term to update the wider Leicester High School community on progress made and initiatives actioned. Former students have been invited to meet with the Headmaster and share their stories in relation to their experiences at Leicester High School. Governors are looking into improving the diversity of their body. The School is also actively engaging with key figures in the area of race-relations to further develop our commitment to equality, diversity and inclusivity.

Student numbers remained at a consistent level during the year. Pupil numbers are inevitably affected by COVID-19, as our summer term marketing window was affected due to School closure and the impact to the financial security of parents' income which has had an effect. We are however, encouraged that numbers for September 2020 were better than forecast and continue to rise.

Strategic report

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Governors to present a strategic report.

Achievements and performance

The students achieved excellent results in the 2020 public examinations. At A level, the pass rate was 100%, with 26% A* grades (last year 10.6%), 38.1% A*/A grades (last year was 43%), whilst the A*-B percentage was 82.3% (last year 70%). The A levels results were a true reflection of the cohort's ability, comfortably above the national average and some of the best results gained in 8 years. There were no published league tables, but the School remains one of the top 200 schools in the country.

At GCSE, both the 9-4 pass rate was 100% (last year was 97.4%), as was the 9-5 pass rate. The 9-7 pass rate was 82.8% (last year 70%). The results overall highlighted the School's continued success and considerable positive added-value at this level. The 9-8 pass rate was 60.1%, a School record. These results again confirm the School's place in the top 100 Independent Schools for GCSE.

Despite the COVID-19 pandemic, the School has maintained not only an impressively high level of academic achievements and performance, but has also continued to deliver high-quality teaching and learning, both remotely online and through face-to-face tuition in School, which these excellent results confirm.

A robust and rigorous process was followed by all academic departments before they submitted their Centre Assessed Grades. A common criterion was adopted and all Heads of Department met remotely with the Headmaster. All stages of the process were evidenced and scrutinised

Fundraising performance

During the year the School received grants and donations totalling £42,072 (2019: £5,539). During 2020 the School was very grateful to receive a generous donation from alumnae.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

Public benefit

The Governing Body are committed to offering bursary support to students whose families would not otherwise be in a position to pay full school fees. Bursary support of up to 100% of fees is currently offered; 45 students (2019: 48 students) received bursary support in the year and 5 students received 100% support from external benefactors.

36 students (2019: 27 students) received academic/music scholarships in the year

We continued to make strenuous efforts with our marketing to ensure that as many parents as possible are aware of our scholarships and bursary support. We also continue to liaise with local charities in a bid to increase the number of scholarships and bursaries that we are able to offer.

The School has developed a comprehensive programme of working with the community which provides mutual benefit. We are committed to the further development of this activity which includes developing and building on links with local primary schools, through measures including our series of Saturday Masterclasses which take place every half term. These sessions are designed for Year 5 girls from maintained primary schools across the city and the county. The sessions are provided free of charge and have encouraged over 500 students from approx. 45 Primary schools to visit the School and benefit from subject taster sessions. This programme was interrupted due to COVID-19 and will resume as soon as restrictions allow. There were plans to extend this model to Year 10 students from local 11-16 schools, however this expansion has been paused due to the ongoing restrictions. The Science Department also offer Science Superstars sessions which run for five weeks in the Summer Term, after school which allows girls from local primaries to gain a more in-depth introduction to a science topic. Plans are in place to resume all of these activities as soon as we are able to do so.

Our Partnerships Officer continues to develop links with local nurseries, including offering of the School's facilities and staff, including the School Nurse who will provide talks on relevant health matters. Although face to face meetings and events have been stopped, contact is being maintained remotely and via telephone conversations.

Within the wider community, the School links with local businesses through its popular Shop Local discount scheme.

A large scale networking and careers event was held, in conjunction with Leading Ladies, for International Women's Day. This took place shortly before lockdown and was promoted to the School and local community. It also provided an opportunity to engage with local schools, who were offered free places to attend

During the official closure of all schools, Leicester High School remained open for the children of 'essential workers' throughout the Summer Term and school holidays. This group of students were taught by members of staff.

