

LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST

England & Wales · Charity number 514407

Details

Other names DIXIE GRAMMAR SCHOOL

Status Registered

Legal form Charitable company

Company number [01751466](#)

Registered 1983-10-20

Register [View on the Charity Commission register](#)

Contact

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The Dixie Grammar School
Market Bosworth
Leicestershire
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Activities

Objects: TO PROMOTE AND PROVIDE FOR THE ADVANCEMENT OF EDUCATION FOR PUBLIC BENEFIT AND IN CONNECTION THEREWITH TO CONDUCT, CARRY ON, ACQUIRE AND DEVELOP IN THE UNITED KINGDOM OR ELSEWHERE A SCHOOL OR SCHOOLS TO BE RUN FOR THE EDUCATION OF STUDENTS AND CHILDREN OF EITHER SEX OR BOTH SEXES.

Activities: To provide education for children of both sexes between the ages of 3 and 18

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space
- **What:** Education/training
- **Who:** Children/young People, Other Charities Or Voluntary Bodies

Geography

- Leicestershire
- Warwickshire

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£6,640,209	£6,087,114	£2,865,655	101
2023-08-31	£5,954,958	£5,934,380	£2,148,196	104
2022-08-31	£5,472,816	£5,785,182	£2,127,618	99
2021-08-31	£5,175,479	£5,173,652	£2,439,984	105
2020-08-31	£4,942,958	£4,919,450	£2,438,157	84

Trustees

Name	Role	Appointed
JO FENTON PARKES	Chair	2013-09-11
David Michael Jinks		2023-12-08
Jonathan Adam Marsh		2023-06-30
KATHRYN MCINTYRE		2023-06-30
Leigh Harrison		2025-06-27
Lisa Pittwood		2017-12-08
Mark Ashfield		2016-12-07
Neil Brian Roberts		2025-06-27
Professor Musa Mihsein		2019-03-29
Sarah Louise Kennedy		2021-06-25
Steven Daniel Boyes		2019-03-29

LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST

England & Wales - Charity number 514407

Accounts

Charity Registration No. 514407

Company Registration No. 01751466 (England and Wales)

**LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST
(OPERATING AS THE DIXIE GRAMMAR SCHOOL)**

**DIRECTORS' REPORT
AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 AUGUST 2024**



The Dixie Grammar School

Leicestershire Independent Educational Trust

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Leicestershire Independent Educational Trust

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2024

DIRECTORS AND ADVISORS

Directors

Mrs J Fenton Parkes (Chair)
Mr M Ashfield (Vice Chair)
Mr P J Bowman (resigned 21 March 2025)
Mr S D Boyes
Mr D M Jinks (appointed 8 December 2023)
Mr D M Jones (appointed 28 June 2024)
Dr C H Kendall (resigned 8 December 2023)
Mrs S L Kennedy
Mr J A Marsh
Mrs K McIntyre
Professor M Mihsein
Ms L M Pittwood
Mr I A Smith (resigned 8 December 2023)
Mrs A Breadon (Co-opted) (resigned 21 March 2025)
Miss G Brooks (Co-opted)

Company Secretary

Mr M J Frost

Charity No.

514407

Company No.

01751466

Principal address and Registered Office

The Dixie Grammar School
Market Place
Market Bosworth
Nuneaton
Warwickshire
CV13 0LE

Key Management Personnel

Headmaster	Mr R J Lynn
Bursar	Mr M J Frost
Deputy Head	Mrs C M Young (to August 2024)
Head of Sixth Form	Mr J Dixon
Director of Student Care	Mrs H J Banton
Senior Management	Mr R J Thirlwell
Senior Management	Miss V Entwisle
Assistant Head of the Junior School	Mrs S Baker
Assistant Head of the Junior School	Mrs K MacKenzie
Senior teacher	Mrs K Craig

Leicestershire Independent Educational Trust

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2024

Auditors

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

Bankers

National Westminster Bank Plc
13 The Borough
Hinckley
Leicestershire
LE10 1NW

Solicitors

Woodroffes Solicitors
7 Beeston Place
London
SW1W 0JJ

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Broomfields
Minerva House
7 St John's Business Park
Rugby Road
Lutterworth
Leicestershire
LE17 4HB

Insurance Brokers

Turner Insurance Group
34-36 Princess Road West
Leicester
LE1 6TQ

Land Agents

Fisher German LLP
The Estates Office
Norman Court
Ivanhoe Business Park
Ashby de la Zouch
LE65 2UZ

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31 AUGUST 2024**

The Directors, who are also trustees of the charity and governors of the school, present their report and financial statements for the year ended 31 August 2024 and confirm they comply with the requirements of the Charities Act 2011 including the Directors' and Strategic Reports as required under the Companies Act 2006.

OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and provide for the advancement of education for public benefit and in connection therewith to conduct, carry out, acquire and develop in the United Kingdom or elsewhere, a school or schools to be run for the education of students and children of any gender.

Aims

The Leicestershire Independent Educational Trust (trading as The Dixie Grammar School) is a day school for pupils from the ages of 3 to 18. It aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. The School produces 'well rounded' individuals who are able to make a positive contribution to society. Our aim is to provide a rounded education to help pupils make their way in adult life.

Primary objectives

The primary objectives of The Dixie Grammar School to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Dixie education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately; and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

Our key strategies in delivering each of the School's primary objectives include:

- Periodically reviewing the provision of teaching space across both the Senior and Junior school sites and investing in a rolling programme of refurbishment and upgrade.
- The provision of a clear pastoral structure in which every child is known.
- Creating an environment in which all students have responsibility for others' welfare and in which our older students have clear pastoral leadership responsibilities for more junior pupils.
- Making explicit the expectation that all staff will contribute to the extra-curricular programme.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31 AUGUST 2024**

- Encouraging students to show leadership in a variety of ways: through taking assemblies, initiating fundraising ideas, starting extra-curricular clubs and societies, becoming maths leaders, sports leaders, encouraging senior school students to take a lead with those at the junior school during whole school events.
- Running and actively promoting 'student voice' through our student council, senior prefects and the 'Ashworth Board' – a board on which students can voice concerns or request improvements to school life.
- Providing bursary and scholarship funds in line with Charity Commission guidelines, including via the Heathcote Legacy, thereby allowing us to widen access to the school.
- Periodically reviewing our management structure and ensuring that we provide clarity to lines of accountability and responsibility.
- The curriculum is kept under continual review and adaptations are made each year to ensure that the children are best supported.

Principal Activity

The principal activity of the school is the delivery of education to pupils ranging from 3 to 18 years of age. We also run a popular summer school over 3 weeks in the summer holidays. Pupil numbers at the school at the start of each academic year were as shown below.

	<u>2023/2024</u>	<u>2022/2023</u>	<u>2021/2022</u>
Senior School	315	303	298
Junior School	131	133	143
Nursery (FTE)	19	17	21
Total	465	453	462

Pupil numbers subsequently increased to 473 in January 2024, and 477 in January 2025.

Public Benefit

Within the objects, the School aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first-class independent education and a wide range of sporting, leadership, musical and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community that they are part of.

In the furtherance of these aims The Dixie Grammar School Governors, as charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our School is a part of a wider community and we are keen that our staff and pupils participate. Our school also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our Governors are committed to developing, where possible, cooperation and joint working with local maintained sector junior and secondary schools.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2024

The Dixie Grammar School provides significant benefit to the public. It strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Achievements and Performance' below.

Parents of pupils at the school often make significant sacrifices to pay the fees. In educating an average of 450 UK based school age pupils, parents help considerably in relieving HM Government of the financial burden of paying for their children's education through general taxation. This saved HM Government the sum of £3.3 million based on the school funding statistics per the government gateway website which state the funding received per pupil for the 2023-24 academic year was £7,460 per pupil per annum.

Bursaries

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means, we use the methodology promulgated by the Independent Schools' Bursars Association, which takes a comprehensive range of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. We do not enjoy the ownership of any permanent endowments and in funding our awards, we therefore have to be mindful that we must ensure a balance between our fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

We also need to be mindful as to affordability for the Charity as we have had a period of not being able to generate any surplus, albeit this year we generated a surplus. We do though have the support of the legacy of the late Bernard Heathcote, a former pupil of the school, to assist with our provision. We are grateful to the NFL Trust, one of the wider educational charities, who continue to provide support to a pupil at the school. Finally, the Dixie Educational Foundation (a registered Charity), historically generously financially supported pupils at the Dixie.

The Bernard Heathcote Committee (Bursary Panel) meets annually to grant bursarial awards for the forthcoming academic year. It also meets in year as necessary. The bursary awards range from 5 % to 100 % remission of fees. Information about fee assistance through bursaries is provided to all applying to the school. The Bursar, in concert with the Headmaster, periodically reviews *in place* awards, making adjustments as deemed appropriate. Full details of our bursary policy and how to apply are available on the School's website.

Scholarships

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of other exceptional abilities, thereby allowing contribution to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor. The availability of scholarship awards is advertised on our website.

Scholarships are awarded with a fixed remission of fees of up to £1,000 per annum. Where further assistance is required, awards can be supplemented through a bursary.

The progress of pupils receiving scholarships is reviewed annually, to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of such reviews.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31 AUGUST 2024**

Review

The school includes details of the various concessions in its prospectuses and on the website. All parents making enquiries about possible entry are provided with a description of the criteria for bursaries and scholarships. The budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school. The Bernard Heathcote Committee (Bursary Panel) is the authority for all bursaries. The criteria and policies relating to concessions are kept under Governor periodic review.

ACHIEVEMENTS AND PERFORMANCE

The Promotion of Education

During the year we educated over 470 children between the ages of 3 and 18. The School provides a very high standard of education and this is validated in a review of the academic results, our measurements of added value and through external inspection. Our most recent ISI Inspection took place in February 2022 and again graded the School as fully compliant with the Independent School Regulations and judged the educational quality as Excellent across all the inspection criteria, maintaining the previous excellent grading of educational quality in 2015. The school offers a broad curriculum and educates children with a range of ability. We are able to demonstrate excellence across the curriculum and in a wide range of extra-curricular activities, including:

- Music and Musical theatre examinations in which 27 students in Years 6 and above achieved awards, 18 at grade 1 and above and 1 at the coveted grade 8 distinction. 8 students achieved school Music Honours.
- 30 pupils were awarded Merit or distinction passes in the LAMDA Level 1 Speaking in public.
- Our Equestrian Club, including over 70 students from ages 8-18 represented the Dixie on the local and national stage, winning several prestigious events, including 3 winter national British Showjumping Schools National titles.
- Some 34 students were awarded bronze, silver and gold medals in the Primary, Junior, Intermediate and Senior UK Mathematics Trust Maths challenges, with two students qualifying for the next round in the Senior and Intermediate Challenges. Of note, two of these awards were at gold level.
- A total of 28 students were awarded bronze, silver and gold medals in the Biology, Chemistry and Physics Olympiads. 44 students were awarded a distinction in the Bebras international computational challenge, with 27 in years 7 and 8 awarded a merit. 8 pupils were awarded a Bronze medal in the Inspiring Digital Enterprise Award.
- Our photographic competition attracted entries from well over 100 students and our Young Enterprise Company, The Pawesome Bag Company produced an ethically sourced, environmentally conscious 'grab and go' bag for dog walkers. The company secured the county award for sustainability.
- The Duke of Edinburgh Award scheme continues to grow in popularity, as part of our outdoors programme, which runs from a Forest School in the Pippins Nursery to World Challenge in our Sixth Form. Thirty Awards were completed this academic year at Bronze level, four at Silver, and six at Gold.
- Our Business and Entrepreneurship Award, generously sponsored by one of our parents, saw a strong field of applicants from five teams. The judging panel posed questions to candidates and came from a variety of industries and specialisms. Product entries included a product for those with sensory needs (Sensory Secure), a memory bank to capture special events (Every Day Bag) and a healthy food mix for pets (Blue's Bakes). The winning company, Moreish Marshmallows had an order form on every seat at our annual prizegiving ceremony.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2024

- A significant number of students achieve major sporting honours through the Independent School Association competitions, at both regional and national level and in county and national competitions. During 2023/24 24 pupils represented the Dixie on the national swimming stage, thirteen students achieved national cross-country honours including county champion, with forty achieving national representative honours in athletics, with achieving national gold medal awards. Two pupils have county representative honours in football, three in hockey, two in cricket, one in golf, one in roller-hockey and one in tug-of war. One pupil has national level representation honours in sailing, and 2 in karting, one in karate. Fourteen pupils have national representative honours in equestrianism, 3 in tennis and 5 in skiing, including a national first place award. One pupil took part in the cheerleading World Championship. Twenty pupils have national representative honours in gymnastics, and 7 in the triathlon, including one national champion.

Academic Results

Our small group sizes, expert tuition and individual support ensure that every individual realises their own potential. We are proud of our external examination results, and particularly in our record of securing places for individuals at their first-choice university.

	cumulative %
A Level results 2024	
A*	11
A	34
B	62
C	86
D	95
E	99

GCSE Results Average 2022 - 2024 (%)	
9	13
9/8	26
9/7	45
9/6	62
9/5	79
9/4	90

We are of course incredibly proud of these impressive results, but more so of the value-added data, which shows that the value added by the Dixie is on average more than one grade for every GCSE taken, when compared to all schools nationally, ranking us in the top 10% of all schools for value added. The Dixie is, however, about far more than external exam results. We help develop young people who respect and care for others, have resilience and courage for their futures and are committed to all they engage in. Our newly defined values of Respect, Resilience, Courage, Commitment and Care are more explicitly embedded in our work as a school this year.



Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31 AUGUST 2024**

Improving Facilities

We continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. During the 2023-24 academic year we signed a long-term extension to our existing lease at the Senior School Site with the Dixie Educational Foundation.

The ongoing refurbishment work programme notably included the Design Studio at the Senior School, redecoration of classrooms at the Junior School (Year 1 to Year 5), and the re-tarmac of a car-park at the Junior School which has become a new playground during the school day.

Community

Through development of, and provision of access to new facilities, the school remains at the heart of the community. Facilities made open to the public include:

- The School Hall - used for local groups including choirs, cinema clubs, charity fundraisers, the Market Bosworth Festival and other societies, including the Rotary Club
- Our Music facilities are made available to local choirs
- The school has run a programme of Mandarin classes free to members of the local community
- Sports facilities – used by the local community

Outreach

We operate an arrangement with five primary schools in the local area whereby we provide use of our expertise in Mandarin to help enrich their educational provision.

Our Duke of Edinburgh programme in the senior school requires students to take community based projects. This year students have volunteered to work in a range of businesses and charities.

Our Intergenerational care community project in Year 6 which gives Year 6 students the opportunity to visit a local care home on a weekly basis has continued to thrive. Games, information sheets and letters have been written to and from residents of the care home and this continues to be an important part of our community contribution.

The School continues to develop wider community links. In addition to the facilities listed above, we have a programme of widening educational access to our facilities, at fee rates below commercial levels, including the use of our impressive sporting facilities.

Charitable Activities

As well as supporting the local community, pupils and staff support schools in Africa and Madagascar through World Challenge and further afield as part of our International Schools Award, which recognises our commitment to global education. We have undertaken specific fundraising for projects and a number of our pupils have been to the countries to help in development of educational projects. The school community takes part in a wide range of sponsored events and other fundraising activities.

FINANCIAL REVIEW

Results for the Year

The results for the year ended 31 August 2024 are shown in the Statement of Financial Activities on page 20. This, together with the balance sheet on page 21, should be read in conjunction with the related notes which have been prepared in accordance with the Charities SORP 2019 (FRS 102).

Total income (excluding the exception item) for the year amounted to £6,640,209 (2023: £5,954,958). The principal source of funding continued to be tuition fees. Total expenditure for the year amounted to £6,087,114 (2023: £5,934,380). A breakdown of expenditure is set out in the notes to the financial statements.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2024

After transfers between funds, there was a surplus on unrestricted funds for the year totalling £695,077 and a surplus on restricted funds totalling £22,382. This has resulted in a total increase in funds for the year of £717,459. The funds for the charity at the year end totalled £2,865,655, which comprise restricted funds of £782,078 and unrestricted funds of £2,083,577 of which £274,388 has been designated leaving £1,809,189 of general funds.

This is a considerable achievement following the myriad of challenges presented by the aftermath of COVID-19 and other global events that contributed to significant inflationary pressures. The wider Independent Schools Sector has continued to face a wide range of challenges resulting from governmental, political and economic strategy. The Governors continue to closely monitor what the short-term and long-term impacts may be. In response to this, a consultation with teaching staff commenced in January 2023 in respect of a possible exit from the Teachers' Pension Scheme and its replacement with a defined contribution scheme. The outcome resulted in the School withdrawing from the Teachers' Pension Scheme with effect from 31 August 2023. All teaching staff supported the change and acknowledged the benefit it would bring in the short and long term. The results for the year ended 31 August 2024 are the first to reflect these changes, and have significantly improved the financial performance of the school, together with Pupil numbers continuing to increase.

During the year some land that was not being used by the School, nor was in the future plans of the School, which was under a farming business tenancy agreement was sold to reinvest the proceeds in the long-term strategic development of the school site. The net profit on the sale of the land was £164,364. The net proceeds of £197,364 has been designated to the School Site Development Fund (as shown in note 18 to the financial statements).

The Directors wish to have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. However, it is the key intention of the Board that the School will continue to invest prudently in its buildings and facilities, as well as its staff and the Board will ensure that any future surplus income will be so appropriately deployed to benefit current pupils whilst securing sustainability.

Reserves Policy

It has been the School's policy to utilise funds to ensure that high quality, up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the school without the requirement to have recourse to sales of tangible fixed assets. The Dixie Grammar School plans to fund longer-term capital expenditure and meet long-term liabilities through careful management of resources and investments and through building reserves through operations and trading. It will also seek to avail itself of further borrowing from its bankers, NatWest Bank, with whom it has a long-standing relationship. The Governors' medium term aim is to make an overall surplus of a minimum of 5% of net fee income to allow for its continued development. This aim was met for the year ended 31 August 2024.

In common with most independent schools, and due to having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total net assets of £2,865,655 at the year-end included £2,083,577 of unrestricted funds and £782,078 in restricted funds. Fixed assets held for charity use total £3,351,864. The school's financial viability does not depend on income reserves but in its ability to continue to operate at a surplus on an annual basis, together with its portfolio of fixed assets held for operational use.

The company's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for its direct charitable activities.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31 AUGUST 2024**

Principal Risks and Uncertainties

The Governing Body is responsible for the identification and management of risks. The major risks, to which the Charity is exposed, as identified by the Governors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the management team and is overseen by the relevant sub-committee of the Governing Body. A comprehensive Risk Register is in place and this is used as both a management tool as well as a monitoring device for the Governing Body, with it being a standing item on every committee meeting.

