

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 2022**

**SOMERBYS LIMITED**  
**CHARTERED ACCOUNTANTS**  
**30 NELSON STREET**  
**LEICESTER**  
**LE1 7BA**

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Governors</b>	Mrs M Neilson Mr J A Allen FCA Mr M Dunkley LLB (Hons) TEP (Chair) Mrs S Siesage BA (Hons) PGCE MBA NPQH Mrs J E Carroll BA (Hons) PG Cert (Vice Chair) (Appointed 10 September 2021) Ms C Salmon BA (Hons) (Appointed 11 October 2021)
<b>Secretary and Bursar</b>	E Mackay
<b>Headmaster</b>	Mr A Whelpdale BA PGCE NPQH
<b>Charity number</b>	503982
<b>Company number</b>	01204450
<b>Registered office</b>	454 London Road Leicester LE2 2PP
<b>Auditor</b>	Somerbys Limited 30 Nelson Street Leicester LE1 7BA
<b>Bankers</b>	HSBC Plc 2-6 Gallowtree Gate Leicester LE1 1DA  Handelsbanken Provincial House 37 New Walk Leicester LE1 6TU
<b>Solicitors</b>	Shakespeare Martineau LLP Two Colton Square Leicester LE1 1QH

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# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

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# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

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

**FOR THE YEAR ENDED 31 JULY 2022**

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The Governors, who are also Directors and Trustees of the Trust, present their report and audited financial statements for the year ended 31 July 2022.

### 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 provide an exceptional and 'boutique' all-round education which will prepare our students for happy and fulfilling lives, and, therefore, during their years with us creating memories that will last a life-time.

- 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:

- a. **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.
- a. **Estates** – to maintain and develop the school site, and its facilities, to provide a high quality educational experience for all stakeholders.
- a. **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.
- a. **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 2022**

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### **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 post 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, and this commitment has been reflected in the CPD offered to staff in both of these important areas.

The pastoral care we offer our students is a strength of the School, and continued to be so during the last academic year. All students who were self-isolating, or ill, were personally contacted by their pastoral Head of Year. The Headmaster similarly contacted members of staff who were absent for reasons connected to Covid-19. The School nurse played a significant part in supporting our community.

Innovative systems were put in place during lockdown and these have continued to be embedded in to the life of the School. A paperless tracking and reporting system has been created which was trialled at the end of the Summer Term. In a bid to satisfy all parents, the School now operates a hybrid approach to parents' evenings: on-line and in person. The School is committed to creating innovative opportunities to bring parents in to School: there was a Daughter/Parent Tennis Competition and a Daughter/Parent Badminton Competition scheduled for the Autumn Term 2021 and Spring Term 2022 (respectively). The success of these events will ensure their continuity.

Our members of staff have learnt much from the pandemic, and digital skills, in particular, have been developed and hugely improved as a tool to enhance classroom teaching. In addition, the Headmaster, in consultation with all stakeholders of the School, has created a new Vision for Leicester High, which has been promoted and embedded throughout the School since September 2021. This now feeds into the SDP and the annual Action Plan, which is reviewed in consultation with the Governing Body.

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 that last a life-time. Our enrichment provision has been significantly reviewed with a member of staff leading the initiative. The Enrichment Programme, launched in January 2022, has been developed to cover five major areas: physical activity and sport, creativity and expression, STEM, environment and community and personal development and wellbeing. We are always keen to broaden our students' perspectives, build resilience and develop a wide appreciation of the world. Trips and visits play a significant part in the life of the School, and it has been most satisfying to see this part of School life return to the curriculum.

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 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. All employment opportunities are advertised on the BAME website. 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. One example being: Dr Liam McCarthy, from Leicester University, joined us in School to give a lecture on Ugandan Asians in Leicester to students and parents.

Student numbers at the beginning of the academic year (2021/2022) were 83 in the Juniors and 226 in the Seniors. We continued to recruit throughout the year, making a net gain of ten students and ending the academic year at 319. 2021/2022 saw a cautious return to in-person events, including the Open Morning and Sixth Form Open Evening. We finished the year with encouraging interest in the Juniors which had been hit particularly hard by the timings of both the 2020 and 2021 lockdowns.