The School offers its facilities to hire at a competitive rate to local groups within the community that promote the education of young people.

Although the School had to stop offering external room hire in the Summer term/Summer holidays due to national and local lockdown, the School was actively used by academic groups, performing arts, taekwondo ballet groups earlier in the academic year. The hall and art room were used by sketch/art clubs several times a year. The halls are also used for a holiday club and weekly yoga clubs. In addition, our facilities are used for adhoc meetings/ children's parties/music rehearsals, as the site provides a contained and safe environment with good parking facilities.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

Financial review

The Independent School Sector is facing a number of unprecedented challenges resulting from evolving government, political and economic strategy. In addition to this COVID-19 has brought its own challenges with the School being subject to a local lockdown in Leicester as well as national restrictions and lockdown measures. The Governors are monitoring the impact on the School very closely.

Whilst the School stayed open during lockdown for key worker children most of our students were educated at home. A decision was made to discount school fees for the summer term in response to these modified arrangements. This resulted in a reduction to fee income for the year, which was partly offset by furlough income and other cost savings such as postponing planned refurbishments.

Net fees received for the year were £3,409,718 (2019: £3,724,896).

The net decrease in income resulted in a £31,483 deficit (2019: £352,830 surplus). At the year end, funds stand at £4,491,200 (2019: £4,522,683).

The Governors have pro-actively monitored cash flow in detail throughout the pandemic and the School is in a much better position than was first forecast, largely due to the continuation of the Job Retention Scheme and cost control.

Based on current pupil numbers it is anticipated that the financial position will stabilise in 2020/21.

The School will continue to invest prudently in buildings, refurbishments and resources for its future development and the Board will ensure that any surplus income will be put back into the School.

Going concern

We have prepared a number of scenarios that consider our cash position, sources of income and planned expenditure. This includes the impact of COVID-19 on operations together with assumptions around recovery thereafter. These scenarios consider reduced pupil numbers, delayed fee payment, reduced fees and potential bad debts as well as impact on costs from the measures taken so far. Sensitivity around these assumptions has also been considered in our forecasting. Results of this cash flow and sensitivity analysis indicate that the cash reserves of the charity are adequate to meet the charity's obligations as they fall due.

Having regard to the above, the trustees believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

Reserves policy

The School aims to hold enough reserves to cover at least one term's operating costs plus capital repayments due on the loan, at any month end during a financial year. Reserves are those considered to be readily available cash balances. In the year ended 31 July 2020 the target had been met.

The COVID-19 pandemic obviously had an impact on the reserves and currently it is expected that reserves will be slightly lower than the reserves target in 2020-21. However, the Trustees are confident that the reserves will increase over time and the target will subsequently be met.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

Risk management

The Governors have assessed the major operational and financial risks, to which the Trust is exposed, paying particular attention to the current COVID-19 risks. The Governors have updated the risk register for this, and are satisfied that adequate controls are in place to mitigate its exposure to these risks. This register is maintained and reviewed by the Board annually.

The Governors are aware of the impact of the increase in Teachers' Pension Scheme contributions from September 2019 and this continues to be under review.

The Board continues to review the school's estate and is committed to the maintenance and provision of high quality educational facilities. The key objective is to maintain pupil numbers which will ensure the continued provision of a high quality educational experience for the students.

Insurance

The cost of Governors' liability and professional indemnity insurance taken out by the Trust in the year amounted to £1,071 (2019: £989); the level of cover was £2,000,000.

Structure, governance and management

Governing document

The Trust is governed by its Articles of Association, last amended on 18 May 2011. The document was reviewed in November 2019; no changes were considered necessary.

Governing Body

Governors are appointed in accordance with the Articles of Association.

All Governors are Directors of the Company and Trustees of the Charity.