The Governors have previously considered the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school, which of course has been exacerbated by the COVID-19 pandemic and more recently the cost of living crisis resulting from a long-sustained period of high inflation. For some years, the Governors regarded the introduction of VAT on tuition fees and withdrawal of the charity business rates relief, under a Labour government, to be a principal risk. The School has remained vigilant and proactive in monitoring and preparing for these changes ahead of the new Labour Government's first budget in October 2024 enacting these changes. The change in Employer's national insurance costs contributions at the budget adds a considerable costs burden to the School from April 2025. In light of all these changes the principal risk is parental affordability which could lead to a reduction in pupil numbers. With this in mind governors have been able to shield parents from the full increase in fees for VAT and absorb the cost in year of the loss of charitable business rates relief and change in employer national insurance costs. The School was able to afford this by the strategic decisions made in previous years, namely the withdrawal from the Teachers' Pension Scheme. The Governing Body carefully considers the level of fee increase, taking due account of what competitor schools are charging and the cost of inflation the School faces.

Despite these threats, over a number of years it has been pleasing to see pupil numbers increase over recent years (page 4) and pupil numbers continue to grow at the time of the approval of the accounts. This continued confidence in the School bodes well and is credit to the Headmaster and his staff for the strength of the Dixie educational offering. This is well illustrated both in our examination results and the quality of the wider offering, all commented upon earlier in this Director's Report.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the School is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

Other principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas include:

- the market in which the School operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our School.
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the School meets expectations.
- the School operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools' Council also ensure that we have access to up to date information and support.
- the School operates in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges.
- all organisations face difficult economic conditions and directors and senior managers in the School keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2024

The key controls used by the school include:

- formal agendas and minutes for all meetings of the Governing Body and committees;
- a comprehensive Risk Register;
- terms of reference for all committees, all periodically reviewed;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines which are regularly reviewed;
- comprehensive formal written policies;
- clear authorisation limits;
- vetting procedures, as required by law, for protection of the vulnerable.

Financial risk management objectives and policies

The School uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the School's operations.

The main issues arising from the school's financial instruments are liquidity risk and interest rate risk.

The Governors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the School seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks and other lenders;
- Interest rate risk – the School finances operations through a mixture of retained surpluses, and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities and re-negotiating the terms of any loan, when necessary or thought sensible. All loans are underwritten by charges on assets so as to deliver the competitive borrowing costs.

Going Concern

Taking account of the remaining CBILS loan, together with the current growth in pupil numbers and adjustments to the cost base of the business (for the 31 August 2024 financial year), prudent forecasts have been prepared that show that the Charity has adequate reserves to meet in full the Charity's financial obligations as they fall due. Our Bank continues to be supportive in respect of existing borrowing, all of which is being repaid to commitments.

Additionally and importantly, interest in the school, principally at the senior level remains healthy both in the current academic year and also for September 2025. This is reflected in pupil recruitment and retention. Accordingly the Directors believe it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

FUTURE PLANS

The key objectives of the current Strategic Plan are contained in the Dixie 2030 Vision document, which contains both short and medium term actions to be implemented, all with responsible owners. This document was reviewed at the Strategy Development Committee. Key extracts from the subject document are detailed below.

Our *Core Purpose* is defined as – To provide an excellent education for all students at the Dixie Grammar School.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2024

Our *Mission Statement* is defined as – To provide excellent growth opportunities for all members of the whole Dixie Community.

- Academic excellence – continuing to exceed expectations for all pupils.
- Active engagement of pupils in Sport, Music, Adventure and the Student/School Council.
- Provide opportunities for appreciation of international perspectives and travel.
- For pupils, experience of charitable work in the local community and overseas.
- Continued growth in pupil numbers, taking account of local demographic and other changes.
- Construction of the new Sixth Form Centre/facilities.
- Place the School as the school of *first choice* in the catchment area.
- Be recognised in the local community as core to the long-term success of Market Bosworth.
- Fully exploit the educational and financial benefits of collaboration, building on the initial work with Stafford Grammar School.
- Surpluses of 5% of net fee income in the medium term, whilst in the short term a surplus of 2.5% of net fee income.
- The School to be able to continue to attract and retain high quality teaching and support staff.

Overall, the Directors seek to ensure the medium-term viability and success of the School.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 18 September 2009, replacing those dated 22 July 1983. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner that is legally charitable. The principal object for which the charity was established is to promote and provide for the advancement of education and to carry on, acquire and develop schools.

Governing Body

The Governors are the Directors and charitable trustees of the company and comprise the Governing Body of the Dixie Grammar School. They are elected to hold office for periods as defined in the Articles of Association. The school is governed by the Governing Body, which operates using a number of committees. The Governing Body meets a minimum of 3 times each year, usually termly. Since COVID-19, the Board has met both in person and remotely via Video Conference and the Board and Committees have also evolved an effective hybrid approach to meetings, as circumstances of the Board and individuals dictate. In order to further strengthen governance, one person is co-opted onto the FFP Committee and another to the Marketing, Brand and Culture Committee. The Governing Body has recently undertaken a recruitment exercise both to further strengthen the Board but also to provide replacements for longer serving governors who have elected to stand down since the year end.

The company holds trustees' and officers' insurance on behalf of the Directors. None of the directors have any beneficial interest in the company.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2024

Recruitment and Training of Governors

All Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The Governing Body looks to ensure a mix of skills and select new governors on the basis of background, competence and specialist skills. Following a Board skills audit in 2020, a number of new appointments to the Board were made. In May 2022 a review was completed through AGBIS and actioned accordingly.

Governors are provided with induction training from the Head, Bursar and staff and a wider programme of training events is organised by the Association of Governing Bodies of Independent Schools (AGBIS), which governors are encouraged to (and indeed do) attend.

Where possible the Governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with marketing experience.
- A Governor with experience of equal opportunities or disability needs.
- A balance of gender and ethnicity
- A Governor residing in the catchment area of the School.
- A number of parent governors.

Of course, any one Governor may have one or more of these skills/attributes.

Volunteers

Governors are volunteers, providing their time on a pro bono basis to support the effective governance of the school. The school also relies on a number of others to undertake volunteer roles, including members of the local Rotary club who give their time in helping our Upper Sixth prepare for university interviews. Also, members of Bosworth in Bloom give their time in assisting our programme of tree-planting as part of our outdoors programme. This is greatly appreciated. Finally, from time to time, other local people offer their time to the school in support of school activities, which underscores the place of the School in the centre of the local community, something we take pride in.

Organisational Management

The Governing Body provides governance and oversight of the School. It delegates its work to a number of committees. Membership of each committee is outlined below and committees meet a minimum of once per term, with the Finance, Facilities and Personnel Committee meeting a minimum of twice each term. The Directors determine the general policy of the company. The Governors' Manual is based upon an AGBIS template and has been utilised to improve Board effectiveness and to allow the better and timely induction of new governors.

Finance, Facilities and Personnel (FFP) Committee – the FFP Committee's remit is to consider budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It makes recommendations regarding fee levels to the full Governing Body. It also considers financial policies and financial regulations. It is responsible for overseeing governance, internal control and risk. It does this through consideration of audit management letters and other reports relating to governance and control of the School. It reviews relevant school policies. It also develops the school's people strategy, and considers matters such as pay and benefits, pensions, staffing levels and recruitment and training. With regard to pay, remuneration policy is reviewed annually. Finally, it monitors health and safety and reviews relevant school policies. It reports to, and makes recommendations to, the Governing Body for approval.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* **YEAR ENDED 31 AUGUST 2024**

Education Committee – the Education Committee is responsible for oversight of the academic performance of the School and educational policy, making recommendations to the Governing Body for approval. It reviews relevant school policies and has a key focus on safeguarding and pupil well-being. The Chair of the Committee works closely with the School Safeguarding Lead.

Strategy Development Committee – the Strategy Development Committee makes recommendations to the Governing Body regarding the strategic direction of the school and is responsible for considering the Governing Body's strategic plan in appropriate detail. It makes recommendations to the Governing Body for approval. Away Days were held in January 2020 and 2021 to debate and determine the school's medium-term strategy. This delivered some very useful outcomes, the latter looking to the impact of Covid. It includes members of the School's Senior Leadership Team. The latter event importantly developed a Dixie 2030 Vision and the associated short and medium terms action plans to develop this vision. The Board owns the Strategy and will monitor implementation of these plans.

Marketing and Communications Committee – this Committee is responsible for external and internal communications, complaints and compliments, marketing and advertising, the School website and public relations. It makes recommendations to the Governing Body for approval. It also reviews relevant school policies.

At the June 2024 Full Board meeting, the following changes arose to the name of the committees:

- Full Board meetings would be renamed Full Board Strategy and Risk, to ensure that overall ownership of strategy and risk sits with The Governing Body in its entirety.
- The Strategy Development Committee was dissolved following successful completion of key strategic plans.
- The Marketing and Communications Committee would be renamed Marketing, Brand and Culture.

The daily management of the company is delegated to the Headmaster and his Senior Leadership Team, as the key management personnel, overseeing the educational, pastoral and administrative functions of the School. The daily administration is undertaken within the policies and procedures approved by the Governors, which requires only significant expenditure decisions and major capital projects to be referred to them for prior approval, unless forming part of the approved annual budget.

The Headmaster oversees the recruitment of all educational staff, whilst under delegated authority; the Bursar oversees the recruitment of the support staff. All HR activity is the responsibility of the professionally qualified HR Manager. The Headmaster and Bursar were invited to attend all governor meetings.

The remuneration of key management personnel is set by the Governing Body, under the auspices of the Remunerations Committee (a sub-committee of FFP), chaired by the Chair of Governors, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success. Similarly, the FFP Committee develop the pay policy for the teaching and support staff, which is agreed by the full Governing Body.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. This includes pension provision for both teaching and support staff. In the context of pensions, following a successful consultation with teaching staff, the School has withdrawn from the Teachers' Pension Scheme (TPS) to a defined contribution arrangement with effect from 31 August 2023. Many other Independent schools have already left TPS and others are either considering or in consultation to do so.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence, with staff costs being the largest single element of our charitable expenditure. Delivery of the school's charitable vision and purpose is primarily dependent upon our key management personnel.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2024

Group Structure and Relationships

The School has developed links with a wide range of organisations to ensure the widest possible access to our facilities and schooling. Through membership of ISC/ISA/ISBA/AGBIS and through networking with peer groups, we ensure that we are able to attain the highest standards of quality and performance. We encourage our pupils to develop an awareness of the social context of the all-round education they receive at the School and they are engaged in a number of activities to enhance their understanding. We retain the aim of developing an alumni group, to support the School in the years ahead. We also cooperate with other charities in our on-going endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled. We provide full and fair consideration of applications for employment of disabled persons, continuing employment and training of persons who become disabled, training, career development and promotion of disabled persons employed by the company.

Investment Policy and Objectives

The company's Memorandum and Articles of Association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Governors have taken legal advice with regard to the management of the Bernard Heathcote donation, which is used to support the provision of bursaries to widen access to the school for families who would otherwise not be able to benefit from the high-quality all-round education provided at The Dixie Grammar School. It remains their wish to continue to add funds to the Bursary Fund and to that end, encourages donations from alumni as well as the wider community.

OTHER MATTERS

AUDITORS

Cooper Parry Group Limited, having expressed its willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

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

Leicestershire Independent Educational Trust

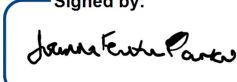
DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2024

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

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Signed by:

.....913EB6C0B4D3448...
Mrs J Fenton Parkes
Chair

Approved by the Board of Trustees on 21 March 2025.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2024

Opinion

We have audited the financial statements of Leicestershire Independent Educational Trust (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 August 2024 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Directors' 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 charitable company'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 Directors 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 directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2024

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 the audit:

- the information given in the directors' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the charitable company, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 15, the directors (who are also the directors of the charitable company for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2024

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

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

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

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

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

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

Use of our report

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



Kevin Hodgetts
Senior Statutory Auditor for and on behalf of Cooper Parry Group Limited
Chartered Accountants
Statutory Auditor
Sky View, Argosy Road, Castle Donnington, Derby DE74 2SA

Date: 14 April 2025

Leicestershire Independent Educational Trust

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31 AUGUST 2024

	Notes	Unrestricted Funds £	Restricted Funds £	Total Funds 2024 £	Total Funds 2023 £
Income from:					
Charitable activities					
School fees receivable	2	5,960,288	-	5,960,288	5,387,478
Ancillary trading income	3	563,490	-	563,490	501,143
Other trading activities					
Non-ancillary trading income	4	16,117	-	16,117	17,392
Other activities	4	4,412	-	4,412	7,311
Investments					
Bank and other interest	5	42,265	-	42,265	12,250
Donations and legacies					
Grants and donations	6	34,328	17,246	51,574	27,118
Other incoming resources					
Insurance claim		2,063	-	2,063	2,266
TOTAL INCOMING RESOURCES		6,622,963	17,246	6,640,209	5,954,958
Expenditure on:					
Raising funds					
Financing costs	7	59,188	-	59,188	63,149
Fundraising and development	7	585	-	585	830
Other costs	7	1,074	-	1,074	7,532
Charitable Activities					
Education and grant making	7	5,972,517	53,750	6,026,267	5,862,869
TOTAL EXPENDITURE		6,033,364	53,750	6,087,114	5,934,380
NET INCOME / (EXPENDITURE) before transfers		589,599	(36,504)	553,095	20,578
Exceptional item (profit on sale of land)	18	164,364	-	164,364	-
Transfers between funds	18	(58,886)	58,886	-	-
NET MOVEMENT ON FUNDS		695,077	22,382	717,459	20,578
Fund balances at 1 September 2023	18	1,388,500	759,696	2,148,196	2,217,618
FUND BALANCES AS AT 31 AUGUST 2024	18	2,083,577	782,078	2,865,655	2,148,196

The notes on pages 23 to 38 form part of these financial statements.

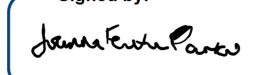
Leicestershire Independent Educational Trust

BALANCE SHEET AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
FIXED ASSETS			
Tangible assets	12	3,351,864	3,317,087
CURRENT ASSETS			
Stock		8,073	7,756
Debtors	13	202,880	258,275
Cash at bank and in hand		<u>2,516,330</u>	<u>1,225,154</u>
		2,727,283	1,491,185
CREDITORS: amounts falling due within one year	14	<u>(1,949,301)</u>	<u>(1,914,215)</u>
NET CURRENT (LIABILITIES)/ASSETS		777,982	(423,030)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,129,846	2,894,057
CREDITORS: amounts falling due after one year	15	<u>(1,264,191)</u>	<u>(745,861)</u>
TOTAL NET ASSETS		<u>2,865,655</u>	<u>2,148,196</u>
REPRESENTED BY:			
RESTRICTED FUNDS	18	782,078	759,696
UNRESTRICTED FUNDS	18		
General		1,809,189	1,351,476
Designated		274,388	37,024
		<u>2,865,655</u>	<u>2,148,196</u>

The financial statements were approved and authorised for issue by the Board on 21 March 2025 and signed on its behalf by

Signed by:


 913EB6C0B4D3448...
 Mrs J Fenton Parkes
 Chair

Company registration number 01751466

The notes on pages 23 to 38 form part of these financial statements

Leicestershire Independent Educational Trust

STATEMENT OF CASH FLOWS AS AT 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities:			
Net cash provided by operating activities	23	1,508,399	766,013
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	42,265	12,250
Purchase of property, plant and equipment	13	(281,324)	(446,479)
Net Proceeds on sale of property, plant and equipment		197,464	2,508
Net cash used in investing activities		(41,595)	(431,721)
Cash flows from financing activities:			
New bank loans		-	-
Repayments of borrowing		(175,628)	(290,386)
Net cash (used)/generated in financing activities		(175,628)	(290,386)
Change in cash and cash equivalents in the reporting period		1,291,176	(43,906)
Cash and cash equivalents at the beginning of the reporting period		1,225,154	1,181,248
Cash and cash equivalents at the end of the reporting period		2,516,330	1,225,154
Cash and cash equivalents consist of:			
Cash at bank and in hand		2,516,330	1,225,154

Analysis of changes in net debt

	At 1 August 2023 £	Cashflows £	Other changes £	At 31 August 2024 £
Cash at bank and in hand	1,225,154	1,291,176	-	2,516,330
Debt due < 1 year	(321,127)	175,628	(40,416)	(185,915)
Debt due > 1 year	(513,936)	-	40,416	(473,520)
	390,091	1,466,804	-	1,856,895

The notes on pages 23 to 38 form part of these financial statements.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

1. ACCOUNTING POLICIES

a) General information and basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. They are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

They comply with the requirements of the Companies Act 2006 and the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Leicestershire Independent Educational Trust meets the definition of a public benefit entity under FRS102.

The charity is a company limited by guarantee and without share capital, incorporated in the United Kingdom. The liability of the members is limited to £1 in the unlikely event of the charity being "wound up." The charity's registered office is noted on page 1.

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

b) Going Concern

The Governors have undertaken a full Going Concern Assessment. In doing so, they took full account of all external finance factors, future cash flows, dependencies on key counterparties, as well as both current and future pupil numbers. Key suppliers were also considered, as well as utility costs, and Contingent Liabilities and Guarantees.

They also scrutinised the Management Plans developed by the Executive and noted the strength of the on-going support for the School by its bankers and their continued willingness to support the existing borrowing, all of which is being repaid to commitments.

On this basis, the Governors are confident that the charitable company has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

c) School Fees Receivable and Similar Income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are held as cash at bank and in hand until either taken to income to match liabilities in the term when used, or else refunded. Estimating amounts to provide against recovery of debts is a matter of judgement.

d) Ancillary and Non-Ancillary Trading Income

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

e) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the school in case of donated services or facilities.

f) Expenditure

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are those that assist the work of the charitable company but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charitable company. Where support costs cannot be directly attributed to a particular heading they have been allocated on a basis consistent with the use of the resources.

g) Pension Costs

The charitable company participated in the Teachers' Pensions scheme up to 31 August 2023, which is an unfunded government scheme which provide benefits based on final pensionable pay. The funds of the scheme are separate from the charitable company, although the charitable company's share of the scheme cannot be identified as the scheme is a multi-employer scheme, and so the pension costs are accounted for as defined contribution schemes. The charitable company also contributes to defined contribution pension schemes for non-teaching staff and from 1 September 2023 the charitable company contributes to APTIS for teaching staff. See note 22 for further details.

h) Tangible Fixed Assets and Depreciation

Tangible fixed assets costing £500 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are stated at cost less depreciation.

The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost over its expected useful life, as follows:

Freehold land	- Not depreciated
Playing fields drainage	- 4% to 25% per annum on cost
Playing fields garage store	- 4% per annum on cost
Freehold buildings	
- permanent	- 2% to 4% per annum on cost
- temporary	- 25% per annum on cost
Leasehold improvements	- Over period of the lease
Furniture and equipment	- 10% to 20% per annum on cost
Plant and equipment	- 10% per annum on cost
Books and teaching equipment	- 20% per annum on cost
Motor vehicles	- 25% per annum on cost

Leicestershire Independent Educational Trust exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

i) **Financial Instruments**

Leicestershire Independent Educational Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Bank loans are a financial liability and are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

j) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

k) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

l) **Fund Accounts**

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 financial statements.