# **LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED**

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

***FOR THE YEAR ENDED 31 JULY 2022***

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### **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 2022 public examinations. At A level, we celebrated 100% A\* to D pass-rate: 90% of all A Levels grades were A\* to B, with 68% of all grades A\* to A. 96% of students have gone to their first-choice university. The A levels results were a true reflection of the cohort's ability, significantly above the national average and some of the best results gained in a decade. The School appeared in the top 100 schools in the country.

At GCSE, the 9-4 pass rate was 99%. The 9-7 pass rate was 75%, with 35% of all GCSE's awarded the top grade (9). The results overall highlighted the School's continued success and considerable positive added-value at this level. These results again confirm the School's place in the top 100 Independent Schools for GCSE.

The GCSE and A Level results reflect the hard work and application of both students and staff, and demonstrate the strength of our dedicated teaching staff.

The public examination results were very similar to the TAGS and CAGs, once again confirming the rigorous approach the School adopted when creating grades based on hard evidence throughout the process.

### **Fundraising performance**

During the year the School received grants and donations as set out in note 3 of the financial statements.

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

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

**FOR THE YEAR ENDED 31 JULY 2022**

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### 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; 34 students (2021: 41 students) received bursary support in the year and 3 students received 100% support from external benefactors.

48 students (2021: 42 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, but have since been reinstated, and continue to be successful and well attended. 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.

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.

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

During the Autumn Term 2021, the Headmaster visited close to twenty primary schools to encourage closer working relationships. Several of these schools sought the expertise of subject specialist teachers, who assisted with the creation of a programme of study for that particular primary school.

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

External lettings started again in 2021/22 (after the pandemic), used by academic groups, performing arts, yoga and art clubs. The halls and newly refurbished tennis courts are also used for holiday clubs. In addition, our facilities are used for ad hoc meetings and children's parties, 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 2022**

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### **Financial review**

The Independent School Sector is facing a number of unprecedented challenges resulting from evolving political and economic threats. The Governors are continuing to monitor the impact on the School very closely.

Pupil numbers were slightly lower than the previous year, recruitment impacted by Covid 19.

Net fees received for the year were £3,501,286 (2021: £3,453,326).

Despite pupil numbers being marginally down from the previous year, fee increases kept at an affordable level, and with careful budgeting and planning, the net increase in income resulted in a £38,563 surplus (2021: £71,717 surplus). However, this surplus excludes the £23,291 actuarial loss on the ISPS defined benefit scheme in the year. The actual net movement in funds was £15,272.

In view of the above identified challenges and threats, this is considered by the Governors to be appropriate, and this amount is likely to be spent during the 2022/23 financial year on the priority spending matters mentioned, or referred to, below in this Report.

At the year end, funds stand at £4,227,947 (2021: £4,212,675).

The cash held in the Charity at the financial year end is lower than the opening date.

The Governors have pro-actively monitored cash flow in detail throughout the year and the School is in a much better position than was first forecast, largely due to careful monitoring of our costs and the recovery of debts.

The School will continue to invest prudently in buildings, refurbishments and resources for its future development, including in particular, IT, staff and improved site security. 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 costs impacted by the current economic and political environment. These scenarios consider reduced pupil numbers, delayed fee payment and potential bad debts as well as impact on costs surrounding the economic climate. 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 2022 the target cash sum, fell marginally short. The Governors continue to monitor the position.

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

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

**FOR THE YEAR ENDED 31 JULY 2022**

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### **Risk management**

The Governors have assessed the major operational and financial risks, to which the Trust is exposed, paying particular attention to the current economic and political landscape and what is changing in the independent school's sector. 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, but more frequently under the current pressures.

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.

Due to the potential increase in future Teachers Pensions contributions in April 2024, the School started a consultation process during the previous financial year (2020/2021). The School completed this consultation in 2021/2022 and as a consequence became a phased withdrawal school with effect from September 2022. Any new teacher starting after 1 September 2022 will join the new Defined Contribution Scheme with flexible benefits. Any current teacher who has decided to continue to contribute to the Teachers Pension Scheme will bear the cost of any future rises in contributions, which mitigates the risk to the School.