Recruitment and training of Governors

New Governors are appointed on recommendation from the Appointments Committee who consider the skills, knowledge and experience required on the Board. The Board maintains a balance of both education and business skills. All new Governors are inducted into the workings of the school and also of the company as a registered charity. Training is provided annually through a range of external and internal programmes. The school is a member of AGBIS (Association of Governing Bodies of Independent Schools) who provide support and training on matters of governance.

The Governors, who are also the directors for the purpose of company law, and who served during the year were:

Mrs M Bowler JP BA (Hons) (Chair)

Mrs M Neilson

Mr J A Allen FCA

Mr T Leah BA(Hons) PGCE NPQH (Vice Chair)

Mr M Dunkley LLB (Hons) TEP

Mrs K Mayes BSc (Hons) FCA

Mrs S Siesage BA (Hons) PGCE MBA NPQH

Mr J Tomlinson MA (Hons) FCA

Mr M Joannou BSc (Hons) PGCE, MEd

Rev'd A Jones

(Resigned 13 September 2019)

None of the Governors has any beneficial interest in the company. All of the Governors are members of the company and guarantee to contribute £1 in the event of a winding up.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

GOVERNORS' REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 JULY 2020

Organisational structure

The Board of Governors administers the Trust and meets at least four times throughout the year. To assist in this process, sub-committees of Finance and Estates, Education, Remuneration and Appointments also meet regularly throughout the year. Powers are delegated to the Headmaster and Bursar for the day to day running of the school.

Group structure and relationships

The Trust has two wholly owned, dormant subsidiaries as follows:

- Leicester High School For Girls Limited
- Portland House Limited

Employee involvement

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Trust continues and that the appropriate training is arranged. It is the policy of the Trust that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Auditor

A resolution proposing that Somerbys Limited be reappointed as Auditor of the Trust will be put to the Annual General Meeting.

Disclosure of information to Auditor

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

On behalf of the Board of Governors


Margaret Bowler (Dec 2, 2020 16:13 GMT)

Mrs M Bowler JP BA (Hons) (Chair)
30 November 2020

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

STATEMENT OF GOVERNORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 JULY 2020

The Governors, who are also the Directors of Leicester High School Charitable Trust Limited for the purpose of company law, are responsible for preparing the Governors' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Governors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these accounts, the Governors are required to:

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

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

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT TO LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

UNDER SECTION 449 OF THE COMPANIES ACT 2006

Opinion

We have audited the financial statements of Leicester High School Charitable Trust Limited (the 'Trust') for the year ended 31 July 2020 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, 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 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 charitable company's affairs as at 31 July 2020 and of its incoming resources and application of resources, 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 Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Governors' report have been prepared in accordance with applicable legal requirements.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of Governors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our Auditor's Report.

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

Marcus Dockerty FCA FCCA (Senior Statutory Auditor)
for and on behalf of Somerbys Limited

Chartered Accountants
Statutory Auditor

Somerbys Limited

2 December

2020

30 Nelson Street
Leicester
LE1 7BA

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 JULY 2020

Current financial year

	Notes	Unrestricted funds 2020 £	Restricted funds 2020 £	Total 2020 £	Total 2019 £
<u>Income and endowments from:</u>					
Donations and legacies	3	41,909	163	42,072	5,539
Income from charitable activities	4	3,653,607	-	3,653,607	3,989,985
Investments	5	2,475	-	2,475	2,787
Other income	6	130,596	-	130,596	-
Total income		3,828,587	163	3,828,750	3,998,311
<u>Expenditure on:</u>					
Expenditure on charitable activities	7	3,795,153	163	3,795,316	3,582,323
Finance costs		64,917	-	64,917	63,158
Total resources expended		3,860,070	163	3,860,233	3,645,481
Net (expenditure)/income for the year/ Net movement in funds		(31,483)	-	(31,483)	352,830
Fund balances at 1 August 2019		4,522,683	-	4,522,683	4,169,853
Fund balances at 31 July 2020		4,491,200	-	4,491,200	4,522,683