Unrestricted funds are available at the discretion of the directors to further the school's objects or to benefit the school itself. Where the directors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to a designated fund.

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

See note 18 for further details of all funds.

m) **Taxation**

Leicestershire Independent Educational Trust is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

n) **Redundancy payments**

Redundancy payments are recognised within the year the redundancy is announced.

o) **Judgments and key sources of estimation uncertainty**

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

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

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

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

Depreciation and residual values

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

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

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

2. CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

	2024 £	2023 £
The school fees income comprises:		
Gross fees	6,545,312	5,931,008
Less: scholarships, bursaries, etc	(585,024)	(543,530)
	5,960,288	5,387,478
	5,960,288	5,387,478

In both the current and prior year all income in relation to school fees receivable was unrestricted.

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2024 £	2023 £
Catering, music and transport income	386,233	351,967
Exam and registration fees, Before and after school club charges	53,097	44,157
Summer play scheme	39,507	37,398
Local authority funding and other income	84,653	67,621
	563,490	501,143
	563,490	501,143

In both the current and prior year all income in relation to ancillary trading income was unrestricted.

4. OTHER TRADING ACTIVITIES

	2024 £	2023 £
Non-ancillary trading income		
Lettings and hire	16,117	17,392
	16,117	17,392
Other activities		
Interest on overdue fees	1,557	2,372
Other	2,855	4,939
	4,412	7,311
	4,412	7,311

In both the current and prior year all income in relation to other trading activities was unrestricted.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

5. INVESTMENTS – BANK INTEREST

	2024 £	2023 £
Bank interest	42,265	12,250
	<u>42,265</u>	<u>12,250</u>

In both the current and prior year all income in relation to bank and other interest was unrestricted.

6. VOLUNTARY SOURCES – GRANTS AND DONATIONS

	Unrestricted £	Restricted £	2024 £	2023 £
Other donations	34,328	17,246	51,574	27,118
	<u>34,328</u>	<u>17,246</u>	<u>51,574</u>	<u>27,118</u>

In the prior year there was £25,240 of restricted income and £1,878 of unrestricted income.

7. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Depreciation (note 13) £	Support Costs £	Total 2024 £	Total 2023 £
Costs of raising funds					
Financing cost (note 9)	-	-	59,188	59,188	63,149
Fundraising and development	-	-	585	585	830
Other costs	-	-	1,074	1,074	7,532
Total cost of generating funds	-	-	60,847	60,847	71,511
Charitable expenditure					
Teaching	3,190,370	-	143,050	3,333,420	3,385,082
Welfare	-	-	40,202	40,202	21,917
Premises	141,654	128,767	513,749	784,170	768,364
School administration and governance	837,979	82,312	928,358	1,848,649	1,666,160
Prize giving	-	-	19,826	19,826	21,346
Total charitable expenditure	4,170,003	211,079	1,645,185	6,026,267	5,862,869
Total Expenditure	4,170,003	211,079	1,706,032	6,087,114	5,934,380

Total expenditure comprised of restricted expenditure of £53,750 (2023: £60,000) and unrestricted expenditure of £6,033,364 (2023: £5,874,380).

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

8. NET (OUTGOING)/INCOMING RESOURCES

	2024 £	2023 £
Net (outgoing)/incoming resources is stated after charging:		
Auditor's remuneration – audit fees	14,450	12,500
Auditors' remuneration - non-audit fees	2,200	2,000
Depreciation	211,079	304,642
Operating leases – land and buildings	100,769	87,905
Operating leases – other	12,962	10,814
Exceptional item – sale of land (profit on disposal)	<u>164,364</u>	<u>-</u>

9. FINANCING COSTS

	2024 £	2023 £
Bank interest	59,188	63,025
Lease finance costs	-	124
	<u>59,188</u>	<u>63,149</u>

10. STAFF COSTS

	2024 £	2023 £
The aggregate payroll costs for the year were:		
Wages and salaries	3,423,746	3,192,254
Social security costs	323,479	318,259
Other pension costs	422,778	559,709
	<u>4,170,003</u>	<u>4,070,222</u>

Included in the total staff costs above were redundancy payments of £nil (2023: £13,554).

Included in total staff costs are termination payments that were paid in the year totalling £6,013 (2023: £3,000).

None of the directors received remuneration or other benefits from the Leicestershire Independent Educational Trust or from any connected body.

Aggregate employee benefits * of key management personnel	<u>819,040</u>	<u>678,029</u>
Number of employees classed as key management personnel	<u>10</u>	<u>11</u>

* Including salaries and wages, other benefits, employer pension contributions and employer National Insurance contributions.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

10. STAFF COSTS (continued)

The number of higher paid employees whose annual emoluments (excluding pensions) were £60,000 or more was:

	2024	2023
	No	No
£60,001 - £70,000	3	1
£90,001 - £100,000	-	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-

The average number of employees during the year was:

	2024	2023
	No	No
Teaching	58	63
Office and non-teaching	43	41
	101	104

The average number of employees during the year calculated on a full-time equivalent basis, was 82 (2023: 88).

11. DIRECTORS

No Directors received any remuneration during the year or in the prior year. During the year, seven directors had between them ten children attending the school (2023: seven directors and eleven children). Directors do not receive any preferential fee rates. Scholarships totalling £2,500 were awarded to children of directors attending the school (2023: £2,500) in accordance with the school's usual criteria and processes.

Governance included in support costs

Leicestershire Independent Educational Trust reimburses governors for out of pocket expenses including travel, subsistence and accommodation, where a claim is made. One trustee (2023: No trustees) were reimbursed during the year for expenses totalling £227 (2023: £nil).

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

12. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Furniture & Office Equipment £	Books & Teaching Equipment £	Plant & Motor Vehicles £	Total £
Cost						
At 31 August 2023	3,763,839	1,380,713	564,775	195,953	79,060	5,984,340
Additions	82,382	110,846	76,531	11,565	-	281,324
Disposals	(33,000)	-	(13,605)	(11,460)	-	(58,065)
At 31 August 2024	3,813,221	1,491,559	627,701	196,058	79,060	6,207,599
Depreciation						
At 31 August 2023	1,410,081	613,764	383,357	186,283	73,768	2,667,253
Charge for the year	108,981	19,786	68,731	8,290	5,291	211,079
Disposals	-	-	(11,137)	(11,460)	-	(22,597)
At 31 August 2024	1,519,062	633,550	440,951	183,113	79,059	2,855,735
Net book value at 31 August 2024	2,294,159	858,009	186,750	12,945	1	3,351,864
Net book value at 31 August 2023	2,353,758	766,949	181,418	9,670	5,292	3,317,087

All assets are used for charitable purposes.

The value of the playing fields and Temple Hall land, which are not depreciated, is £470,500 (2023: £503,500).

There were no assets held under finance leases at the balance sheet date.

13. DEBTORS

	2024	2023
	£	£
Trade debtors	24,408	31,722
Other debtors	20,294	43,372
Prepayments and accrued income	158,175	183,181
	202,877	258,275

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

14. CREDITORS: amounts falling due within one year

	2024 £	2023 £
Bank loans and overdrafts	185,915	321,127
Net obligations under finance leases	-	-
Trade creditors	255,337	271,244
Taxation and social security	81,331	79,745
Other creditors	182,313	228,793
Fees in advance scheme	292,480	43,471
Fees received from parents in advance of term	797,069	674,769
Accruals	129,641	276,401
Deposits from parents	25,215	18,665
	1,949,301	1,914,215

National Westminster Bank Plc holds a first legal charge over assets owned by the charitable company. There are currently four bank loans.

The first bank loan is repayable by annual instalments of £30,000 (£10,000 per school term). The final balance is repayable on the last day of the loan term of 1 October 2024. Interest is charged at 1.5% above base rate. The loan is secured on the freehold land and buildings.

The second bank loan is repayable by 120 monthly instalments of £1,558. The interest rate has been fixed. The loan is secured on the freehold land and buildings.

The third bank loan is repayable by monthly instalments of £2,102 and a final instalment of an amount sufficient to repay the loan and interest in full, the first instalment is due 11 months after the loan commencement date of 1 February 2020 and the full loan repayable within 60 months. The loan is secured on the freehold land and buildings.

The fourth bank loan is a CBILs loan repayable by 60 monthly instalments of £12,500 from 1 September 2021. There were capital repayments of £250,000 in August 2021 and £100,000 in February 2023. The loan is secured on the freehold land and buildings.

Obligations under finance leases and hire purchase contracts were secured on the related plant and motor vehicles.

15. CREDITORS: amounts falling due after one year

	2024 £	2023 £
Bank loans	473,520	513,936
Deposits from parents	166,035	150,770
Net obligations under finance leases	-	-
Fees in advance scheme	624,636	81,155
	1,264,191	745,861

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

16. BANK LOAN

	2024 £	2023 £
The bank loans are repayable in instalments:		
Due after 5 years	28,532	-
Due within 2 to 5 years	56,083	122,093
Due within 1 to 2 years	<u>388,905</u>	<u>391,843</u>
Due after more than one year	473,520	513,936
Due within 1 year	185,915	321,127
	<u>659,435</u>	<u>835,063</u>

17. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. Contributions may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2024 £	2023 £
Within 2 to 5 years	331,828	61,417
Within 1 to 2 years	292,808	19,738
	<u>624,636</u>	<u>81,155</u>
Within 1 year	292,480	43,471
	<u>917,116</u>	<u>124,626</u>

Summary of movements in liability

	£
Balance at 1 September 2023	124,626
New contracts	835,961
Amounts used to pay fees	<u>(43,471)</u>
Balance at 31 August 2024	<u>917,116</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

18. FUNDS

RESTRICTED FUNDS	At 1 September 2023 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2024 £
Bursary Fund	-	-	-	-	-
The Bernard Heathcote Foundation	753,196	400	(50,000)	58,886	762,482
Station Road Development	6,400	-	-	-	6,400
Willis Memorial Scholarship	-	13,096	-	-	13,096
Staff welfare fund	100	-	-	-	100
STEM donation	-	3,750	(3,750)	-	-
	<u>759,696</u>	<u>17,246</u>	<u>(53,750)</u>	<u>58,886</u>	<u>782,078</u>

RESTRICTED FUNDS PREVIOUS YEAR	At 1 September 2022 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2023 £
Bursary Fund	2,886	-	-	(2,886)	-
The Bernard Heathcote Foundation	785,070	25,240	(60,000)	2,886	753,196
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>794,456</u>	<u>25,240</u>	<u>(60,000)</u>	<u>-</u>	<u>759,696</u>

The Bursary Fund has been established in order to assist with financing future bursaries awarded by the school.

The Bernard Heathcote Foundation has been formed as a result of the generous donation from the late Bernard Heathcote, a former Head Boy of the School. It is to be used for the provision of bursaries to support children who would benefit from a Dixie Grammar School education.

Station Road development is a scheme to consider the redevelopment of the main school campus site at Station Road, Market Bosworth.

Staff welfare fund is a donation to be used for the benefit of the staff.

Willis Memorial Scholarship fund is a donation to provide a scholarship for sixth form pupils to enable them to participate in foreign travel.

STEM donation fund was a donation to fund certain expenditure in these subject areas.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

18. FUNDS (continued)

UNRESTRICTED FUNDS	At 1 September 2023 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2024 £
General	1,351,476	6,787,327	(6,033,364)	(296,250)	1,809,189
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	40,000	56,379
School Site Dev Fund	-	-	-	197,364	197,364
	<u>1,388,500</u>	<u>6,787,327</u>	<u>(6,033,364)</u>	<u>(58,886)</u>	<u>2,083,577</u>

UNRESTRICTED FUNDS	At 1 September 2022 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2023 £
General	1,296,138	5,929,718	(5,874,380)	-	1,351,476
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,333,162</u>	<u>5,929,718</u>	<u>(5,874,380)</u>	<u>-</u>	<u>1,388,500</u>

Myra Pedley Fund

These funds were donated to the charitable company to be utilised by the directors at their absolute discretion, but with the hope that they would be used for the refurbishment of the school library. The directors therefore designated these funds for the refurbishment of the library.

Sports Facility Fund

The directors have allocated these funds for the maintenance of the sports facilities of the school.

School Site Development Fund

The directors have designated the net proceeds from the sale of the land.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	General £	Designated £	Restricted £	2024 £
Tangible fixed assets	3,351,864	-	-	3,351,864
Interfund loan	(762,482)	-	762,482	-
Net current assets	483,998	274,388	19,596	777,982
Long term liabilities	(1,264,191)	-	-	(1,264,191)
	1,809,189	274,388	782,078	2,865,655

The interfund loan represents the cash used by the school to support its unrestricted activities. An element of interest has been transferred into the restricted fund to represent the amount that would have been paid had an external loan been taken out by the school.

ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	General £	Designated £	Restricted £	2024 £
Tangible fixed assets	3,317,087	-	-	3,317,087
Interfund loan	(753,196)	-	753,196	-
Net current assets	(466,554)	37,024	6,500	(423,030)
Long term liabilities	(745,861)	-	-	(745,861)
	1,351,476	37,024	759,696	2,148,196

20. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2024 the charitable company has total minimum lease payments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2024 £	2023 £	2024 £	2023 £
Expiry date:				
Within 1 year	95,596	95,596	20,952	12,893
Between 2 and 5 years	382,384	297,788	44,776	27,420
After 5 years	361,484	34,100	-	-
	839,464	427,484	65,728	40,313

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

21. RECONCILIATION OF NET (EXPENDITURE)/ INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2024 £	2023 £
Net income for the reporting period	717,459	20,578
Depreciation charges	211,079	304,642
Dividends, interest and rents from investments	(42,265)	(12,250)
Profit on the sale of fixed assets	(161,996)	(764)
(Increase) / decrease in stock	(317)	1,238
(Increase) / decrease in debtors	55,396	14,675
Increase / (decrease) in creditors	729,043	437,894
Net cash provided by operating activities	1,508,399	766,013

22. PENSION SCHEMES

Defined Contribution Schemes

The School contributes to three defined contribution schemes administered by NEST and Royal London which are for the benefit of eligible support staff and the Aviva Pension Trust for Independent Schools scheme (APTIS) which is for the benefit of eligible teachers. Following a consultation, the School withdrew from the Teachers' Pension Scheme from 31 August 2023 and all teaching staff supported the change to the APTIS pension scheme. The pension cost charged in the accounts is the amount payable by the School during the year which amounted to £422,778 (2023: £20,947). Contributions totaling £50,636 (2023: £4,375) was accrued in respect of these schemes at the year end.

Teachers' Pension Scheme (prior year)

In the prior year, the School participated in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the prior year included contributions payable to the TPS of £538,762 and at the prior year year-end £48,073 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.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Government Actuary's Department on 27 October 2023 and by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

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

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2024

22. PENSION SCHEMES (continued)

- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of Consumer Price Index.

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

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

The school exited the scheme on 31 August 2023.

23. RELATED PARTIES

Mrs N Marsh, the spouse of Mr J A Marsh, a director, was employed by the school during the year in an administration role. Their appointment was made in open competition in line with the school's usual recruitment policies and Mr J A Marsh was not involved in the decision making process regarding the appointment. Mrs N Marsh is paid within the normal pay scale for their role and received no special treatment as a result of their relationship to a director in accordance with the Memorandum and Articles. The school also obtained the approval from the Charity Commission for the appointment.

There were no other related party transactions during the year (2023: none), except for those directors' transactions included in note 11.

LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST

England & Wales - Charity number 514407

Accounts

Charity Registration No. 514407

Company Registration No. 01751466 (England and Wales)

**LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST
(OPERATING AS THE DIXIE GRAMMAR SCHOOL)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023**

Leicestershire Independent Educational Trust

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Leicestershire Independent Educational Trust

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2023

DIRECTORS AND ADVISORS

Directors

Mrs J Fenton Parkes (Chair)
Mr M Ashfield (Vice Chair from 30 June 2023)
Mr P J Bowman
Mr S D Boyes
Mr D M Jinks (appointed 8 December 2023)
Mr A S Hall (resigned 7 July 2023)
Dr C H Kendall (resigned 8 December 2023)
Mrs S L Kennedy
Mr J A Marsh (appointed 30 June 2023)
Professor M Mihsein
Ms L M Pittwood
Mrs K McIntyre (appointed 30 June 2023)
Mr I A Smith (Vice Chair) (resigned 8 December 2023)
Mrs A Breadon (Co-opted)

Company Secretary

Group Captain J K Wheeler (resigned 14 July 2023)
Mr M J Frost (appointed 14 July 2023)

Charity No.

514407

Company No.

01751466

Principal address and Registered Office

The Dixie Grammar School
Market Place
Market Bosworth
Nuneaton
Warwickshire
CV13 0LE

Key Management Personnel

Headmaster	Mr R J Lynn
Head of the Junior School	Mrs E L Billington (to April 2023)
Bursar	Mr M J Frost (from July 2023)
Deputy Head	Mrs C M Young
Head of Sixth Form	Mr J Dixon
Director of Student Care	Mrs H J Banton
Senior Management	Mr R J Thirlwell
Senior Management	Miss V Entwisle (from September 2022)
Assistant Head of the Junior School	Mrs S Baker
Assistant Head of the Junior School	Mrs K MacKenzie
IT & Operations Manager	Mr P Kirk (to September 2022)

Leicestershire Independent Educational Trust

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2023

Auditors

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

Bankers

National Westminster Bank Plc
13 The Borough
Hinckley
Leicestershire
LE10 1NW

Solicitors

Pattersons Commercial Law
2 Pear Tree Business Park
Desford Lane
Ratby
Leicestershire
LE6 0PG

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Broomfields
Minerva House
7 St John's Business Park
Rugby Road
Lutterworth
Leicestershire
LE17 4HB

Insurance Brokers

Turner Insurance Group
34-36 Princess Road West
Leicester
LE1 6TQ

Land Agents

Fisher German LLP
The Estates Office
Norman Court
Ivanhoe Business Park
Ashby de la Zouch
LE65 2UZ

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2023

The Directors, who are also trustees of the charity and governors of the school, present their report and financial statements for the year ended 31 August 2023 and confirm they comply with the requirements of the Charities Act 2011 including the Directors' and Strategic Reports as required under the Companies Act 2006.

OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and provide for the advancement of education for public benefit and in connection therewith to conduct, carry out, acquire and develop in the United Kingdom or elsewhere, a school or schools to be run for the education of students and children of any gender.

Aims

The Leicestershire Independent Educational Trust (trading as The Dixie Grammar School) is a day school for pupils from the ages of 3 to 18. It aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. The School produces 'well rounded' individuals who are able to make a positive contribution to society. Our aim is to provide a rounded education to help pupils make their way in adult life.