### **Insurance**

The cost of Governors' liability and professional indemnity insurance taken out by the Trust in the year amounted to £1,134 (2021: £1,123); 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 Neilson

Mr J A Allen FCA

Mr T Leah BA(Hons) PGCE NPQH (Vice Chair) (Resigned 26 September 2022)

Mr M Dunkley LLB (Hons) TEP (Chair)

Mrs S Siesage BA (Hons) PGCE MBA NPQH

Mrs J E Carroll BA (Hons) PG Cert (Vice Chair) (Appointed 10 September 2021)

Ms C Salmon BA (Hons) (Appointed 11 October 2021)

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

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

**FOR THE YEAR ENDED 31 JULY 2022**

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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.

### 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



**Mr M Dunkley LLB (Hons) TEP (Chair)**

5 December 2022

# **LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED**

## **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 JULY 2022***

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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 THE MEMBERS OF LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

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#### Opinion

We have audited the financial statements of Leicester High School Charitable Trust Limited (the 'Trust') for the year ended 31 July 2022 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 2022 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 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

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

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

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

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors 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.

#### 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 for the financial year for which the financial statements are prepared, which includes the directors' report and the strategic report prepared for the purposes of company law, 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

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#### **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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

The risk of not detecting a material misstatement resulting from error is considered to be low. The risk of not detecting a material misstatement resulting from fraud is higher, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

In the context of Leicester High School Charitable Trust Limited, we have identified specific laws and regulations, such as the Independent Schools Standards; Education Act 2002; Education Regulations 2014; Protection of Children Act 1999 and general commercial laws and regulations, such as: Companies Act 2006; Charities Act 2011; Charity Commission guidance; Health and Safety legislation; GDPR and employment law.

Our understanding of the legal and regulatory framework applicable to Leicester High School Charitable Trust Limited and how the charitable company has complied with its obligations has been obtained by enquiry of management and those charged with governance.

As part of our enquiries we have discussed policies and procedures on compliance with laws and regulations and whether any instances of non compliance have occurred.

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

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Our understanding of the charitable company's policies and procedures on fraud risk has been obtained through enquiry with management as to the control activities, operational systems in place and whether there is knowledge of any actual, suspected or alleged fraud.

We consider that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. During our audit work there were no significant instances of non-compliance identified.

In response to the audit risks identified in respect of irregularity and fraud, we have undertaken the following procedures:

- Enquiry of management, and those charged with governance around actual and potential litigation and claims.
- Enquiry of management to identify any instances of non-compliance with laws and regulations.
- Enquiry of management to identify any subsequent events that have occurred after the year end relating to this financial year.
- Reviewing legal expenses during and after the year end for evidence of non-compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

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**

6 December 2022

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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 2022

### Current financial year

	Notes	Unrestricted funds 2022 £	Restricted funds 2022 £	Total 2022 £	Total 2021 £
<b><u>Income and endowments from:</u></b>					
Donations and legacies	3	2,281	13,646	15,927	14,677
Income from charitable activities	4	3,716,023	-	3,716,023	3,524,625
Investments	5	466	-	466	122
Other income	6	-	-	-	78,358
<b>Total income</b>		<b>3,718,770</b>	<b>13,646</b>	<b>3,732,416</b>	<b>3,617,782</b>
<b><u>Expenditure on:</u></b>					
Expenditure on charitable activities	7	3,640,903	13,646	3,654,549	3,504,633
Finance costs		39,304	-	39,304	41,432
<b>Total resources expended</b>		<b>3,680,207</b>	<b>13,646</b>	<b>3,693,853</b>	<b>3,546,065</b>
<b>Net income for the year/ Net incoming resources</b>		<b>38,563</b>	<b>-</b>	<b>38,563</b>	<b>71,717</b>
<b><u>Other recognised gains and losses</u></b>					
Revaluation of tangible fixed assets		-	-	-	(350,242)
Actuarial loss on defined benefit pension schemes		(23,291)	-	(23,291)	-
<b>Net movement in funds</b>		<b>15,272</b>	<b>-</b>	<b>15,272</b>	<b>(278,525)</b>
Fund balances at 1 August 2021		4,212,675	-	4,212,675	4,491,200
<b>Fund balances at 31 July 2022</b>		<b>4,227,947</b>	<b>-</b>	<b>4,227,947</b>	<b>4,212,675</b>