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

Prior financial year

		Unrestricted funds 2019 £	Restricted funds 2019 £	Total 2019 £
	Notes			
<u>Income and endowments from:</u>				
Donations and legacies	3	281	5,258	5,539
Income from charitable activities	4	3,989,985	-	3,989,985
Investments	5	2,787	-	2,787
Total income		3,993,053	5,258	3,998,311
<u>Expenditure on:</u>				
Expenditure on charitable activities	7	3,577,065	5,258	3,582,323
Finance costs		63,158	-	63,158
Total resources expended		3,640,223	5,258	3,645,481
Net (expenditure)/income for the year/ Net movement in funds		352,830	-	352,830
Fund balances at 1 August 2018		4,169,853	-	4,169,853
Fund balances at 31 July 2019		4,522,683	-	4,522,683

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Tangible assets	12		5,336,304		5,377,192
Current assets					
Debtors	14	301,903		342,300	
Cash at bank and in hand		894,307		968,949	
		<u>1,196,210</u>		<u>1,311,249</u>	
Creditors: amounts falling due within one year	15	(346,176)		(384,066)	
Net current assets			850,034		927,183
Total assets less current liabilities			<u>6,186,338</u>		<u>6,304,375</u>
Creditors: amounts falling due after more than one year	16		(1,695,138)		(1,781,692)
Net assets			<u><u>4,491,200</u></u>		<u><u>4,522,683</u></u>
Income funds					
Unrestricted funds			4,491,200		4,522,683
			<u><u>4,491,200</u></u>		<u><u>4,522,683</u></u>

The accounts were approved by the Governors on 30 November 2020

Margaret Bowler
Margaret Bowler (Dec 2, 2020 16:13 GMT)

Mrs M Bowler JP BA (Hons) (Chair)

Company Registration No. 01204450

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	22		24,126		354,370
Investing activities					
Purchase of tangible fixed assets		(18,025)		(435,661)	
Interest received		2,475		2,787	
Net cash used in investing activities			(15,550)		(432,874)
Financing activities					
Repayment of bank loans		(83,218)		(80,709)	
Net cash used in financing activities			(83,218)		(80,709)
Net decrease in cash and cash equivalents			(74,642)		(159,213)
Cash and cash equivalents at beginning of year			968,949		1,128,162
Cash and cash equivalents at end of year			894,307		968,949

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

1.1 Accounting convention

These accounts have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS102.

The accounts have been prepared under the historical cost convention.

The Trust has taken advantage of the exemptions provided by Section 405 of the Companies Act 2006 not to prepare group accounts as the subsidiary undertakings are not material for the purpose of giving a true and fair view. The financial statements present information about the charity as an individual company and not about its group.

1.2 Going concern

At the time of approving the financial statements, the Governors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis of accounting in preparing the financial statements. The Governors have considered a period of 12 months from the date of approval of the accounts. Further information on the matters that the Governors have considered is included within the Trustees Report.

1.3 Charitable funds

Designated funds comprise funds which have been set aside at the discretion of the Governors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

Unrestricted funds are available at the discretion of the Trustees in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

1.4 Incoming resources

Donations are accounted for as and when the entitlement arises, the amount can be quantified and the economic benefit to the school is considered probable.

Fees receivable are accounted for in the year in which the service is provided after deducting bursaries, scholarships and other remissions granted by the school.

Investment income is accounted for on an accruals basis.

1.5 Resources expended

Expenditure is summarised under functional headings on a direct cost basis or apportioned according to management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate.

Governance costs comprise the costs of running the Trust, including strategic planning for its future development, internal and external audit, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets other than freehold land and buildings are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Modular building	25 years
Fixtures, fittings & equipment	3-8 years
Motor vehicles	3 years

Fixed assets under £1,000 in value are not capitalised but treated as revenue expenditure in the year of purchase.

Freehold land and buildings are included at valuation, all gains and losses arising on the valuation of the properties are shown in the statement of financial activities.