Primary objectives

The primary objectives of The Dixie Grammar School to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Dixie education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately; and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

Our key strategies in delivering each of the School's primary objectives include:

- Periodically reviewing the provision of teaching space across both the Senior and Junior school sites and investing in a rolling programme of refurbishment and upgrade.
- The provision of a clear pastoral structure in which every child is known.
- Creating an environment in which all students have responsibility for others' welfare and in which our older students have clear pastoral leadership responsibilities for more junior pupils.
- Making explicit the expectation that all staff will contribute to the extra-curricular programme.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2023

- Encouraging students to show leadership in a variety of ways: through taking assemblies, initiating fundraising ideas, starting extra-curricular clubs and societies, becoming maths leaders, sports leaders, encouraging senior school students to take a lead with those at the junior school during whole school events.
- Running and actively promoting 'student voice' through our student council, senior prefects and the 'Ashworth Board' – a board on which students can voice concerns or request improvements to school life.
- Providing bursary and scholarship funds in line with Charity Commission guidelines, including via the Heathcote Legacy, thereby allowing us to widen access to the school.
- Periodically reviewing our management structure and ensuring that we provide clarity to lines of accountability and responsibility.
- The curriculum is kept under continual review and adaptations are made each year to ensure that the children are best supported.

Principal Activity

The principal activity of the school is the delivery of education to pupils ranging from 3 to 18 years of age. We also run a popular summer school over 2 weeks in the summer holidays. Pupil numbers at the school at the start of each academic year were as shown below.

	<u>2022/2023</u>	<u>2021/2022</u>	<u>2020/2021</u>
Senior School	303	298	286
Junior School	133	143	140
Nursery (FTE)	17	21	20
Total	453	462	446

Following the dip in pupil numbers in September 2022, pupil numbers increased to 462 in January 2023, and 473 in January 2024.

Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first-class independent education and a wide range of sporting, leadership, musical and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community that they are part of.

In the furtherance of these aims The Dixie Grammar School Governors, as charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our School is a part of a wider community and we are keen that our staff and pupils participate. Our school also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our Governors are committed to developing, where possible, cooperation and joint working with local maintained sector junior and secondary schools. Looking further afield, we continue with our relationship with Stafford Grammar School, a not dissimilar independent school to ourselves. Pupils at both schools are working together to respond to

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2023

the challenges of misogyny, consent and related issues highlighted in the Everyone's Invited website and Black Lives Matter, as well as other topical issues. This interaction seeks to highlight the central importance and power of the Student Voice in our respective schools.

The Dixie Grammar School provides significant benefit to the public. It strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Achievements and Performance' below.

Parents of pupils at the school often make significant sacrifices to pay the fees. In educating an average of 459 UK based pupils, parents help considerably in relieving HM Government of the financial burden of paying for their children's education through general taxation. This saved HM Government the sum of £3,424,140 based on the school funding statistics per the government gateway website which state the funding received per pupil for the 2023-24 academic year was £7,460 per pupil per annum.

Bursaries

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means, we use the methodology promulgated by the Independent Schools' Bursars Association, which takes a comprehensive range of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. We do not enjoy the ownership of any permanent endowments and in funding our awards, we therefore have to be mindful that we must ensure a balance between our fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

We also need to be mindful as to affordability for the Charity as we have had a period of not being able to generate any surplus, albeit this year we generated a small surplus. We do though have the support of the legacy of the late Bernard Heathcote, a former pupil of the school, to assist with our provision. We are grateful to the NFL Trust, one of the wider educational charities, who continue to provide support to a pupil at the school. Finally, the Dixie Educational Foundation (a registered Charity), historically generously financially supported pupils at the Dixie.

The Governor Bursary Committee meets annually to grant bursarial awards for the forthcoming academic year. It also meets in year as necessary. The bursary awards range from 5 % to 100 % remission of fees. Information about fee assistance through bursaries is provided to all applying to the school. The Bursar Consultant, in concert with the Headmaster, periodically reviews *in place* awards, making adjustments as deemed appropriate. Full details of our bursary policy and how to apply are available on the School's website.

Scholarships

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of other exceptional abilities, thereby allowing contribution to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor. The availability of scholarship awards is advertised on our website.

Scholarships are awarded with a fixed remission of fees of up to £1,000 per annum. Where further assistance is required, awards can be supplemented through a bursary.

The progress of pupils receiving scholarships is reviewed annually, to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of such reviews.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2023

Review

The school includes details of the various concessions in its prospectuses and on the website. All parents making enquiries about possible entry are provided with a description of the criteria for bursaries and scholarships. The budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school. A Governor Awards Panel (The Bernard Heathcote Foundation Committee) is the authority for all bursaries. The criteria and policies relating to concessions are kept under Governor periodic review.

ACHIEVEMENTS AND PERFORMANCE

The Promotion of Education

During the year we educated over 460 children between the ages of 3 and 18. The School provides a very high standard of education and this is validated in a review of the academic results, our measurements of added value and through external inspection. Our most recent ISI Inspection took place in February 2022 and again graded the School as fully compliant with the Independent School Regulations and judged the educational quality as Excellent across all the inspection criteria, maintaining the previous excellent grading of educational quality in 2015. The school offers a broad curriculum and educates children with a range of ability. We are able to demonstrate excellence across the curriculum and in a wide range of extra-curricular activities, including:

- Music and Musical theatre examinations in which 25 students in Years 6 and above achieved awards, 19 at grade 1 and above and 3 at the coveted grade 8 distinction. In addition, students achieved honours through representation in the Warwickshire County Youth orchestra and Wind Band, Birmingham Conservatoire and the Nuneaton Festival of Arts, in which two junior aged pupils were winners. One student performed with the Birmingham Royal Ballet. 20 students achieved school Music Honours.
- Our Equestrian Club, including over 70 students from ages 8-18 represented the Dixie on the local and national stage, winning several prestigious events, including the British Schools National final, NSEA National Championships at Hickstead, The Dixie Challenge event and School Equestrian Games.
- Some 54 students were awarded bronze, silver and gold medals in the Primary, Junior, Intermediate and Senior UK Mathematics Trust Maths challenges, with two students qualifying for the next round in the Senior and Intermediate Challenges. Of note, three of these awards were at gold level.
- A total of 8 students were awarded bronze, silver and gold medals in the Biology and Physics Olympiads. 31 students were awarded a distinction in the Bebras international computational challenge, with 22 in years 7 and 8 awarded bronze or silver in the digital enterprise award.
- Our photographic competition and Rotary Young chef competitions attracted entries from well over 100 students and our Young Enterprise Company 'Lorem' produced a neuro positive and inclusive 2-person colouring book, winning the Leicestershire County competition for creativity.
- The Duke of Edinburgh Award scheme continues to grow in popularity, as part of our outdoors programme, which runs from a Forest School in the Pippins Nursery to World Challenge in our Sixth Form. Twenty-eight Awards were completed this academic year, with three at Silver level and three at Gold level.
- Our Business and Entrepreneurship Award, generously sponsored by one of our parents, saw a strong field of applicants from five teams. The judging panel posed questions to candidates and came from a variety of industries and specialisms. Product entries included a soy, eco-friendly candle business, a hand knitted baby hat, a newsletter to encourage greater plant consumption, an online fitness website based on military regimes and a hairbrush for those with curly hair.
- A significant number of students achieve major sporting honours through the Independent School Association competitions, at both regional and national level. During 2022/23 three students represented the Dixie on the national swimming stage, two students achieved

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national cross-country honours, with seven achieving national representative honours in athletics, with one of those achieving the qualifying standard for English Schools' Pole Vault final. Three students have county representative honours in football, two in rugby, six in hockey, three in cricket, two in tennis, one in golf, one in gymnastics, one in American Football, two have national representation honours in motorsport - karting, and one in climbing. One student competed on the national stage in sailing, nine qualified for the national finals in equestrianism, six competed on the national stage in ISA skiing, with one student a member of the British National ski squad coming second in the ISA national competition.

Academic Results

Our small group sizes, expert tuition and individual support ensure that every individual realises their own potential. We are proud of our external examination results, and particularly in our record of securing places for individuals at their first-choice university.

GCSE Results Average 2021 - 2023 (%)	
9	19
9/8	34
9/7	54
9/6	69
9/5	84
9/4	91

A Level Results Average 2021 - 2023 (%)	
A*	16
A*/A	34
A*/B	60
A*/C	82
A*/D	92
A*/E	98

We are of course incredibly proud of these impressive results, but more so of the value-added data, which shows that the value added by the Dixie is on average more than one grade for every GCSE taken, when compared to all schools nationally, ranking us in the top fifty of all schools for value added.

The Dixie is, however, about far more than external exam results. We help create young people with courtesy, confidence and a thirst for life. Young people who do not just meet the expectations of society, but individuals with the confidence and self-esteem who, through their belief that anything is possible, can challenge, progress and shape the society in which they live.

The da Vinci award scheme runs in Years 6-11 and taking the 'Renaissance Man' as the ideal, the scheme seeks to measure that which we value – exceptional contribution in one of 6 areas – Leadership, Academic, Performance, Clubs, Sport and Charity. Awards have been given for exceptional acts of courage and kindness as well as smaller acts that have made big contributions to our community. Every student is expected to gain a da Vinci in at least one area in any academic year and the scheme is highlighted weekly in assemblies.

Improving Facilities

We seek to continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. Planning for a new Sixth Form Centre was paused last year as we negotiate with the landlord of our Senior school site, the Dixie Educational Foundation, to secure a long-term extension to our existing

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2023

lease. This required considerable dilapidation work to the Senior school site, which has dramatically improved the façade. The new lease should be signed imminently. In concert with our contract caterers Holroyd Howe, a substantial refurbishment and improvement to the catering facilities at the Senior school site was also completed. The ongoing refurbishment work programme included new school signage, redecoration of classrooms (including Psychology and Science) and the entrance to the Senior school site, the creation of a SEND room, and building work on the farm house building at the Junior school site.

Community

Through development of, and provision of access to new facilities, the school remains at the heart of the community. Facilities made open to the public include:

- The School Hall - used for local groups including choirs, cinema clubs, charity fundraisers, the Market Bosworth Festival and other societies, including the Rotary Club
- Our Music facilities are made available to local choirs
- The school has run a programme of Mandarin classes free to members of the local community
- Sports facilities – used by the local community

Outreach

We operate an arrangement with five primary schools in the local area whereby we provide use of our expertise in Mandarin to help enrich their educational provision.

Our Duke of Edinburgh programme in the senior school requires students to take community based projects. This year students have volunteered to work in a range of businesses and charities.

Our Intergenerational care community project in Year 6 which gives Year 6 students the opportunity to visit a local care home on a weekly basis has continued to thrive. Games, information sheets and letters have been written to and from residents of the care home and this continues to be an important part of our community contribution.

The School continues to develop wider community links. In addition to the facilities listed above, we have a programme of widening educational access to our facilities, at fee rates below commercial levels, including the use of our impressive sporting facilities.

Charitable Activities

As well as supporting the local community, pupils and staff support schools in Africa and Madagascar through World Challenge and further afield as part of our International Schools Award, which recognises our commitment to global education. We have undertaken specific fundraising for projects and a number of our pupils have been to the countries to help in development of educational projects. The school community takes part in a wide range of sponsored events and other fundraising activities.

FINANCIAL REVIEW

Results for the Year

The results for the year ended 31 August 2023 are shown in the Statement of Financial Activities on page 20. This, together with the balance sheet on page 21, should be read in conjunction with the related notes which have been prepared in accordance with the Charities SORP 2019 (FRS 102).

Total income for the year amounted to £5,954,958 (2022: £5,472,816). The principal source of funding continued to be tuition fees. Total expenditure for the year amounted to £5,934,380 (2022: £5,785,182). A breakdown of expenditure is set out in the notes to the accounts.

After transfers between funds, there was a surplus on unrestricted funds for the year totalling £55,338 and a deficit on restricted funds totalling £34,760. This has resulted in a total increase in funds for the year of £20,578. The funds for the charity at the year end totalled £2,148,196, which comprise

Leicestershire Independent Educational Trust

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restricted funds of £759,696 and unrestricted funds of £1,388,500, of which £37,024 has been designated leaving £1,351,476 of general funds.

This is a considerable achievement following the myriad of challenges presented by the aftermath of COVID-19 and the significant, one off, deficit last year. In order to return the School to a trading surplus, a number of cost saving measures were enacted. Pupil numbers increasing during the academic year also contributed to the improved financial performance.

The wider Independent Schools Sector has continued to face a wide range of challenges resulting from governmental, political and economic strategy. Naturally, Governors remain concerned about the impact this will have on the School, pupils, parents, staff, suppliers and the local community. The Governors continue to closely monitor what the short- and long-term impacts may be. In response to this, a consultation with teaching staff commenced in January 2023 in respect of a possible exit from the Teachers' Pension Scheme and its replacement with a defined contribution scheme. The outcome resulted in the School withdrawing from the Teachers Pension Scheme with effect from the year end. All teaching staff supported the change and acknowledged the benefit it would bring in the short and long term.

The Directors secured a Government backed CBILS loan of £1M (drawn down in August 2020) to support the school's cash flow needs in the short to medium term and to allow navigation of the many challenges presented by COVID-19. Just prior to the first anniversary of drawdown, given the financial performance of the school, it was decided to repay £250K of the borrowed sum immediately with the balance being repaid in equal monthly instalments over the remaining 5 years of the loan. The loan is secured against the assets of the School, alongside our other borrowing, and is charged at 2.42% over the Bank of England Base Rate. A further capital repayment of £100,000 was made in February 2023, funded through a substantial fee in advance payment.

The Directors wish to have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. However, it is the key intention of the Board that the School will continue to invest prudently in its buildings and facilities, as well as its staff and the Board will ensure that any future surplus income will be so appropriately deployed.

Reserves Policy

It has been the School's policy to utilise funds to ensure that high quality, up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the school without the requirement to have recourse to sales of tangible fixed assets. Dixie Grammar School plans to fund longer-term capital expenditure and meet long-term liabilities through careful management of resources and investments and through building reserves through operations and trading. It will also seek to avail itself of further borrowing from its bankers, NatWest Bank, with whom it has a long-standing relationship. The Governors' medium term aim is to make an overall surplus of 5% of net fee income to allow for its continued development. Whilst this aim was not met for the year ended 31 August 2023, the Governors are confident that with the measures enacted for the 2023-24 academic year, together with the current pupil numbers, progress will be made towards achieving this aim in the future.

In common with most independent schools, and due to having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total net assets of £2,148,196 at the year-end included £1,388,500 of unrestricted funds and £759,696 in restricted funds. Fixed assets held for charity use total £3,317,087. The school's financial viability does not depend on income reserves but in its ability to continue to operate at a surplus on an annual basis, together with its portfolio of fixed assets held for operational use.

The company's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for its direct charitable activities.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2023

Going Concern

Governors have prepared a number of scenarios relating to sources and levels of income, pupil numbers going forward, levels of remissions, staff pay, pension arrangements and other operational budget areas. They also considered factors such as delayed fee payment and increased bad debts. They formally considered this matter within the FFP Committee, informed by a paper from the Bursar.

Taking account of both the remaining CBILS loan, together with the current growth in pupil numbers and adjustments to the cost base of the business (during the 31 August 2023 financial year), cash flow analysis, allied to appropriate sensitivity analysis, show that the cash reserves of the Charity are adequate to meet in full the Charity's financial obligations as they fall due. Our Bank has also indicated its willingness to put in place short-term overdraft arrangements when cash is most under strain. This is principally in the December/January period each year.

Additionally and importantly, interest in the school, principally at the senior level remains healthy both in the current academic year and also for September 2024. This is reflected in pupil recruitment and retention. Accordingly the Directors believe it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

Principal Risks and Uncertainties

The Governing Body is responsible for the identification and management of risks. The major risks, to which the Charity is exposed, as identified by the Governors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the management team and is overseen by the FFP Committee of the Governing Body. A comprehensive Risk Register is in place and this is used as both a management tool as well as a monitoring device for the Governing Body, with it being reviewed at least annually by the FFP Committee.

The Governors have previously considered the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school, which of course has been exacerbated by the COVID-19 pandemic and more recently the cost of living crisis resulting from a long-sustained period of high inflation. However, the Governors now also feel that the real prospect of a Labour government, who are threatening to introduce VAT on tuition fees and withdraw charity business rates relief, to be a principal risk.

The School remains vigilant and proactive in monitoring and preparing for potential changes under a Labour Government. We are actively exploring strategies to mitigate any adverse impact any changes might have on our school or parents.

The Governor strategy to grow pupil numbers across the School under the *Dixie 2030* vision, continues to be enacted. This continued confidence in the School bodes well and is credit to the Headmaster and his staff for the strength of the Dixie educational offering. This is well illustrated both in our examination results and the quality of the wider offering, all commented upon earlier in this Director's Report. The threat of a Labour Government may somewhat curtail this strategy.

The Governing Body carefully considers the level of fee increase, taking due account of what competitor schools are charging and the cost of inflation the School faces, in particular that of staff costs, more latterly also the significant burden of increased employer contributions to the Teachers' Pension Scheme. This growing burden is well illustrated by note 10 to the accounts. In response to this, and following a successful consultation with the teaching staff, the school withdrew from the Teachers' Pension Scheme and entered a defined contribution scheme, with lower employer contributions, from the year end.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the School is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

Other principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas include:

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2023

- the market in which the School operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our School.
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the School meets expectations.
- the School operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools' Council also ensure that we have access to up to date information and support.
- the School operates in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges.
- all organisations face difficult economic conditions and directors and senior managers in the School keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues.

The key controls used by the school include:

- formal agendas and minutes for all meetings of the Governing Body and committees;
- a comprehensive Risk Register;
- terms of reference for all committees, all periodically reviewed;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines which are regularly reviewed;
- comprehensive formal written policies;
- clear authorisation limits;
- vetting procedures, as required by law, for protection of the vulnerable.

Financial risk management objectives and policies

The School uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the School's operations.

The main issues arising from the school's financial instruments are liquidity risk and interest rate risk.

The Governors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the School seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks and other lenders;
- Interest rate risk – the School finances operations through a mixture of retained surpluses, and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities and re-negotiating the terms of any loan, when necessary or thought sensible. All loans are underwritten by charges on assets so as to deliver the competitive borrowing costs.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2023

FUTURE PLANS

The key objectives of the current Strategic Plan are contained in the Dixie 2030 Vision document, which contains both short and medium term actions to be implemented, all with responsible owners. This document was reviewed at the Strategy Development Committee in February and May 2023. Key extracts from the subject document are detailed below.

Our *Core Purpose* is defined as – To provide an excellent education for all students at the Dixie Grammar School.

Our *Mission Statement* is defined as – To provide excellent growth opportunities for all members of the whole Dixie Community.

- Academic excellence – continuing to exceed expectations for all pupils.
- Active engagement of pupils in Sport, Music, Adventure and the Student/School Council.
- Provide opportunities for appreciation of international perspectives and travel.
- For pupils, experience of charitable work in the local community and overseas.
- Continued growth in pupil numbers, taking account of local demographic and other changes.
- Construction of the new Sixth Form Centre/facilities.
- Place the School as the school of *first choice* in the catchment area.
- Be recognised in the local community as core to the long-term success of Market Bosworth.
- Fully exploit the educational and financial benefits of collaboration, building on the initial work with Stafford Grammar School.
- Surpluses of 5% of net fee income in the medium term, whilst in the short term a surplus of 2.5% of net fee income.
- The School to be able to continue to attract and retain high quality teaching and support staff.