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 2022

### Prior financial year

		Unrestricted funds 2021 £	Restricted funds 2021 £	Total 2021 £
	Notes			
<b><u>Income and endowments from:</u></b>				
Donations and legacies	3	2,001	12,676	14,677
Income from charitable activities	4	3,524,625	-	3,524,625
Investments	5	122	-	122
Other income	6	78,358	-	78,358
<b>Total income</b>		<b>3,605,106</b>	<b>12,676</b>	<b>3,617,782</b>
<b><u>Expenditure on:</u></b>				
Expenditure on charitable activities	7	3,491,957	12,676	3,504,633
Finance costs		41,432	-	41,432
<b>Total resources expended</b>		<b>3,533,389</b>	<b>12,676</b>	<b>3,546,065</b>
<b>Net incoming resources</b>		<b>71,717</b>	<b>-</b>	<b>71,717</b>
<b><u>Other recognised gains and losses</u></b>				
Revaluation of tangible fixed assets		(350,242)	-	(350,242)
<b>Net movement in funds</b>		<b>(278,525)</b>	<b>-</b>	<b>(278,525)</b>
Fund balances at 1 August 2020		4,491,200	-	4,491,200
<b>Fund balances at 31 July 2021</b>		<b>4,212,675</b>	<b>-</b>	<b>4,212,675</b>

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.

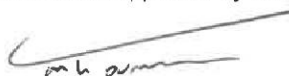
# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## BALANCE SHEET

AS AT 31 JULY 2022

	Notes	2022 £	£	2021 £	£
<b>Fixed assets</b>					
Tangible assets	12		4,951,265		4,967,632
<b>Current assets</b>					
Debtors	14	331,763		275,748	
Cash at bank and in hand		846,623		929,767	
		1,178,386		1,205,515	
<b>Creditors: amounts falling due within one year</b>	15	(404,767)		(364,994)	
Net current assets			773,619		840,521
<b>Total assets less current liabilities</b>			5,724,884		5,808,153
<b>Creditors: amounts falling due after more than one year</b>	16		(1,496,937)		(1,595,478)
<b>Net assets</b>			4,227,947		4,212,675
<b>Income funds</b>					
Unrestricted funds			4,227,947		4,212,675
			4,227,947		4,212,675

The accounts were approved by the Governors on 5 December 2022



Mr M Dunkley LLB (Hons) TEP (Chair)

Company Registration No. 01204450

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JULY 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	22		42,079		154,129
<b>Investing activities</b>					
Purchase of tangible fixed assets		(29,157)		(40,196)	
Interest received		466		122	
<b>Net cash used in investing activities</b>			(28,691)		(40,074)
<b>Financing activities</b>					
Repayment of bank loans		(96,532)		(78,595)	
<b>Net cash used in financing activities</b>			(96,532)		(78,595)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(83,144)		35,460
Cash and cash equivalents at beginning of year			929,767		894,307
<b>Cash and cash equivalents at end of year</b>			846,623		929,767

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2022

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### 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 recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 1 Accounting policies

(Continued)

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.

#### 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:

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.



# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 1 Accounting policies

(Continued)

#### **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.

### 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.

### 3 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Miscellaneous donations	31	13,646	13,677	12,676
Donated deposits from leaving pupils	2,250	-	2,250	1,750
Gift Aid	-	-	-	251
	<u>2,281</u>	<u>13,646</u>	<u>15,927</u>	<u>14,677</u>

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 4 Income from charitable activities

	School fees	Less: total bursaries, grants and allowances	School trips/meals and other income	Total 2022	Total 2021
	£	£	£	£	£
Income for the year	3,872,336	(371,050)	214,737	3,716,023	3,524,625

### 5 Investments

	Unrestricted funds	Unrestricted funds
	2022	2021
	£	£
Bank interest received	466	122

### 6 Other income

	Total	Unrestricted funds
	2022	2021
	£	£
Job Retention Scheme Grant	-	78,358

### 7 Expenditure on charitable activities

	Teaching	Premises	Welfare	Support costs of schooling	Total 2022	Total 2021
	£	£	£	£	£	£
Staff costs	2,321,159	148,269	73,318	327,904	2,870,650	2,904,556
Depreciation	-	45,524	-	-	45,524	58,626
Other costs	210,078	243,538	48,067	190,027	691,710	493,955
	2,531,237	437,331	121,385	517,931	3,607,884	3,457,137
Governance costs	-	-	-	46,665	46,665	47,496
	2,531,237	437,331	121,385	564,596	3,654,549	3,504,633

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2022

### 8 Auditor's remuneration

Governance costs includes payments to the auditor of £6,360 (2021: £6,240) in respect of audit fees.