The carrying values of the freehold land and buildings are reviewed annually for impairment. If events or changes in circumstances indicate that the carrying value may not be recoverable, the value of the freehold land and buildings will be adjusted through the statement of financial activities.

1.7 Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment.

1.8 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

1.9 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.10 Retirement benefits

Employees and the Trust contribute to both the Teachers' Superannuation Scheme in England and Wales and the Independent Schools' Pension Scheme which are both defined benefit pension schemes.

The Trust is unable to identify its share of underlying assets and liabilities on both of these and therefore contributions are charged to the Statement Of Financial Activities as they become payable in accordance with the rules of the Scheme.

The Trust also contributes to defined contribution schemes for non-teaching staff.

1.11 Leases

Assets obtained by the Trust under hire purchase contracts and finance leases are capitalised in the balance sheet. The assets are depreciated in accordance with the Trust's depreciation policy. The finance charge element of the agreement is charged to the Statement Of Financial Activities so as to produce a constant periodic rate of charge on the outstanding liability.

Rentals payable under operating leases are charged on a time basis over the lease term.

2 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

There are no critical judgements (apart from those involving estimates) in applying the Trust's accounting policies.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets.

Freehold Property

The Trust carries its freehold property at fair value at each reporting end date, with changes in fair value being recognised in the statement of financial activities.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Miscellaneous donations	-	163	163	5,539
Donated deposits from leaving pupils	1,750	-	1,750	-
Donation from alumnae	40,159	-	40,159	-
	<u>41,909</u>	<u>163</u>	<u>42,072</u>	<u>5,539</u>

4 Income from charitable activities

	School fees £	Less: total bursaries, grants and allowances £	School trips/ meals and other income £	Total 2020 £	Total 2019 £
Income for the year	<u>3,788,293</u>	<u>(378,575)</u>	<u>243,889</u>	<u>3,653,607</u>	<u>3,989,985</u>

5 Investments

	Unrestricted funds 2020 £	Unrestricted funds 2019 £
Bank interest received	<u>2,475</u>	<u>2,787</u>

6 Other income

	Unrestricted funds 2020 £	Total 2019 £
Job Retention Scheme Grant	<u>130,596</u>	<u>-</u>

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

7 Expenditure on charitable activities

	Teaching	Premises	Welfare	Support costs of schooling	Total 2020	Total 2019
	£	£	£	£	£	£
Staff costs	2,455,647	140,706	82,473	331,978	3,010,804	2,757,036
Depreciation	-	58,913	-	-	58,913	40,509
Other costs	235,510	226,306	37,898	204,763	704,477	768,191
	<u>2,691,157</u>	<u>425,925</u>	<u>120,371</u>	<u>536,741</u>	<u>3,774,194</u>	<u>3,565,736</u>
Governance costs	-	-	-	21,122	21,122	16,587
	<u>2,691,157</u>	<u>425,925</u>	<u>120,371</u>	<u>557,863</u>	<u>3,795,316</u>	<u>3,582,323</u>

8 Auditor's remuneration

Governance costs includes payments to the auditor of £6,060 (2019: £5,880) in respect of audit fees.

9 Governors

During the year £234 (2019: £837) of expenses were reimbursed to two Governors in respect of travel expenses. No remuneration was paid to Governors in the year.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

10 Employees

Number of employees

The average number of employees during the year was:

	2020	2019
Teaching	43	43
Non-teaching	52	51
	<u>95</u>	<u>94</u>

Employment costs

	2020	2019
	£	£
Wages and salaries	2,386,316	2,255,246
Social security costs	219,850	207,546
Other pension costs	404,638	294,244
	<u>3,010,804</u>	<u>2,757,036</u>

The number of employees whose annual remuneration (excluding pension contributions) was £60,000 or more were:

	2020 Number	2019 Number
Between £60,000 and £70,000	1	1
Between £80,000 and £90,000	-	1
Between £90,000 and £100,000	1	-

Remuneration and benefits paid to key management personnel totalled £267,348 (2019: £242,954) for the year.