Overall, the Directors seek to ensure the medium-term viability and success of the School.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 18 September 2009, replacing those dated 22 July 1983. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner that is legally charitable. The principal object for which the charity was established is to promote and provide for the advancement of education and to carry on, acquire and develop schools.

Governing Body

The Governors are the Directors and charitable trustees of the company and comprise the Governing Body of the Dixie Grammar School. They are elected to hold office for periods as defined in the Articles of Association. The school is governed by the Governing Body, which operates using a number of committees. The Governing Body meets a minimum of 3 times each year, usually termly. Since COVID-19, the Board has met both in person and remotely via Video Conference and the Board and Committees have also evolved an effective hybrid approach to meetings, as circumstances of the Board and individuals dictate. In order to further strengthen governance, one person is co-opted onto the FFP Committee. The Governing Body has recently undertaken a recruitment exercise both to further strengthen the Board but also to provide replacements for longer serving governors who have elected to stand down since the year end.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2023

The company holds trustees' and officers' insurance on behalf of the Directors. None of the directors have any beneficial interest in the company.

Recruitment and Training of Governors

All Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The Governing Body looks to ensure a mix of skills and select new governors on the basis of background, competence and specialist skills. Following a Board skills audit in 2020, a number of new appointments to the Board were made.

Governors are provided with induction training from the Head, Bursar and staff and a wider programme of training events is organised by the Association of Governing Bodies of Independent Schools (AGBIS), which governors are encouraged to (and indeed do) attend.

Where possible the Governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with marketing experience.
- A Governor with experience of equal opportunities or disability needs.
- A balance of gender and ethnicity
- A Governor residing in the catchment area of the School.
- A number of parent governors.

Of course, any one Governor may have one or more of these skills/attributes.

Volunteers

Governors are volunteers, providing their time on a pro bono basis to support the effective governance of the school. The school also relies on a number of others to undertake volunteer roles, including members of the local Rotary club who give their time in helping our Upper Sixth prepare for university interviews. Also, members of Bosworth in Bloom give their time in assisting our programme of tree-planting as part of our outdoors programme. This is greatly appreciated. Finally, from time to time, other local people offer their time to the school in support of school activities, which underscores the place of the School in the centre of the local community, something we take pride in.

Organisational Management

The Governing Body provides governance and oversight of the School. It delegates its work to a number of committees. Membership of each committee is outlined below and committees meet a minimum of once per term, with the Finance, Facilities and Personnel Committee meeting a minimum of twice each term. The Directors determine the general policy of the company. The Governors' Manual (introduced in 2020) is based upon an AGBIS template and has been utilised to improve Board effectiveness and to allow the better and timely induction of new governors.

Finance, Facilities and Personnel (FFP) Committee – the FFP Committee's remit is to consider budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It makes recommendations regarding fee levels to the full Governing Body. It also considers financial policies and financial regulations. It is responsible for overseeing governance, internal control and risk. It does this through consideration of audit management letters and other reports relating to governance and control of the School. It reviews relevant school policies. It also develops the school's people strategy, and considers matters such as pay and benefits, pensions, staffing levels and recruitment and training. With regard to pay, remuneration policy is reviewed annually. Finally, it monitors health and safety and reviews relevant school policies. It reports to, and

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2023

makes recommendations to, the Governing Body for approval.

Education Committee – the Education Committee is responsible for oversight of the academic performance of the School and educational policy, making recommendations to the Governing Body for approval. It reviews relevant school policies and has a key focus on safeguarding and pupil well-being. The Chair of the Committee works closely with the School Safeguarding Lead.

Strategy Development Committee – the Strategy Development Committee makes recommendations to the Governing Body regarding the strategic direction of the school and is responsible for considering the Governing Body's strategic plan in appropriate detail. It makes recommendations to the Governing Body for approval. Away Days were held in January 2020 and 2021 to debate and determine the school's medium-term strategy. This delivered some very useful outcomes, the latter looking to the impact of Covid. It includes members of the School's Senior Leadership Team. The latter event importantly developed a Dixie 2030 Vision and the associated short and medium terms action plans to develop this vision. The Board owns the Strategy and will monitor implementation of these plans.

Marketing and Communications Committee – this Committee is responsible for external and internal communications, complaints and compliments, marketing and advertising, the School website and public relations. It makes recommendations to the Governing Body for approval. It also reviews relevant school policies.

The daily management of the company is delegated to the Headmaster and his Senior Leadership Team, assisted by the Bursar, as the Key Management personnel, overseeing the educational, pastoral and administrative functions of the School. The daily administration is undertaken within the policies and procedures approved by the Governors, which requires only significant expenditure decisions and major capital projects to be referred to them for prior approval, unless forming part of the approved annual budget.

The Headmaster oversees the recruitment of all educational staff, whilst under delegated authority; the HR Manager oversees the recruitment of the support staff. All HR activity is the responsibility of the professionally qualified HR Manager. The Headmaster, Head Teacher of the Junior School and the Bursar Consultant were invited to attend all governors' meetings, with the Headmaster attending all committee meetings and the Bursar Consultant attending the FFP and Strategy Committees.

The remuneration of key management personnel is set by the Governing Body, under the auspices of the Remunerations Committee (a sub-committee of FFP), chaired by the Chair of Governors, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success. Similarly, the FFP Committee develop the pay policy for the teaching and support staff, which is agreed by the full Governing Body.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. This includes pension provision for both teaching and support staff. In the context of pensions, following a successful consultation with teaching staff, the School has withdrawn from the Teachers' Pension Scheme (TPS) to a defined contribution arrangement with effect from the year end. Many other Independent schools have already left TPS and others are either considering or in consultation to do so.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence, with staff costs being the largest single element of our charitable expenditure. Delivery of the school's charitable vision and purpose is primarily dependent upon our key management personnel.

Group Structure and Relationships

The School has developed links with a wide range of organisations to ensure the widest possible access to our facilities and schooling. Through membership of ISC/ISA/ISBA/AGBIS and through networking with peer groups, we ensure that we are able to attain the highest standards of quality and performance. We encourage our pupils to develop an awareness of the social context of the all-round education they receive at the School and they are engaged in a number of activities to enhance their

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2023

understanding. We retain the aim of developing an alumni group, to support the School in the years ahead. We also cooperate with other charities in our on-going endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled. We provide full and fair consideration of applications for employment of disabled persons, continuing employment and training of persons who become disabled, training, career development and promotion of disabled persons employed by the company.

Investment Policy and Objectives

The company's Memorandum and Articles of Association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Governors have taken legal advice with regard to the management of the Bernard Heathcote donation, which is used to support the provision of bursaries to widen access to the school for families who would otherwise not be able to benefit from the high-quality all-round education provided at The Dixie Grammar School. It remains their wish to continue to add funds to the Bursary Fund and to that end, encourages donations from alumni as well as the wider community.

OTHER MATTERS

AUDITORS

Cooper Parry Group Limited, having expressed its willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

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

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

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2023

and other irregularities.

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

DocuSigned by:

...3374ECF37E34492...
Mrs J Fenton Parkes
Chair

25 March 2024

Approved by the Board of Trustees on

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2023

Opinion

We have audited the financial statements of Leicestershire Independent Educational Trust (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 August 2023 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Directors' 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 charitable company'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 Directors 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 directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2023

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 the audit:

- the information given in the directors' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the charitable company, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 16, the directors (who are also the directors of the charitable company for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2023

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

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

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

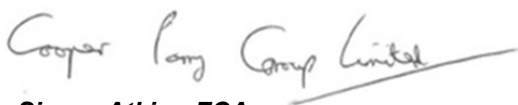
Whilst considering how our audit work addressed the detection of irregularities, we also considered the likelihood of detection of fraud based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

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

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

Use of our report

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



Simon Atkins FCA
Senior Statutory Auditor for and on behalf of Cooper Parry Group Limited
Chartered Accountant
Statutory Auditor
Sky View, Argosy Road, Castle Donnington, Derby DE74 2SA

Date: 28 March 2024

Leicestershire Independent Educational Trust

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31 AUGUST 2023

	Notes	Unrestricted Funds £	Restricted Funds £	2023 £	2022 £
Income from:					
Charitable activities					
School fees receivable	2	5,387,478	-	5,387,478	5,028,777
Ancillary trading income	3	501,143	-	501,143	408,562
Other trading activities					
Non-ancillary trading income	4	17,392	-	17,392	15,970
Other activities	4	7,311	-	7,311	3,192
Investments					
Bank and other interest	5	12,250	-	12,250	7,054
Donations and legacies					
Grants and donations	6	1,878	25,240	27,118	4,421
Other incoming resources					
Government grants receivable – Coronavirus Job Retention Scheme		-	-	-	2,844
Insurance claim		2,266	-	2,266	1,996
TOTAL INCOMING RESOURCES		<u>5,929,718</u>	<u>25,240</u>	<u>5,954,958</u>	<u>5,472,816</u>
Expenditure on:					
Raising funds					
Financing costs	7	70,681	-	70,681	41,221
Fundraising and development	7	830	-	830	355
Charitable Activities					
Education and grant making	7	5,802,869	60,000	5,862,869	5,743,606
TOTAL EXPENDITURE		<u>5,874,380</u>	<u>60,000</u>	<u>5,934,380</u>	<u>5,785,182</u>
NET (EXPENDITURE)/INCOME before transfers		55,338	(34,760)	20,578	(312,366)
Transfers between funds	19	-	-	-	-
NET (EXPENDITURE) / INCOME after transfers		55,338	(34,760)	20,578	(312,366)
Fund balances at 1 September 2022		1,333,162	794,456	2,127,618	2,439,984
FUND BALANCES AS AT 31 AUGUST 2023		<u>1,388,500</u>	<u>759,696</u>	<u>2,148,196</u>	<u>2,127,618</u>

The notes on pages 23 to 37 form part of these financial statements.

Leicestershire Independent Educational Trust

BALANCE SHEET AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	13	3,317,087	3,176,994
CURRENT ASSETS			
Stock		7,756	8,994
Debtors	14	258,275	272,950
Cash at bank and in hand		1,225,154	1,181,248
		<u>1,491,185</u>	<u>1,463,192</u>
CREDITORS: amounts falling due within one year	15	<u>(1,914,215)</u>	<u>(1,468,387)</u>
NET CURRENT (LIABILITIES)/ASSETS		(423,030)	(5,195)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,894,057	3,171,799
CREDITORS: amounts falling due after one year	16	(745,861)	(1,044,181)
TOTAL NET ASSETS		2,148,196	2,127,618
REPRESENTED BY:			
RESTRICTED FUNDS	19	759,696	794,456
UNRESTRICTED FUNDS	19	1,388,500	1,333,162
		2,148,196	2,127,618

The financial statements were approved and authorised for issue by the Board on 15 March 2024 and signed on its behalf by

DocuSigned by:

 3374ECF37E34492...
 Mrs J Fenton Parkes
 Chair

Company registration number 01751466

The notes on pages 23 to 37 form part of these financial statements

Leicestershire Independent Educational Trust

STATEMENT OF CASH FLOWS AS AT 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities:			
Net cash provided by operating activities	23	766,013	81,707
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	12,250	7,054
Purchase of property, plant and equipment	13	(446,479)	(171,618)
Sale of property, plant and equipment		2,508	-
Net cash used in investing activities		(431,721)	(164,564)
Cash flows from financing activities:			
New bank loans		-	-
Repayments of borrowing		(290,386)	(201,568)
Net cash (used)/generated in financing activities		(290,386)	(201,568)
Change in cash and cash equivalents in the reporting period		43,906	(284,425)
Cash and cash equivalents at the beginning of the reporting period		1,181,248	1,465,673
Cash and cash equivalents at the end of the reporting period		1,225,154	1,181,248
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,225,154	1,181,248

Analysis of changes in net debt

	At 1 August 2022	Cashflows	Other changes	At 31 August 2023
	£	£	£	£
Cash at bank and in hand	1,181,248	43,906	-	1,225,154
Debt due < 1 year	(227,708)	290,386	(383,805)	(321,127)
Debt due > 1 year	(897,741)	-	383,805	(513,936)
	55,799	334,292	-	390,091

The notes on pages 23 to 37 form part of these financial statements.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES

a) General information and basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. They are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

They comply with the requirements of the Companies Act 2006 and the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Leicestershire Independent Educational Trust meets the definition of a public benefit entity under FRS102.

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

b) Going Concern

The Governors have undertaken a full Going Concern Assessment. In doing so, they took full account of all external finance factors, future cash flows, dependencies on key counterparties, as well as both current and future pupil numbers. Key suppliers were also considered, as well as utility costs, and Contingent Liabilities and Guarantees.

They also scrutinised the Management Plans developed by the Executive and noted the strength of the on-going support for the School by its bankers and their continued willingness to support the existing borrowing, all of which is being repaid to commitments.

On this basis, the Governors are confident that the charitable company has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

c) School Fees Receivable and Similar Income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are held as cash at bank and in hand until either taken to income to match liabilities in the term when used, or else refunded. Estimating amounts to provide against recovery of debts is a matter of judgement.

d) Ancillary and Non-Ancillary Trading Income

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the Statement of Financial Activities when the goods are sold or services provided.

e) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the school in case of donated services or facilities.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

For legacies, entitlement is the earlier of the charitable company being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies, will be notified to the charitable company however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

f) **Government grants receivable – Coronavirus Job Retention Scheme**

Grants receivable relates to government funding received via the Coronavirus Job retention Scheme. It is designed to protect jobs in the wake of the economic impact of the COVID-19 pandemic and to support employers. It is accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are those that assist the work of the charitable company but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charitable company. Where support costs cannot be directly attributed to a particular heading they have been allocated on a basis consistent with the use of the resources.

h) **Pension Costs**

The charitable company participates in the Teachers' Pensions scheme, which is an unfunded government scheme which provide benefits based on final pensionable pay. The funds of the scheme are separate from the charitable company, although the charitable company's share of the scheme cannot be identified as the scheme is a multi-employer scheme, and so the pension costs are accounted for as defined contribution schemes. The charitable company also contributes to defined contribution pension schemes for non-teaching staff. See note 24 for further details.

i) **Tangible Fixed Assets and Depreciation**

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are stated at cost less depreciation.

The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost over its expected useful life, as follows:

Freehold land	- Not depreciated
Playing fields drainage	- 4%-25% per annum on cost
Playing fields garage store	- 4% per annum on cost
Freehold buildings	
- permanent	- 4% per annum on cost
- temporary	- 25% per annum on cost
Leasehold improvements	- Over period of the lease
Furniture and equipment	- 10% - 20% per annum on cost
Plant and equipment	- 10% per annum on cost
Books and teaching equipment	- 20% per annum on cost
Motor vehicles	- 25% per annum on cost

Leicestershire Independent Educational Trust exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

j) **Financial Instruments**

Leicestershire Independent Educational Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Bank loans are a financial liability and are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

k) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

l) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the Statement of Financial Activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

m) **Fund Accounts**

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 financial statements.

Unrestricted funds are available at the discretion of the directors to further the school's objects or to benefit the school itself. Where the directors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to a designated fund.

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

See note 19 for further details of all funds.

n) **Taxation**

Leicestershire Independent Educational Trust is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

o) **Redundancy payments**

Redundancy payments are recognised within the year the redundancy is announced.

p) **Judgments and key sources of estimation uncertainty**

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

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

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

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

Depreciation and residual values

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

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

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

2. CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

	2023 £	2022 £
The school fees income comprises:		
Gross fees	5,931,008	5,637,631
Less: scholarships, bursaries, etc	(543,530)	(608,854)
	5,387,478	5,028,777
	5,387,478	5,028,777

In both the current and prior year all income in relation to school fees receivable was unrestricted.

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2023 £	2022 £
Extras	351,967	296,717
Entrance fees and registration fees	44,157	17,414
Summer play scheme	37,398	39,618
Commissions and other income	67,621	54,813
	501,143	408,562
	501,143	408,562

In both the current and prior year all income in relation to ancillary trading income was unrestricted.

4. OTHER TRADING ACTIVITIES

	2023 £	2022 £
Non-ancillary trading income		
Lettings and hire	17,392	15,970
	17,392	15,970
	17,392	15,970
Other activities		
Interest on overdue fees	2,372	1,024
Other	4,939	2,168
	7,311	3,192
	7,311	3,192

In both the current and prior year all income in relation to other trading activities was unrestricted.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

5. INVESTMENTS – BANK INTEREST

	2023 £	2022 £
Bank interest	12,250	7,054
	<u>12,250</u>	<u>7,054</u>

In both the current and prior year all income in relation to bank and other interest was unrestricted.

6. VOLUNTARY SOURCES – GRANTS AND DONATIONS

	Unrestricted £	Restricted £	2023 £	2022 £
Other donations	1,878	25,240	27,118	4,421
	<u>1,878</u>	<u>25,240</u>	<u>27,118</u>	<u>4,421</u>

In the prior year there was £2,003 of restricted income and £2,418 of unrestricted income.

7. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Depreciation (note 13) £	Support Costs £	Total 2023 £	Total 2022 £
Costs of raising funds					
Financing cost (note 9)	-	-	70,681	70,681	41,221
Fundraising and development	-	-	830	830	355
Total cost of generating funds	<u>-</u>	<u>-</u>	<u>71,511</u>	<u>71,511</u>	<u>41,576</u>
Charitable expenditure					
Teaching	3,236,191	-	148,891	3,385,082	3,403,343
Welfare	-	-	21,917	21,917	29,220
Premises	150,758	192,770	424,836	768,364	691,583
School administration and governance	683,273	111,871	871,016	1,666,160	1,599,588
Grants awards and prizes	-	-	21,346	21,346	19,872
Total charitable expenditure	<u>4,070,222</u>	<u>304,641</u>	<u>1,488,006</u>	<u>5,862,869</u>	<u>5,743,606</u>
Total Expenditure	<u>4,070,222</u>	<u>304,641</u>	<u>1,559,517</u>	<u>5,934,380</u>	<u>5,785,182</u>

Total expenditure comprised £60,000 (2022: £60,000) in respect of bursaries funded from restricted funds and unrestricted expenditure of £5,874,380 (2022: £5,725,182).

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

8. NET (OUTGOING)/INCOMING RESOURCES

	2023 £	2022 £
Net (outgoing)/incoming resources is stated after charging:		
Auditor's remuneration	12,500	9,500
Non-audit fees	2,000	1,500
Depreciation	304,642	284,409
Operating leases – land and buildings	87,905	87,405
Operating leases – other	10,814	9,507
	<u>10,814</u>	<u>9,507</u>

9. FINANCING COSTS

	2023 £	2022 £
Bad debts	7,532	7
Bank interest	63,025	40,863
Lease finance costs	124	351
	<u>70,681</u>	<u>41,221</u>

10. STAFF COSTS

	2023 £	2022 £
The aggregate payroll costs for the year were:		
Wages and salaries	3,192,254	3,277,577
Social security costs	318,259	330,708
Other pension costs	559,709	577,252
	<u>4,070,222</u>	<u>4,185,537</u>

Included in the total staff costs above were redundancy payments of £13,554 (2022: £4,283).