### 9 Governors

During the year £864 (2021: £351) of expenses were reimbursed to two Governors in respect of travel expenses. No remuneration was paid to Governors in the year.

### 10 Employees

#### Number of employees

The average number of employees during the year was:

	2022	2021
Teaching	41	43
Non-teaching	49	50
	<u>90</u>	<u>93</u>

#### Employment costs

	2022	2021
	£	£
Wages and salaries	2,257,654	2,289,651
Social security costs	218,038	214,387
Other pension costs	394,958	400,518
	<u>2,870,650</u>	<u>2,904,556</u>

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

	2022	2021
	Number	Number
Between £60,000 and £70,000	1	1
Between £90,000 and £100,000	1	1

Remuneration and benefits paid to key management personnel totalled £265,023 (2021: £268,987) for the year.

Of the employees whose emoluments exceed £60,000, 2 (2021: 2) have retirement benefits accruing under defined benefit pension schemes.

### 11

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

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# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 12 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost or valuation</b>				
At 1 August 2021	4,850,000	1,771,304	30,831	6,652,135
Additions	-	29,157	-	29,157
At 31 July 2022	4,850,000	1,800,461	30,831	6,681,292
<b>Depreciation</b>				
At 1 August 2021	-	1,653,672	30,831	1,684,503
Depreciation charged in the year	-	45,524	-	45,524
At 31 July 2022	-	1,699,196	30,831	1,730,027
<b>Carrying amount</b>				
At 31 July 2022	4,850,000	101,265	-	4,951,265
At 31 July 2021	4,850,000	117,632	-	4,967,632

Freehold land and buildings were valued on 16 September 2021 by Aitchison Raffety, Chartered Surveyors, on an existing use value at £4,850,000. The valuation included modular buildings that had previously been separately capitalised and subject to annual depreciation. At 31 July 2021 the modular buildings were transferred into the heading of land and buildings and as from 1 August 2021 the modular buildings have no longer been depreciated and will instead be subject to periodic valuation reviews along with the land and buildings generally. The Governors consider that the valuation received is appropriate as at 31 July 2022.

The historical cost of the freehold land and buildings is £6,447,292 (2021: £6,447,292).

The net book amount in respect of land included in freehold land and buildings is £1,050,000 (2021: £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 2022

### 14 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	232,114	194,314
Prepayments and accrued income	99,649	81,434
	<u>331,763</u>	<u>275,748</u>

### 15 Creditors: amounts falling due within one year

	2022	2021
	£	£
Loans and overdrafts	98,870	96,611
Taxation and social security	55,449	51,104
Fees received in advance	6,168	15,616
Trade creditors	42,068	33,939
Other creditors	119,684	97,369
Accruals and deferred income	82,528	70,355
	<u>404,767</u>	<u>364,994</u>

Bank borrowings are secured against the freehold land and buildings.

Included in other creditors due within one year are repayable deposits of £13,500 (2021 - £14,050) 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

	2022	2021
	£	£
Bank loans	1,419,437	1,518,228
Repayable deposits	77,500	77,250
	<u>1,496,937</u>	<u>1,595,478</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	101,244	98,870
In more than two years but not more than five years	988,151	1,053,765
In more than five years	330,042	365,593
	<u>1,419,437</u>	<u>1,518,228</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 2022

### 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 2022 guarantees to the value of £7 (2021: £5) could be exercised.