Of the employees whose emoluments exceed £60,000, 2 (2019: 2) have retirement benefits accruing under defined benefit pension schemes.

11 Taxation

The Trust's activities fall within the exemptions from income tax and corporation tax conferred to registered charities.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

12 Tangible fixed assets

	Land and buildings	Modular building	Fixtures, Motor vehicles fittings & equipment		Total
	£	£	£	£	£
Cost or valuation					
At 1 August 2019	4,850,000	380,698	1,717,013	30,831	6,978,542
Additions	-	-	18,025	-	18,025
At 31 July 2020	4,850,000	380,698	1,735,038	30,831	6,996,567
Depreciation					
At 1 August 2019	-	-	1,570,519	30,831	1,601,350
Depreciation charged in the year	-	15,228	43,685	-	58,913
At 31 July 2020	-	15,228	1,614,204	30,831	1,660,263
Carrying amount					
At 31 July 2020	4,850,000	365,470	120,834	-	5,336,304
At 31 July 2019	4,850,000	380,698	146,494	-	5,377,192

Freehold land and buildings were valued on 27 May 2016 by Snow & Astill, Chartered Surveyors, on an existing use value at £4,850,000. The Governors consider that this valuation is still appropriate at 31 July 2020.

The historical cost of the freehold land and buildings is £6,066,594 (2019: £6,066,594).

The net book amount in respect of land included in freehold land and buildings is £1,050,000 (2019: £1,050,000).

All assets are used directly for charitable purpose except for a small proportion of the buildings and equipment which are used in the administration of the school.

13 Fixed asset investments

The Trust holds 100% (2 shares) of the £1 ordinary share capital of two dormant companies as follows:

Leicester High School for Girls Limited
Portland House Limited

The shares have been valued at £Nil as the companies have been dormant since incorporation.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

14 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	206,858	227,044
Prepayments and accrued income	95,045	115,256
	<u>301,903</u>	<u>342,300</u>

15 Creditors: amounts falling due within one year

	2020 £	2019 £
Loans and overdrafts	78,596	82,610
Taxation and social security	55,120	54,416
Fees received in advance	25,003	18,081
Trade creditors	9,392	30,781
Other creditors	99,009	91,549
Accruals and deferred income	79,056	106,629
	<u>346,176</u>	<u>384,066</u>

Bank borrowings are secured against the freehold land and buildings.

Included in other creditors due within one year are repayable deposits of £13,850 (2019 £13,050) made by parents which are normally repayable when the pupil leaves the school.

Deferred income relates to income received for school trips that are planned to occur in the next school year and will be recognised upon the date the trips take place.

16 Creditors: amounts falling due after more than one year

	2020 £	2019 £
Bank loans	1,614,838	1,694,042
Repayable deposits	80,300	87,650
	<u>1,695,138</u>	<u>1,781,692</u>
Loan maturity analysis		
In more than one year but not more than two years	96,611	85,451
In more than two years but not more than five years	303,744	276,032
In more than five years	1,214,483	1,332,559
	<u>1,614,838</u>	<u>1,694,042</u>

Bank borrowings are secured against the freehold land and buildings.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

17 Guarantee

The Trust, being a company limited by guarantee, has no share capital.

Every member of the Trust is liable, on winding up, contributing an amount not exceeding £1 towards the liabilities of the Trust.

At 31 July 2020 guarantees to the value of £9 (2019: £10) could be exercised.

18 Restricted funds

	Balance at 1 August 2019	Incoming resources	Resources expended	Balance at 31 July 2020
Donation towards Head's Bursary Fund	-	163	(163)	-

19 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 July 2020 are represented by:			
Tangible assets	5,336,304	-	5,336,304
Current assets	850,034	-	850,034
Long term liabilities	(1,695,138)	-	(1,695,138)
	4,491,200	-	4,491,200

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

20 Operating lease commitments

At the reporting end date the Trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2019 £
Within one year	21,464	22,537
Between two and five years	23,004	44,467
	<u>44,468</u>	<u>67,004</u>

21 Related party transactions

There were no disclosable related party transactions during the year (2019 - none).