None of the governors received remuneration or other benefits from the Leicestershire Independent Educational Trust or from any connected body.

Aggregate employee benefits of key management personnel	<u>678,029</u>	<u>680,694</u>
Number of employees classed as key management personnel	<u>11</u>	<u>9</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

10. STAFF COSTS (continued)

The number of higher paid employees whose annual emoluments (excluding pensions) were £60,000 or more was:

	2023	2022
	No	No
£60,000 - £70,000	1	1
£101,000 - £110,000	1	1

The average number of employees during the year was:

	2023	2022
		No
Teaching	63	64
Office and non-teaching	41	44
	104	108

The average number of employees during the year calculated on a full-time equivalent basis, was 88 (2022: 99).

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. During the year seven directors had between them eleven children attending the school (2022: six directors and eleven children). Directors do not receive any preferential fee rates. Scholarships totalling £2,500 were awarded to children of directors attending the school (2022: £3,000) in accordance with the school's usual criteria and processes.

Governance included in support costs

Leicestershire Independent Educational Trust reimburses governors for out of pocket expenses including travel, subsistence and accommodation, where a claim is made. No trustees (2022: 3 trustees) were reimbursed during the year for expenses totalling £nil (2022: £751).

12. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

13. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Furniture & Office Equipment £	Books & Teaching Equipment £	Plant & Motor Vehicles £	Total £
Cost						
At 31 August 2022	3,757,337	982,773	541,226	191,811	101,327	5,574,474
Additions	6,502	397,940	37,895	4,142	-	446,479
Disposals	-	-	(14,346)	-	(22,267)	(36,613)
At 31 August 2023	3,763,839	1,380,713	564,775	195,953	79,060	5,984,340
Depreciation						
At 31 August 2022	1,272,450	539,269	324,698	176,236	84,827	2,397,480
Charge for the year	137,631	74,495	71,261	10,047	11,208	304,642
Disposals	-	-	(12,602)	-	(22,267)	(34,869)
At 31 August 2023	1,410,081	613,764	383,357	186,283	73,768	2,667,253
Net book value at 31 August 2023	2,353,758	766,949	181,418	9,670	5,292	3,317,087
Net book value at 31 August 2022	2,484,887	443,504	216,528	15,575	16,500	3,176,994

All assets are used for charitable purposes.

The value of the playing fields and Temple Hall land, which are not depreciated was £503,500 (2022: £503,500).

In the prior year, included in fixtures and fittings and motor vehicles were assets held under finance leases which had net book values of £13,143. Depreciation of £2,629 was charged during the prior year. There were no assets held under finance leases at the balance sheet date.

14. DEBTORS

	2023	2022
	£	£
Trade debtors	31,722	62,720
Other debtors	43,372	20,414
Prepayments and accrued income	183,181	189,816
	258,275	272,950

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

15. CREDITORS: amounts falling due within one year

	2023 £	2022 £
Bank loans and overdrafts	321,127	227,708
Net obligations under finance leases	-	845
Trade creditors	271,244	269,933
Taxation and social security	79,745	83,600
Other creditors	228,793	185,433
Fees in advance scheme	43,471	39,828
Fees received from parents in advance of term	674,769	574,158
Accruals	276,401	49,667
Deposits from parents	18,665	37,215
	1,914,215	1,468,387

National Westminster Bank Plc holds a first legal charge over assets owned by the charitable company. There are currently four bank loans.

The first bank loan is repayable by annual instalments of £30,000 (£10,000 per school term). The final balance is repayable on the last day of the loan term of 1 October 2024. Interest is charged at 1.5% above base rate. The loan is secured on the freehold land and buildings.

The second bank loan is repayable by 111 monthly instalments of £1,400 followed by a final instalment in March 2024. Interest is charged at 5.03% above base rate. The loan is secured on the freehold land and buildings.

The third bank loan is repayable by monthly instalments of £2,102 and a final instalment of an amount sufficient to repay the loan and interest in full, the first instalment is due 11 months after the loan commencement date of 1 February 2020 and the full loan repayable within 60 months. The loan is secured on the freehold land and buildings.

The fourth bank loan is a CBILs loan repayable by 60 monthly instalments of £12,500 from 1 September 2021. There were capital repayments of £250,000 in August 2021 and £100,000 in February 2023. The loan is secured on the freehold land and buildings.

Obligations under finance leases and hire purchase contracts were secured on the related plant and motor vehicles.

16. CREDITORS: amounts falling due after one year

	2023 £	2022 £
Bank loans	513,936	897,741
Deposits from parents	150,770	146,440
Net obligations under finance leases	-	-
Fees in advance scheme	81,155	-
	745,861	1,044,181

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

17. BANK LOAN

	2023 £	2022 £
The bank loans are repayable in instalments:		
Due after 5 years	-	225,623
Due within 2 to 5 years	122,093	444,410
Due within 1 to 2 years	391,843	227,708
Due after more than one year	513,936	897,741
Due within 1 year	321,127	227,708
	835,063	1,125,449

18. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. Contributions may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2023 £	2022 £
Within 2 to 5 years	61,417	-
Within 1 to 2 years	19,738	-
	81,155	-
Within 1 year	43,471	39,828
	124,626	39,828
Summary of movements in liability		£
Balance at 1 September 2022		39,828
New contracts		124,626
Amounts used to pay fees		(39,828)
Balance at 31 August 2023		124,626

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

19. FUNDS

RESTRICTED FUNDS	At 1 September 2022 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2023 £
Bursary Fund	2,886	-	-	(2,886)	-
The Bernard Heathcote Foundation	785,070	25,240	(60,000)	2,886	753,196
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>794,456</u>	<u>25,240</u>	<u>(60,000)</u>	<u>-</u>	<u>759,696</u>

RESTRICTED FUNDS PREVIOUS YEAR	At 1 September 2021 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2022 £
Bursary Fund	2,886	-	-	-	2,886
The Bernard Heathcote Foundation	843,067	2,003	(60,000)	-	785,070
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>852,453</u>	<u>2,003</u>	<u>(60,000)</u>	<u>-</u>	<u>794,456</u>

The Bursary Fund has been established in order to assist with financing future bursaries awarded by the school.

The Bernard Heathcote Foundation has been formed as a result of the generous donation from the late Bernard Heathcote, a former Head Boy of the School. It is to be used for the provision of bursaries to support children who would benefit from a Dixie Grammar School education.

Station Road development is a scheme to consider the redevelopment of the main school campus site at Station Road, Market Bosworth.

Staff welfare fund – a donation to be used for the benefit of the staff.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

19. FUNDS (continued)

UNRESTRICTED FUNDS	At 1 September 2022 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2023 £
General	1,296,138	5,929,718	(5,874,380)	-	1,351,476
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,333,162</u>	<u>5,929,718</u>	<u>(5,874,380)</u>	<u>-</u>	<u>1,388,500</u>

UNRESTRICTED FUNDS	At 1 September 2021 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2022 £
General	1,550,507	5,470,813	(5,725,182)	-	1,296,138
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,587,531</u>	<u>5,470,813</u>	<u>(5,725,182)</u>	<u>-</u>	<u>1,333,162</u>

Myra Pedley Fund

These funds were donated to the charitable company to be utilised by the trustees at their absolute discretion, but with the hope that they would be used for the refurbishment of the school library. The trustees therefore designated these funds for the refurbishment of the library.

Sports Facility Fund

The Trustees have allocated these funds for the maintenance of the sports facilities of the school.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	2023 £
Tangible fixed assets	3,317,087	-	3,317,087
Interfund loan	(753,196)	753,196	-
Net current liabilities/assets	(429,530)	6,500	(423,030)
Long term liabilities	(745,861)	-	(745,861)
	<u>1,388,500</u>	<u>759,696</u>	<u>2,148,196</u>

The interfund loan represents the cash used by the school to support its unrestricted activities. An element of interest has been transferred into the restricted fund to represent the amount that would have been paid had an external loan been taken out by the school.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted £	Restricted £	2022 £
Tangible fixed assets	3,176,994	-	3,176,994
Interfund loan	(794,456)	794,456	-
Net current assets	(5,195)	-	(5,195)
Long term liabilities	(1,044,181)	-	(1,044,181)
	<u>1,333,162</u>	<u>794,456</u>	<u>2,127,618</u>

21. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2023 the charitable company has total minimum lease payments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2023 £	2022 £	2023 £	2022 £
Expiry date:				
Within 1 year	95,596	87,905	12,893	11,308
Between 2 and 5 years	297,788	351,622	27,420	38,248
After 5 years	34,100	45,100	-	2,064
	<u>427,484</u>	<u>484,627</u>	<u>40,313</u>	<u>51,621</u>

22. CAPITAL COMMITMENTS

At 31 August 2023 the charitable company has capital commitments of £nil (2022: £239,103).

23. RECONCILIATION OF NET (EXPENDITURE)/ INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £	2022 £
Net income for the reporting period	20,578	(312,366)
Depreciation charges	304,642	284,409
Dividends, interest and rents from investments	(12,250)	(7,054)
Loss/(profit) on the sale of fixed assets	(764)	-
(Increase) / decrease in stock	1,238	(1,634)
(Increase) / decrease in debtors	14,675	(137,560)
Increase / (decrease) in creditors	437,894	255,912
Net cash provided by operating activities	<u>766,013</u>	<u>81,707</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2023

24. PENSION SCHEMES

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 £538,762 (2022: £541,918) and at the year-end £62,282 (2022: £60,858) 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 School has accounted for its contributions to the scheme as if it were a defined contribution scheme.

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023, confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date are £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) are £222,200 million, giving a notional past service deficit of £39,800 million. The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

Following a successful consultation with the teaching staff, the school withdrew from the Teachers' Pension Scheme and entered a defined contribution scheme.

Defined Contribution Scheme

The charitable company also contributes to schemes for its non-teaching staff, which are defined contribution schemes. The legacy scheme is with Royal London and following auto enrollment legislation, the School is now enrolling all new support staff into the NEST scheme. The cost for the year represents the Trust's contributions to the schemes of £20,947 (2022: £27,423). At the year end £4,375 (Restated 2022: £4,634) was accrued in respect of these schemes.

25. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and without share capital, incorporated in the United Kingdom. The liability of the members is limited to £1 in the unlikely event of the charity being "wound up." The charity's registered office is noted on page 1.

26. RELATED PARTIES

There were no other related party transactions during the year (2022: none), except for those directors' transactions included in note 11.

LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST

England & Wales - Charity number 514407

Accounts

Charity Registration No. 514407

Company Registration No. 01751466 (England and Wales)

LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST

(OPERATING AS DIXIE GRAMMAR SCHOOL)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

Leicestershire Independent Educational Trust

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Leicestershire Independent Educational Trust

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2022

DIRECTORS AND ADVISORS

Directors	Ms J Fenton Parkes (Chair) Mr M Ashfield Mr P J Bowman Mr S D Boyes Mr A J Churchill (resigned 25 March 2022) Ms S Ghosh (resigned 1 July 2022) Mr A S Hall Dr C H Kendall Ms S L Kennedy Professor M Mihsein Mrs L M Pittwood Mr I A Smith (Vice Chair)
Company Secretary	Group Captain J K Wheeler OBE
Charity No.	514407
Company No.	01751466
Principal address and Registered Office	Dixie Grammar School Market Place Market Bosworth Nuneaton Warwickshire CV13 0LE
Key Management Personnel	
Headmaster	Mr R J Lynn
Head of the Junior School	Mrs E L Billington
Acting Finance Manager	Mrs E S Dawkins
Deputy Head	Mrs C M Young
Head of Sixth Form	Mr J Dixon
Director of Student Care	Mrs H J Banton
Senior Management	Mr R J Thirlwell
Assistant Head of the Junior School	Mrs S Baker
Assistant Head of the Junior School	Miss K Mee
IT & Operations Manager	Mr P Kirk

Leicestershire Independent Educational Trust

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2022

Auditors	Cooper Parry Group Limited Sky View Argosy Road East Midlands Airport Castle Donnington Derby DE74 2SA
Bankers	National Westminster Bank Plc 13 The Borough Hinckley Leicestershire LE10 1NW
Solicitors	Pattersons Commercial Law 2 Pear Tree Business Park Desford Lane Ratby Leicestershire LE6 0PG Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA Broomfields Minerva House 7 St John's Business Park Rugby Road Lutterworth Leicestershire LE17 4HB
Insurance Brokers	Turner Insurance Group 34-36 Princess Road West Leicester LE1 6TQ
Land Agents	Fisher German LLP The Estates Office Norman Court Ivanhoe Business Park Ashby de la Zouch LE65 2UZ

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2022

The Directors present their report and financial statements for the year ended 31 August 2022 and confirm they comply with the requirements of the Charities Act 2011 including the Directors' and Strategic Reports as required under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity is registered with the Charity Commission as charity number 514407. The charity is a limited liability company (number 01751466). Directors of the company are also governors of the school and trustees of the charity. The charitable company is incorporated in the United Kingdom. Leicestershire Independent Educational Trust operates as "The Dixie Grammar School." There are no connected charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 18 September 2009, replacing those dated 22 July 1983. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner that is legally charitable. The principal object for which the charity was established is to promote and provide for the advancement of education and to carry on, acquire and develop schools.

Governing Body

The Governors are the Directors and charitable trustees of the company and comprise the Governing Body of the Dixie Grammar School. They are elected to hold office for periods as defined in the Articles of Association. The school is governed by the Governing Body, which operates using a number of committees. The Governing Body meets a minimum of 3 times each year, usually termly. Since COVID-19, the Board has met both in person and remotely via Video Conference and the Board and Committees have also evolved an effective hybrid approach to meetings, as circumstances of the Board and individuals dictate. In order to further strengthen governance, two people are co-opted onto Committees, namely the FFP and Marketing Committees. One is a former student of the School. The Governing Body has recently commenced a recruitment exercise both to further strengthen the Board but also to provide replacements for longer serving governors who may elect to stand down.

Recruitment and Training of Governors

All Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The Governing Body looks to ensure a mix of skills and select new governors on the basis of background, competence and specialist skills. Following a Board skills audit in 2020, a number of new appointments to the Board were made. It is now time to further refresh the Board and the Chair has recently launched a recruitment campaign.

Governors are provided with induction training from the Head, Consultant Bursar and staff and a wider programme of training events is organised by the Association of Governing Bodies of Independent Schools (AGBIS), which governors are encouraged to (and indeed do) attend.

Where possible the Governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with marketing experience.
- A Governor with experience of equal opportunities or disability needs.
- A balance of gender and ethnicity

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- A Governor residing in the catchment area of the School.
- A number of parent governors.

Of course, any one Governor may have one or more of these skills/attributes.

Volunteers

Governors are volunteers, providing their time on a pro bono basis to support the effective governance of the school. The school also relies on a number of others to undertake volunteer roles, including members of the local Rotary club who give their time in helping our Upper Sixth prepare for university interviews. Also members of Bosworth in Bloom, who give their time in running the popular gardening club 'Dixie Diggers'. Also the sizeable numbers of parents who lend their expertise in assisting the school with its Duke of Edinburgh programme, careers guidance, sports coaching and other such activities. This is much appreciated. Finally, from time to time, other local people offer their time to the school in support of school activities, which underscores the place of the School in the centre of the local community, something we take pride in.

Organisational Management

The Governing Body provides governance and oversight of the School. It delegates its work to a number of committees. Membership of each committee is outlined below and committees meet a minimum of once per term, with the Finance, Facilities and Personnel Committee meeting a minimum of twice each term. The Directors determine the general policy of the company. The Governors' Manual (introduced in 2020) is based upon an AGBIS template and has been utilised to improve Board effectiveness and to allow the better and timely induction of new governors.

Finance, Facilities and Personnel (FFP) Committee – the FFP Committee's remit is to consider budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It makes recommendations regarding fee levels to the full Governing Body. It also considers financial policies and financial regulations. It is responsible for overseeing governance, internal control and risk. It does this through consideration of audit management letters and other reports relating to governance and control of the School. It reviews relevant school policies. It also develops the school's people strategy, and considers matters such as pay and benefits, pensions, staffing levels and recruitment and training. With regard to pay, remuneration policy is reviewed annually. Finally, it monitors health and safety and reviews relevant school policies. It reports to, and makes recommendations to, the Governing Body for approval.

Education Committee – the Education Committee is responsible for oversight of the academic performance of the School and educational policy, making recommendations to the Governing Body for approval. It reviews relevant school policies and has a key focus on safeguarding and pupil well being. The Chair of the Committee works closely with the School Safeguarding Lead.

Strategy Committee – the Strategy Committee makes recommendations to the Governing Body regarding the strategic direction of the school and is responsible for considering the Governing Body's strategic plan in appropriate detail. It makes recommendations to the Governing Body for approval. Away Days were held in January 2020 and 2021 to debate and determine the school's medium term strategy. This delivered some very useful outcomes, the latter looking to the impact of Covid. It included members of the School's Senior Leadership Team. The latter event importantly developed a Dixie 2030 Vision and the associated short and medium terms action plans to develop this vision. The Board owns the Strategy and will monitor implementation of these plans. It is intended that a further Strategy Day will be undertaken in 2023, given the likely Sector threats and challenges as advised to us by the Independent Schools Council and its fellow sector associations.

Marketing and Communications Committee – this Committee is responsible for external and internal communications, complaints and compliments, marketing and advertising, the School website and public relations. It makes recommendations to the Governing Body for approval. It also reviews relevant school policies.

The daily management of the company is delegated to the Headmaster and his Senior Leadership Team, assisted by the Bursar Consultant, as the Key Management personnel, overseeing the educational, pastoral and administrative functions of the School. The daily administration is

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undertaken within the policies and procedures approved by the Governors, which requires only significant expenditure decisions and major capital projects to be referred to them for prior approval, unless forming part of the approved annual budget.

The Headmaster oversees the recruitment of all educational staff, whilst under delegated authority; the HR Manager oversees the recruitment of the support staff. All HR activity is the responsibility of the professionally qualified HR Manager. The Headmaster, Head Teacher of the Junior School and the Bursar Consultant are invited to attend all governors' meetings, with the Headmaster attending all committee meetings and the Bursar Consultant attending the FFP and Strategy Committees.

The remuneration of key management personnel is set by the Governing Body, under the auspices of the Remuneration Committee, chaired by the Chair of Governors, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success. Similarly the FFP Committee develop the pay policy for the teaching and support staff, which is agreed by the full Governing Body.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. This includes pension provision for both teaching and support staff. In the context of pensions, the School has recently entered into consultation with its teaching staff regarding an exit from the Teachers Pension Scheme (TPS) to a defined contribution arrangement. Many other Independent schools have already left TPS and others are either considering doing so or are like us in consultation to do so.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence, with staff costs being the largest single element of our charitable expenditure. Delivery of the school's charitable vision and purpose is primarily dependent upon our key management personnel.