### 18 Restricted funds

	Movement in funds			Movement in funds		
	Incoming resources £	Resources expended £	Balance at 1 August 2021 £	Incoming resources £	Resources expended £	Balance at 31 July 2022 £
Donation towards sixth form scholarship	12,526	(12,526)	-	12,526	(12,526)	-
Donation towards bursary fund	150	(150)	-	120	(120)	-
Donation towards drama and music subjects	-	-	-	1,000	(1,000)	-
	<u>12,676</u>	<u>(12,676)</u>	<u>-</u>	<u>13,646</u>	<u>(13,646)</u>	<u>-</u>

### 19 Analysis of net assets between funds

	Unrestricted £	Restricted £	Total £
Fund balances at 31 July 2022 are represented by:			
Tangible assets	4,951,265	-	4,951,265
Current assets	773,619	-	773,619
Long term liabilities	(1,496,937)	-	(1,496,937)
	<u>4,227,947</u>	<u>-</u>	<u>4,227,947</u>

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 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:

	2022 £	2021 £
Within one year	19,518	15,570
Between two and five years	13,757	13,950
	<u>33,275</u>	<u>29,520</u>

#### 21 Related party transactions

There were no disclosable related party transactions during the year (2021 - none).

#### 22 Cash generated from operations

	2022 £	2021 £
Surplus/(deficit) for the year	38,563	71,717
Adjustments for:		
Investment income recognised in statement of financial activities	(466)	(122)
Depreciation and impairment of tangible fixed assets	45,524	58,626
Difference between pension charge and cash contributions	(23,291)	-
Movements in working capital:		
(Increase)/decrease in debtors	(56,015)	26,155
Increase/(decrease) in creditors	37,764	(2,247)
<b>Cash generated from operations</b>	<u>42,079</u>	<u>154,129</u>

#### 23 Analysis of changes in net (debt)/funds

	At 1 August 2021 £	Cash flows £	At 31 July 2022 £
Cash at bank and in hand	929,767	(83,144)	846,623
Loans falling due within one year	(96,611)	(2,259)	(98,870)
Loans falling due after more than one year	(1,518,228)	98,791	(1,419,437)
	<u>(685,072)</u>	<u>13,388</u>	<u>(671,684)</u>

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

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#### 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 £346,848 (2021: £353,652) and at the year-end £28,327 (2021: £30,126) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions 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 judgment 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is 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 61 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 2022

#### 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 with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m. 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 2022 to 30 June 2032: £2,687,000 per annum  
(payable monthly and increasing by 3% on each 1st September)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. 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 2019 to 30 April 2030: £2,387,357 per annum  
(payable monthly and increasing by 3% on each 1st September)

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 company has agreed to a deficit funding arrangement the company 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 2022

#### 24 Pension and other post-retirement benefit commitments

(Continued)

##### PRESENT VALUES OF PROVISION

	31 July 2022 £	31 July 2021 £	31 July 2020 £
Present value of provision	49,681	29,211	32,232

##### RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	31 July 2022 £	31 July 2021 £
Provision at start of period	29,211	32,232
Unwinding of the discount factor (interest expense)	288	257
Deficit contribution paid	(3,109)	(3,019)
Remeasurements - impact of any change in assumptions	(5,649)	(259)
Remeasurements - amendments to the contribution schedule	28,940	-
Provision at end of period	49,681	29,211

##### INCOME AND EXPENDITURE IMPACT

	31 July 2022 £	31 July 2021 £
Interest expense	288	257
Remeasurements - impact of any change in assumptions	(5,649)	(259)
Remeasurements - amendments to the contribution schedule	28,940	-
Costs recognised in income and expenditure account	20,941	20,104

# LEICESTER HIGH SCHOOL CHARITABLE TRUST LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2022

#### 24 Pension and other post-retirement benefit commitments

(Continued)

##### ASSUMPTIONS

	31 July 2022	31 July 2021	31 July 2020
	% per annum	% per annum	% per annum
Rate of discount	3.24	1.04	0.84

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 2022	31 July 2021	31 July 2020
	£	£	£
Year 1	4,994	3,109	3,019
Year 2	5,307	3,202	3,109
Year 3	5,466	3,299	3,202
Year 4	5,630	3,397	3,299
Year 5	5,799	3,499	3,397
Year 6	5,973	3,604	3,499
Year 7	6,152	3,713	3,604
Year 8	6,337	3,824	3,713
Year 9	6,527	2,952	3,824
Year 10	6,161	-	2,952
Year 11	-	-	-
Year 12	-	-	-
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.