22 Cash generated from operations

	2020 £	2019 £
(Deficit)/surplus for the year	(31,483)	352,830
Adjustments for:		
Investment income recognised in statement of financial activities	(2,475)	(2,787)
Depreciation and impairment of tangible fixed assets	58,913	40,509
Movements in working capital:		
Decrease/(increase) in debtors	40,397	(99,947)
(Decrease)/increase in creditors	(41,226)	63,765
Cash generated from operations	<u>24,126</u>	<u>354,370</u>

23 Analysis of changes in net (debt)/funds

	At 1 August 2019 £	Cash flows £	At 31 July 2020 £
Cash at bank and in hand	968,949	(74,642)	894,307
Loans falling due within one year	(82,610)	4,014	(78,596)
Loans falling due after more than one year	(1,694,042)	79,204	(1,614,838)
	<u>(807,703)</u>	<u>8,576</u>	<u>(799,127)</u>

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2020

24 Pension and other post-retirement benefit commitments

The Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £356,534 (2019: £243,101) and at the year-end £30,480 (2019: £20,937) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the Government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The Independent Schools' Pension Scheme

The School participates in the scheme, a multi-employer scheme which provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the School to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

24 Pension and other post-retirement benefit commitments

(Continued)

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the School is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This actuarial valuation was certified on 27 December 2018 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

Deficit contributions

From 1 September 2019 to 30 April 2030: (payable monthly and increasing by 3% on each 1st September)	£2,387,357 per annum
---	----------------------

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit Contributions

From 1 September 2016 to 31 August 2029: (payable monthly and increasing by 3% on each 1st September)	£2,341,000 per annum
--	----------------------

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the School has agreed to a deficit funding arrangement the School recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

24 Pension and other post-retirement benefit commitments

(Continued)

PRESENT VALUES OF PROVISION

	31 July 2020	31 July 2019	31 July 2018
	£	£	£
Present value of provision	32,232	34,077	25,615

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	31 July 2020	31 July 2019
	£	£
Provision at start of period	34,077	25,615
Unwinding of the discount factor (interest expense)	404	493
Deficit contribution paid	(2,879)	(2,221)
Remeasurements - impact of any change in assumptions	630	1,384
Remeasurements - amendments to the contribution schedule		8,806
Provision at end of period	32,232	34,077

INCOME AND EXPENDITURE IMPACT

	31 July 2020	31 July 2019
	£	£
Interest expense	404	493
Remeasurements – impact of any change in assumptions	630	1,384
Costs recognised in income and expenditure account		8,806

LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

24 Pension and other post-retirement benefit commitments

(Continued)

ASSUMPTIONS

31 July 2020	31 July 2019	31 July 2018
% per annum	% per annum	% per annum

Rate of discount	0.84	1.24	2.01
------------------	------	------	------

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the School and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31 July 2020	31 July 2019	31 July 2018
	£	£	£
Year 1	3,019	2,879	2,221
Year 2	3,109	3,019	2,287
Year 3	3,202	3,109	2,356
Year 4	3,299	3,202	2,427
Year 5	3,397	3,299	2,499
Year 6	3,499	3,397	2,574
Year 7	3,604	3,499	2,652
Year 8	3,713	3,604	2,731
Year 9	3,824	3,713	2,813
Year 10	2,952	3,824	2,897
Year 11	-	2,952	2,984
Year 12	-	-	249
Year 13	-	-	-
Year 14	-	-	-
Year 15	-	-	-
Year 16	-	-	-
Year 17	-	-	-
Year 18	-	-	-
Year 19	-	-	-
Year 20	-	-	-

The School must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the balance sheet liability.