Group Structure and Relationships

The School has developed links with a wide range of organisations to ensure the widest possible access to our facilities and schooling. Through membership of ISC/ISA/ISBA/AGBIS and through networking with peer groups, we ensure that we are able to attain the highest standards of quality and performance. We encourage our pupils to develop an awareness of the social context of the all-round education they receive at the School and they are engaged in a number of activities to enhance their understanding. We retain the aim of developing an alumni group, to support the School in the years ahead. We also cooperate with other charities in our on-going endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled. We provide full and fair consideration of applications for employment of disabled persons, continuing employment and training of persons who become disabled, training, career development and promotion of disabled persons employed by the company.

Investment Policy and Objectives

The company's Memorandum and Articles of Association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Governors have taken legal advice with regard to the management of the Bernard Heathcote donation, which is used to support the provision of bursaries to widen access to the school from families who would otherwise not be able to benefit from the high quality all round education provided at the Dixie Grammar School. It remains their wish to continue to add funds to the Bursary Fund and to that end, encourages donations from alumni as well as the wider community.

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CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and provide for the advancement of education for public benefit and in connection therewith to conduct, carry out, acquire and develop in the United Kingdom or elsewhere, a school or schools to be run for the education of students and children of any gender.

Aims

The Dixie Grammar School is a day school for pupils from the ages of 3 to 18. It aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. Our aim is to provide a rounded education to help the pupils to make their way in adult life.

Primary objectives

The primary objectives of the Dixie Grammar School to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Dixie education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately; and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

Our key strategies in delivering each of the School's primary objectives include:

- Periodically reviewing the provision of teaching space across both the Senior and Junior Schools and investing in a rolling programme of refurbishment and upgrade.
- The provision of a clear pastoral structure in which every child is known.
- Creating an environment in which all students have responsibility for others' welfare and in which our older students have clear pastoral leadership responsibilities for more junior pupils.
- Making explicit the expectation that all staff will contribute to the extra-curricular programme.
- Encouraging students to show leadership in a variety of ways: through taking assemblies, initiating fundraising ideas, starting extra-curricular clubs and societies, becoming maths leaders, sports leaders, encouraging senior school students to take a lead with those at the junior school during whole school events.

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- Running and actively promoting 'student voice' through our student council, senior prefects and the 'Ashworth Board' – a board on which students can voice concerns or request improvements to school life.
- Providing bursary and scholarship funds in line with Charity Commission guidelines, including via the Heathcote Legacy, thereby allowing us to widen access to the school.
- Periodically reviewing our management structure and ensuring that we provide clarity to lines of accountability and responsibility.
- The curriculum is kept under continual review and adaptations are made each year to ensure that the children are best supported.

Principal Activities of the Year

The principal activity of the school is the delivery of education to pupils ranging from 3 to 18 years of age. We also run a popular summer school over 2 weeks in the summer holidays. Pupil numbers at the school during the year (as at September of each academic year) were as shown below. Pleasingly, in the current Academic Year (2022/23, as at January 2023, pupil numbers have further increased and now stand at an overall total of 464).

	2021/2022	2020/2021
Senior School	298	286
Junior School	143	140
Nursery (FTE)	21	20
Total	<u>462</u>	<u>446</u>

Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting, leadership, musical and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community that they are part of.

In the furtherance of these aims the Dixie Grammar School Governors, as charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our School is a part of a wider community and we are keen that our staff and pupils participate. Our school also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our Governors are committed to developing, where possible, cooperation and joint working with local maintained sector junior and secondary schools. Looking further afield, we continue with our relationship with Stafford Grammar School, a not dissimilar independent school to ourselves. Pupils at both schools are working together to respond to the challenges of misogyny, consent and related issues highlighted in the Everyone's Invited website and Black lives Matter, as well as other topical issues. This interaction seeks to highlight the central importance and power of the Student Voice in our respective schools.

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The Dixie Grammar School provides significant benefit to the public. It strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individual is of course entirely incidental to delivery of the charitable objectives.

Bursaries and Scholarships

Bursaries

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means, we use the methodology promulgated by the Independent Schools' Bursars Association, which takes a comprehensive range of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. We do not enjoy the ownership of any permanent endowments and in funding our awards, we therefore have to be mindful that we must ensure a balance between our fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

We also need to be mindful as to affordability for the Charity as we are in a period of not being able to generate any surplus, indeed this year operating with a substantive deficit. We do though have the support of the legacy of the late Bernard Heathcote, a former pupil of the school, to assist with our provision. Finally, we are grateful to the NFL Trust, one of the wider educational charities, who continue to provide support to a pupil at the school. We continue in discussion with Leicestershire County Council regarding the receipt of charity funds from them, to be used for bursary support. Finally, the Dixie Educational Foundation (a registered Charity), historically generously financially supported pupils at the Dixie. We seek to encourage them, once again, to work with us in some form of mutual arrangement.

The Governor Bursary Committee meets annually to grant bursarial awards for the forthcoming academic year. It also meets in year as necessary. The bursary awards range from 5 % to 100 % remission of fees. Information about fee assistance through bursaries is provided to all applying to the school. The Bursar Consultant, in concert with the Headmaster, periodically reviews *in place* awards, making adjustments as deemed appropriate. In the period of this report, some small adjustments were made to *in place* awards. Full details of our bursary policy and how to apply are available on the School's website.

The value of means tested bursaries in 2022 totalled £289,448 (2021: £280,314)

Scholarships

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of other exceptional abilities, thereby allowing contribution to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor. The availability of scholarship awards is advertised on our website.

Scholarships are awarded with a fixed remission of fees of up to £1,000 per annum. Where further assistance is required, awards can be supplemented through a bursary.

The School awarded scholarships in 2022 totalling £73,804 (2021: £66,399).

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The progress of pupils receiving scholarships is reviewed annually, to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of such reviews.

Review

The school includes details of the various concessions in its prospectuses and on the website. All parents making enquiries about possible entry are provided with a description of the criteria for bursaries and scholarships. The budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school. A Governor Awards Panel is the authority for all bursaries. The criteria and policies relating to concessions are kept under Governor periodic review.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Promotion of Education

During the year we educated over 460 children between the ages of 3 and 18. The School provides a very high standard of education and this is validated in a review of the academic results, our measurements of added value and through external inspection. Our most recent ISI Inspection took place in February 2022 and again graded the School as compliant with the Independent School Regulations and judged the educational quality as Excellent across all the inspection criteria, maintaining the previous excellent grading of educational quality in 2015. The school offers a broad curriculum and educates children with a range of ability. We are able to demonstrate excellence across the curriculum and in a wide range of extra-curricular activities, including:

- Music and Musical theatre examinations in which 25 students in Years 6 and above achieved awards, 6 at grade 5 and above. In addition students achieved honours through representation in the Warwickshire County Youth orchestra and Wind Band, Birmingham Conservatoire and the Nuneaton Festival of Arts. One student performed with the Birmingham Royal Ballet. 19 students achieved school Music Honours.
- Our Equestrian Club, including over 60 students from ages 8-18 represented the Dixie on the local and national stage, winning several prestigious events, including the British Schools National final, NSEA National Championships at Hickstead, The Dixie Challenge event and School Equestrian Games.
- Some 47 students were awarded bronze, silver and gold medals in the Primary, Junior, Intermediate and Senior UK Mathematics Trust Maths challenges, with two students qualifying for the next round in the Senior and Intermediate Challenges. Of note, five of these awards were at gold level.
- A total of 10 students were awarded bronze, silver and gold medals in the Biology and Physics Olympiads.
- Our photographic competition and Rotary Young chef competitions attracted entries from well over 100 students and our Young Enterprise Company 'Scribe' produced a gratitude journal and made a large donation to charity from their proceeds.
- The Duke of Edinburgh Award scheme continues to grow in popularity, as part of our outdoors programme, which runs from a Forest School in the Pippins Nursery to World Challenge in our Sixth Form. Fifteen Awards were completed this academic year, with five at Silver level and two at Gold level.
- Our Business and Entrepreneurship Award, generously sponsored by one of our parents, saw a strong field of applicants from six teams. The judging panel posed questions to candidates and came from a variety of industries and specialisms. Product entries included an event editing and formatting service, a product to ensure the safety of saddles in transit, a pressing and framing service for wedding bouquets and 'Ginger Bred' - a service specialising in products for those with ginger hair.
- A significant number of students achieve major sporting honours through the Independent School Association competitions, at both regional and national level. During 2021/22 three

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students represented the Dixie on the national swimming stage, six students achieved national cross country honours, with five achieving national representative honours in athletics, with one of those achieving the qualifying standard for English Schools' Pole Vault final. Three students have county representative honours in football, two in rugby, six in hockey, three in cricket, two in tennis, one in golf, one in gymnastics, one in American Football and one in climbing. One student competed on the national stage in sailing, seven qualified for the national finals in equestrianism, five competed on the national stage in ISA skiing, with one student a member of the British National ski squad.

Parents of pupils at the school often make significant sacrifices to pay the fees. In educating an average of 462 UK based pupils, parents help considerably in relieving HM Government of the financial burden of paying for their children's education through general taxation. This saved HM Government the sum of £3,011,778 taking account of the DfE costs of state education of £6,519 per pupil per annum (DfE data 2018-19).

Academic Results

We are proud of our external examination results, and particularly in our record of securing places for individuals at their first choice university. In 2021, the vast majority of our students went on to their first or second choice universities with, as last year, over 75% of those choosing to go to university taking a place at their first choice institution. Our small group sizes, expert tuition and individual support ensure that every individual realises their own potential. The Dixie is, however, about far more than external exam results. We help create young people with courtesy, confidence and a thirst for life. Young people who don't just meet the expectations of society, but individuals with the confidence and self-esteem who, through their belief that anything is possible, can challenge, progress and shape the society in which they live.

The da Vinci award scheme runs in Years 6-11 and taking the 'Renaissance Man' as the ideal, the scheme seeks to measure that which we value – exceptional contribution in one of 6 areas – Leadership, Academic, Performance, Clubs, Sport and Charity. Awards have been given for exceptional acts of courage and kindness as well as smaller acts that have made big contributions to our community. Every student is expected to gain a da Vinci in at least one area in any academic year and the scheme is highlighted weekly in assemblies.

In 2022 our pupils sat external examinations at GCSE and A level for the first time in several years. For our A level students, in common with all others, sitting A levels with no previous external examination experience was a particularly challenging prospect. The overwhelming majority of students achieved their first choice place with regards to University admission. Students secured places to study Medicine, Accounting & Finance, History & Politics, Product Design, History, Architecture, Physics with Astrophysics, Geography, Neuroscience, Computer Science, Chinese & Linguistics, Marine Biology, Law, among other courses including two sought after degree apprenticeships, all which serve to illustrate the strength, depth and range of our students' successes.

Academic Results

GCSE RESULTS	Cumulative %				
	9	9/8	9/7	9/6	9/4
2022	20	39	60	72	93
Average previous 5 years	18	37	59	74	94

A Level	Cumulative %			
	A*-B	A-C	A-D	A-E
2022	58	83	95	100

We are of course incredibly proud of these impressive results, but more so of the value added data, which shows that the value added by the Dixie is on average more than one grade for every GCSE

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taken, when compared to all schools nationally, ranking us in the top fifty of all schools for value added.

Improving Facilities

We seek to continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. Covid-19 has of course impacted on our capacity to do so, albeit we did undertake a significant boiler upgrade alongside some further classroom refurbishment. ICT investment continues both to servers and to end user devices. Two of our minibuses were due to be replaced during the academic year but unfortunately constraints in supply meant a lease extension was our only option. A further new vehicle will join the fleet during the current academic year. Planning for a new Sixth Form Centre has had to be paused as we negotiate with our Senior School Landlord, the Dixie Educational Foundation, to secure a further lease. This has involved us undertaking considerable dilapidation work as required by them to secure the new lease. A favourable outcome looks promising. Finally, we are currently planning in concert with our contract caterers Holroyd Howe, a substantial refurbishment and improvement to the catering facilities at the Senior School.

Wider Education

We are committed to providing opportunities for students at university to gain practical teaching experience as part of their PGCE teacher-training course. During last year, a teacher new to the profession was provided with in-house training and experience as part of their preparation for formal teacher training next year, which the school financially supported.

Community

Through development of, and provision of access to new facilities, the school remains at the heart of the community. Facilities made open to the public include:

- The School Hall - used for local groups including choirs, cinema clubs, charity fundraisers, the Market Bosworth Festival and other societies, including the Rotary Club
- Our Music facilities are made available to local choirs
- The school has run a programme of Mandarin classes free to members of the local community
- Sports facilities – used by the local community

Outreach

We operate an arrangement with five primary schools in the local area whereby we provide use of our expertise in Mandarin to help enrich their educational provision.

Our Duke of Edinburgh programme in the senior school requires students to take community based projects. This year students have volunteered to work in a range of businesses and charities.

Our Intergenerational care community project in Year 6 – which gives Year 6 students the opportunity to visit a local care home on a weekly basis have continued to thrive now that visits have recommenced post COVID 19. Games, information sheets and letters have been written to and from residents of the care home and this continues to be an important part of our community contribution.

The School continues to develop wider community links. In addition to the facilities listed above, we have a programme of widening educational access to our facilities, at fee rates below commercial levels, including the use of our impressive sporting facilities.

Charitable Activities

As well as supporting the local community, pupils and staff support schools in Africa and Madagascar through World Challenge and further afield as part of our International Schools Award, which recognises our commitment to global education. We have undertaken specific fundraising for projects

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and a number of our pupils have been to the countries to help in development of educational projects. The school community takes part in a wide range of sponsored events and other fundraising activities. During the year we managed to raise over £10,000 to help these and other projects.

FINANCIAL REVIEW

Results for the Year

The wider Independent Schools Sector has continued to face a wide range of challenges resulting from governmental, political and economic strategy. All this has been further impacted by the myriad of challenges presented by COVID-19 and its aftermath. Naturally, Governors remain concerned about the impact this will have on the School, pupils, parents, staff and suppliers and continue to closely monitor what the short and long term impacts may be. Indeed, this was a key focus during the February 2022 Governor Strategy Day, with a further Strategy Day planned for 2023, where the prospect of a Labour Government and what that might mean for the Independent Sector and the Dixie in particular will be scenario tested.

The Directors secured a Government backed CBILS loan of £1M (drawn down in August 2020) to support the school's cash flow needs in the short to medium term and to allow navigation of the many challenges presented by COVID-19. Just prior to the first anniversary of drawdown, given the financial performance of the school, it was decided to repay £250K of the borrowed sum immediately with the balance being repaid in equal monthly instalments over the remaining 5 years of the loan. The loan is secured against the assets of the School, alongside our other borrowing, and is charged at 2.42% over bank base rate. A further capital repayment of £100,000 in February 2023, resulting from a substantial fees in advance payment, has been made.

As is evident from the accompanying financial data, the School traded at a significant loss this year. This follows six years of trading at a surplus and reflects principally, significantly lower pupil numbers than forecast (that being an expectation of circa 480 pupils), thus there was not the opportunity to adjust staffing levels accordingly. Moreover, the School continues to carry the significant cost of remaining in the Teachers Pension Scheme, following the last substantial increase in employer contributions. In addition, the completion of a substantial volume of dilapidations at the Senior School, identified by the Landlord, accounts for over a third of the deficit this year, being £132,072. The net outgoing resources for the year amounted to £ 312,366 (2021: net incoming resources £1,827).

The Governors continue with the planning for further significant investment, including improved new Sixth Form facilities and an upgrade to catering facilities at the Senior School. A necessary precursor of the bulk of this investment (which requires additional borrowing) is the securing of a new lease on the Senior School site from the Dixie Educational Foundation. Happily significant progress has been made here, with a draft lease now with respective lawyers.

In order to return the school to a trading surplus, a number of cost saving measures are being enacted. Rigorous processes remain in place to address trade debtors, £62,720 (2021: £44,607) and importantly, write offs remain extremely low. Expenditure on bursaries remains well controlled and the Summer Play scheme made a record surplus. Pleasingly, following COVID-19 impact, lettings income has recovered

Taking all transactions into account, Total Net Assets have reduced over the period to £2,127,618 (2021: £2,439,984).

In addition to the very substantial benefits our school brings to our pupils, the local community and society through the education we offer, our bursary programme creates a social asset without cost to the Exchequer. However, we planned in 2016 to reduce the overall percentage of funding available, then around 13.5% of gross fee income across both scholarships and bursaries and other forms of remission. This is to allow such funding to be deployed to improve our educational offering and ensure that the school attracts sufficient pupils to ensure its financial viability. A more rigorous bursary assessment and review process was put in place to assist with this aim. Pleasingly, the overall rate of remission is now at 10.8% (2021 11.04%) and the intention is for the level of all remissions to remain at 10% of gross fee income.

With regard to bank loans outstanding, these include the balance of the CBILS borrowing remaining outstanding. All are being repaid in accordance with the borrowing agreements in place with National

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Westminster Bank. We retain the strongest possible relationship with them and indeed they have indicated a willingness to consider further borrowing in the future.

The key intention of the Directors is that the Charity will continue to invest prudently in its buildings and facilities, as well as its staff, and the Board will ensure that any future surplus income will be so appropriately deployed. The immediate key focus is to return to generating an operating surplus and the Governors are content that action is in hand with the Executive, alongside continued strong interest in the school, to achieve this.

Reserves Level and Policy, and Financial Viability

It has been the School's policy to utilise funds to ensure that high quality, up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the school without the requirement to have recourse to sales of tangible fixed assets. Dixie Grammar School plans to fund longer-term capital expenditure and meet long-term liabilities through careful management of resources and investments and through building reserves through operations and trading. It will also seek to avail itself of further borrowing from its bankers, NatWest Bank, with whom it has a long-standing relationship. The Governors' medium term aim is to make an overall surplus of 5% of net fee income to allow for its continued development. This year, as already narrated, this aim was not met. However, the Governors are confident that the measures now being enacted, together with the expected pupil numbers for September 2023, will allow the forthcoming year to be at a much smaller level of deficit and hopefully close to break even, with the following year, one of a small surplus.

The Governors have invested substantial sums into new school buildings over recent years, and subject to generating an appropriate level of operating surplus, plan to continue to do so. They wish to have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils and as already indicated, are now considering further capital investment in the catering facilities at the Senior School. They retain the desire to put in place improved sixth form facilities but have already invested sums in improving the existing facilities, including introducing individual study booths. In common with most independent schools, and due to having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total net assets of £2,439,984 at the year-end included £1,587,531 of unrestricted funds and £852,453 in restricted funds. Fixed assets held for charity use total £3,289,785. The school's financial viability does not depend on income reserves but in its ability to continue to operate at a surplus on an annual basis, together with its portfolio of fixed assets held for operational use.

The company's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for its direct charitable activities.

GOING CONCERN

Governors have prepared a number of scenarios relating to sources and levels of income, pupil numbers going forward, levels of remissions, staff pay, pension arrangements and other operational budget areas. They also considered factors such as delayed fee payment and increased bad debts. They formally considered this matter within the FFP Committee, informed by a paper from the Bursar Consultant.

Taking account of both the remaining CBILS loan, together with the current growth in pupil numbers and adjustments to the cost base of the business (now underway), cash flow analysis, allied to appropriate sensitivity analysis, show that the cash reserves of the Charity are adequate to meet in full the Charity's financial obligations as they fall due. Our Bank has also indicated its willingness to put in place short-term overdraft arrangements when cash is most under strain. This is principally in the December/January period each year.

Additionally and importantly, interest in the school, principally at the senior level remains healthy both in the current academic year and also for September 2023. This is reflected in pupil recruitment and retention. Accordingly the Directors believe it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2022

The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school, which of course has been exacerbated by the COVID-19 pandemic and the economic recession being faced. There is also the challenge of high inflation.

The Governor strategy to grow pupil numbers across the School under the *Dixie 2030* vision, continues to be enacted. This continued confidence in the School bodes well and is credit to the Headmaster and his staff for the strength of the Dixie educational offering. This is well illustrated both in our examination results and the quality of the wider offering, all commented upon earlier in this Director's Report.

The Governing Body carefully considers the level of fee increase, taking due account of what competitor schools are charging and the cost inflation the School faces, in particular that of staff costs, more latterly also the significant burden of increased employer contributions to the Teachers' Pension Scheme, in which the school currently participates. This growing burden is well illustrated by note 10 to the accounts. Consultation with the teaching staff to a possible exit from the Teachers Scheme and its replacement by a defined contribution scheme, with lower employer contributions, commenced in January 2023.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the School is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment. Pleasingly a recent Insurer Inspection was passed with only very minor observations.

The Governing Body is responsible for the identification and management of risks. The major risks, to which the Charity is exposed, as identified by the Governors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the Executive Officers and is overseen by the FFP Committee of the Governing Body. A comprehensive Risk Register is in place and this is used as both a management tool for the School's Executive as well as a monitoring device for the Governing Body, with it being reviewed formally by the FFP Committee, usually twice per year.

The principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the market in which the School operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our School.
- we strive to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the School meets expectations.
- the School operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools' Council also ensure that we have access to up to date information and support.
- the School operates in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges.
- all organisations face difficult economic conditions and directors and senior managers in the School keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues.

The key controls used by the school include:

- formal agendas and minutes for all meetings of the Governing Body and committees;
- a comprehensive Risk Register;

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2022

- terms of reference for all committees, all periodically reviewed;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines which are regularly reviewed;
- comprehensive formal written policies;
- clear authorisation limits;
- vetting procedures, as required by law, for protection of the vulnerable.

Financial risk management objectives and policies

The School uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the School's operations.

The main issues arising from the school's financial instruments are liquidity risk and interest rate risk.

The Governors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the School seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks and other lenders;
- Interest rate risk – the School finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities and re-negotiating the terms of any loan, when necessary or thought sensible. All loans are underwritten by charges on assets so as to deliver the competitive borrowing costs.

FUTURE PLANS

The key objectives of the current Strategic Plan are contained in the Dixie 2030 Vision document, which contains both short and medium term actions to be implemented, all with responsible owners. This document will be reviewed at the 2023 Governor Strategy Day. Key extracts from the subject document are detailed below.

Our *Core Purpose* is defined as – To provide an excellent education for all students at the Dixie Grammar School.

Our *Mission Statement* is defined as – To provide excellent growth opportunities for all members of the whole Dixie Community.

- Academic excellence – continuing to exceed expectations for all pupils.
- Active engagement of pupils in Sport, Music, Adventure and the Student/School Council.
- Provide opportunities for appreciation of international perspectives and travel.
- For pupils, experience of charitable work in the local community and overseas.
- Continued growth in pupil numbers, taking account of local demographic and other changes.
- Construction of the new Sixth Form Centre/facilities.
- Place the School as the school of *first choice* in the catchment area.
- Be recognised in the local community as core to the long-term success of Market Bosworth.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2022

- Fully exploit the educational and financial benefits of collaboration, building on the initial work with Stafford Grammar School.
- Surpluses of 5% of net fee income in the medium term, whilst in the short term a surplus of 2.5% of net fee income.
- The School to be able to continue to attract and retain high quality teaching and support staff.

Overall, the Directors seek to ensure the medium term viability and success of the School.

OTHER MATTERS

The Directors who served during the year are detailed at the front of this document. None have any beneficial interest in the company.

The company holds trustees' and officers' insurance on behalf of the Directors.

AUDITORS

Cooper Parry Group Limited, having expressed its willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

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

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

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2022

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

Approved by the Board of Directors of the Leicestershire Independent Educational Trust on 17 March 2023 including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Ms J Fenton Parkes
Chair
17 March 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2022

Opinion

We have audited the financial statements of Leicestershire Independent Educational Trust (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 August 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Directors' 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 charitable company'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 Directors 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 directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2022

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 the audit:

- the information given in the directors' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the charitable company, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 16, the directors (who are also the directors of the charitable company for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2022

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

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

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

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

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

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

Use of our report

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



Simon Atkins FCA

Senior Statutory Auditor for and on behalf of **Cooper Parry Group Limited**

Chartered Accounts

Statutory Auditor

Sky View, Argosy Road, Castle Donnington, Derby DE74 2SA

17 March 2023

Leicestershire Independent Educational Trust

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31 AUGUST 2022

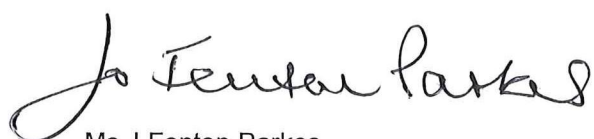
	Notes	Unrestricted Funds £	Restricted Funds £	2022 £	2021 £
Income from:					
Charitable activities					
School fees receivable	2	5,028,777	-	5,028,777	4,678,118
Ancillary trading income	3	408,562	-	408,562	245,027
Other trading activities					
Non-ancillary trading income	4	15,970	-	15,970	6,451
Other activities	4	3,192	-	3,192	7,868
Investments					
Bank and other interest	5	7,054	-	7,054	6,904
Donations and legacies					
Grants and donations	6	2,418	2,003	4,421	32,884
Other incoming resources					
Government grants receivable – Coronavirus Job Retention Scheme		2,844	-	2,844	13,310
Insurance claim		1,996	-	1,996	184,917
TOTAL INCOMING RESOURCES		5,470,813	2,003	5,472,816	5,175,479
Expenditure on:					
Raising funds					
Financing costs	7	41,221	-	41,221	18,639
Fundraising and development	7	355	-	355	622
Charitable Activities					
Education and grant making	7	5,683,606	60,000	5,743,606	5,154,391
TOTAL EXPENDITURE		5,725,182	60,000	5,785,182	5,173,652
NET (EXPENDITURE)/INCOME before transfers		(254,369)	(57,997)	(312,366)	1,827
Transfers between funds	19	-	-	-	-
NET (EXPENDITURE) / INCOME after transfers		(254,369)	(57,997)	(312,366)	1,827
Fund balances at 1 September 2021		1,587,531	852,453	2,439,984	2,438,157
FUND BALANCES AS AT 31 AUGUST 2022		1,333,162	794,456	2,127,618	2,439,984

Leicestershire Independent Educational Trust

BALANCE SHEET AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Tangible assets	13	3,176,994	3,289,785
CURRENT ASSETS			
Stock		8,994	7,360
Debtors	14	272,950	135,390
Cash at bank and in hand		1,181,248	1,465,673
		<u>1,463,192</u>	<u>1,608,423</u>
CREDITORS: amounts falling due within one year	15	<u>(1,468,387)</u>	<u>(1,186,618)</u>
NET CURRENT (LIABILITIES)/ASSETS		<u>(5,195)</u>	<u>421,805</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,171,799</u>	<u>3,711,590</u>
CREDITORS: amounts falling due after one year	16	<u>(1,044,181)</u>	<u>(1,271,606)</u>
TOTAL NET ASSETS		<u>2,127,618</u>	<u>2,439,984</u>
REPRESENTED BY:			
RESTRICTED FUNDS	19	794,456	852,453
UNRESTRICTED FUNDS	19	1,333,162	1,587,531
		<u>2,127,618</u>	<u>2,439,984</u>

The financial statements were approved and authorised for issue by the Board on 17 March 2023 and signed on its behalf by



Ms J Fenton Parkes
Chair

Company registration number 01751466

The notes on pages 24 to 38 form part of these financial statements

Leicestershire Independent Educational Trust

STATEMENT OF CASH FLOWS AS AT 31 AUGUST 2022

	Note	2022 £	2021 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	23	81,707	647,655
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	7,054	6904
Purchase of property, plant and equipment	13	(171,618)	(199,053)
Sale of property, plant and equipment		-	-
<i>Net cash used in investing activities</i>		(164,564)	(192,149)
Cash flows from financing activities:			
New bank loans		-	-
Repayments of borrowing		(201,568)	(233,126)
<i>Net cash (used)/generated in financing activities</i>		(201,568)	(233,126)
<i>Change in cash and cash equivalents in the reporting period</i>		(284,425)	222,380
Cash and cash equivalents at the beginning of the reporting period		<u>1,465,673</u>	<u>1,243,293</u>
Cash and cash equivalents at the end of the reporting period		<u>1,181,248</u>	<u>1,465,673</u>
Cash and cash equivalents consist of:			
Cash at bank and in hand		<u>1,181,248</u>	<u>1,465,673</u>

Analysis of changes in net debt

	At 1 August 2021 £	Cashflows £	Other changes £	At 31 August 2022 £
Cash at bank and in hand	1,465,673	(284,425)	-	1,181,248
Debt due < 1 year	(222,035)	(201,568)	195,895	(227,708)
Debt due > 1 year	(1,104,982)	-	207,241	(897,741)
	<u>138,656</u>	<u>(485,993)</u>	<u>403,136</u>	<u>55,799</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

1. ACCOUNTING POLICIES

a) General information and basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. They are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

They comply with the requirements of the Companies Act 2006 and the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Leicestershire Independent Educational Trust meets the definition of a public benefit entity under FRS102.

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

b) Going Concern

The Governors have undertaken a full Going Concern Assessment. In doing so, they took full account of all external finance factors, future cash flows, dependencies on key counterparties, as well as both current and future pupil numbers. Key suppliers were also considered, as well as utility costs, and Contingent Liabilities and Guarantees.

They also scrutinised the Management Plans developed by the Executive and their own plans with regard to TPS exit, as well as the staff restructuring at the junior school commensurate with a reduction in junior school pupils. They also noted the strength of the on-going support for the School by its bankers and their continued willingness to support the existing borrowing, all of which is being repaid to commitments.

On this basis, the Governors are confident that the charitable company has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

c) School Fees Receivable and Similar Income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are held as cash at bank and in hand until either taken to income to match liabilities in the term when used, or else refunded. Estimating amounts to provide against recovery of debts is a matter of judgement.

d) Ancillary and Non-Ancillary Trading Income

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

e) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the school in case of donated services

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

or facilities.

For legacies, entitlement is the earlier of the charitable company being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies, will be notified to the charitable company however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

f) **Government grants receivable – Coronavirus Job Retention Scheme**

Grants receivable relates to government funding received via the Coronavirus Job retention Scheme. It is designed to protect jobs in the wake of the economic impact of the COVID-19 pandemic and to support employers. It is accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are those that assist the work of the charitable company but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charitable company. Where support costs cannot be directly attributed to a particular heading they have been allocated on a basis consistent with the use of the resources.

h) **Pension Costs**

The charitable company participates in the Teachers' Pensions scheme, which is an unfunded government scheme which provide benefits based on final pensionable pay. The funds of the scheme are separate from the charitable company, although the charitable company's share of the scheme cannot be identified as the scheme is a multi-employer scheme, and so the pension costs are accounted for as defined contribution schemes. The charitable company also contributes to defined contribution pension schemes for non-teaching staff. See note 24 for further details.

i) **Tangible Fixed Assets and Depreciation**

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are stated at cost less depreciation.

The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost over its expected useful life, as follows:

Freehold land	- Not depreciated
Playing fields drainage	- 4%-25% per annum on cost
Playing fields garage store	- 4% per annum on cost
Freehold buildings	
- permanent	- 4% per annum on cost
- temporary	- 25% per annum on cost
Leasehold improvements	- Over period of the lease
Furniture and equipment	- 10% - 20% per annum on cost
Plant and equipment	- 10% per annum on cost
Books and teaching equipment	- 20% per annum on cost
Motor vehicles	- 25% per annum on cost

Leicestershire Independent Educational Trust exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

j) **Financial Instruments**

Leicestershire Independent Educational Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments.

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Bank loans are a financial liability and are initially recognised at transaction value and subsequently measured at amortised cost using the effective interest method.

k) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

l) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the SOFA over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

m) **Fund Accounts**

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 financial statements.

Unrestricted funds are available at the discretion of the directors to further the school's objects or to benefit the school itself. Where the directors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to a designated fund.

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

See note 19 for further details of all funds.

n) **Taxation**

Leicestershire Independent Educational Trust is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

o) **Redundancy payments**

Redundancy payments are recognised within the year the redundancy is announced.

p) **Judgments and key sources of estimation uncertainty**

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

The estimates and assumptions that have a significant risk of causing material adjustment to

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

the carrying amounts of assets and liabilities within the next financial year are addressed below:

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

Depreciation and residual values

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

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

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

2. CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

	2022 £	2021 £
The school fees income comprises:		
Gross fees	5,637,631	5,259,465
Less: scholarships, bursaries, etc	(608,854)	(581,347)
	<u>5,028,777</u>	<u>4,678,118</u>

In the prior year all income in relation to school fees receivable was unrestricted.

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2022 £	2021 £
Extras	296,717	169,955
Entrance fees and registration fees	17,414	10,652
Summer play scheme	39,618	29,200
Commissions and other income	54,813	35,220
	<u>408,562</u>	<u>245,027</u>

In the prior year all income in relation to ancillary trading income was unrestricted.

4. OTHER TRADING ACTIVITIES

	2022 £	2021 £
Non-ancillary trading income		
Lettings and hire	15,970	6,451
	<u>15,970</u>	<u>6,451</u>
Other activities		
Interest on overdue fees	1,024	514
Other	2,168	7,354
	<u>3,192</u>	<u>7,868</u>

In the prior year all income in relation to other trading activities was unrestricted.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

5. INVESTMENTS – BANK INTEREST

	2022 £	2021 £
Bank interest	7,054	6,094
	<u>7,054</u>	<u>6,094</u>

In the prior year all income in relation to bank and other interest was unrestricted.

6. VOLUNTARY SOURCES – GRANTS AND DONATIONS

	Unrestricted £	Restricted £	2022 £	2021 £
Other donations	2,418	2,003	4,421	32,884
	<u>2,418</u>	<u>2,003</u>	<u>4,421</u>	<u>32,884</u>

In the prior year all grants and donations related to unrestricted funds.

7. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Depreciation (note 13) £	Support Costs £	Total 2022 £	Total 2021 £
Costs of raising funds					
Financing cost (note 9)	-	-	41,221	41,221	18,369
Fundraising and development	-	-	355	355	622
Total cost of generating funds	<u>-</u>	<u>-</u>	<u>41,576</u>	<u>41,576</u>	<u>19,261</u>
Charitable expenditure					
Teaching	3,275,175	-	128,168	3,403,343	3,195,711
Welfare	-	-	29,220	29,220	27,390
Premises	184,222	172,538	334,823	691,583	642,698
School administration and governance	726,140	111,871	761,577	1,599,588	1,276,054
Grants awards and prizes	-	-	19,872	19,872	12,538
Total charitable expenditure	<u>4,185,537</u>	<u>284,409</u>	<u>1,273,660</u>	<u>5,743,606</u>	<u>5,154,391</u>
Total Expenditure	<u>4,185,537</u>	<u>284,409</u>	<u>1,315,236</u>	<u>5,785,182</u>	<u>5,173,652</u>

Total expenditure comprised £60,000 (2021: £60,300) in respect of bursaries funded from restricted funds and unrestricted expenditure of £5,725,182 (2021: £5,113,352).

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

7. ANALYSIS OF EXPENDITURE (Continued)

b) Governance included in support costs

Leicestershire Independent Educational Trust reimburses governors for out of pocket expenses including travel, subsistence and accommodation, where a claim is made. Three trustees (2021: 0 trustees) were reimbursed during the year for expenses totalling £751 (2021: £nil).

8. NET (OUTGOING)/INCOMING RESOURCES

	2022 £	2021 £
Net (outgoing)/incoming resources is stated after charging:		
Auditor's remuneration	11,000	11,000
Depreciation	284,409	285,383
Operating leases – land and buildings	87,405	82,600
Operating leases – other	9,507	12,484
	<u>9,507</u>	<u>12,484</u>

9. FINANCING COSTS

	2022 £	2021 £
Bad debts	7	-
Bank interest	40,863	18,288
Lease finance costs	351	351
	<u>41,221</u>	<u>18,639</u>

10. STAFF COSTS

	2022 £	2021 £
The aggregate payroll costs for the year were:		
Wages and salaries	3,277,57	2,980,3
	7	71
Social security costs	330,708	281,830
Other pension costs	577,252	511,628
	<u>4,185,53</u>	<u>3,773,8</u>
	7	29

None of the governors received remuneration or other benefits from the Leicestershire Independent Educational Trust or from any connected body.

Aggregate employee benefits of key management personnel	<u>680,694</u>	<u>641,914</u>
Number of employees classed as key management personnel	<u>9</u>	<u>9</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

10. STAFF COSTS (continued)

The number of higher paid employees whose annual emoluments (excluding pensions) were £60,000 or more was:

	2022	2021
	No	No
£60,000 - £70,000	1	1
£101,000 - £110,000	1	1

The number with retirement benefits accruing:
- in defined benefit schemes was

2	2
---	---

of which the contributions amounted to

<u>£40,172</u>	<u>£39,887</u>
----------------	----------------

The average number of employees during the year was:

	2022	2021
	No	No
Teaching	64	60
Office and non-teaching	<u>44</u>	<u>45</u>
	<u>108</u>	<u>105</u>

The average number of employees during the year calculated on a full-time equivalent basis, was 99 (2021: 84).

There was one redundancy payment (2021: Nil) during the year totalling £4,283 (2021: £Nil).

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £3,000 were awarded to children of directors attending the school (2021: £3,000) in accordance with the school's usual criteria and processes. Travel expenses were reimbursed to 1 director during the year (2021: nil) for £114 (2021: £nil).

12. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

13. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Furniture & Office Equipment £	Books & Teaching Equipment £	Plant & Motor Vehicles £	Total £
Cost						
At 1 September 2021	3,746,461	850,365	515,473	189,230	101,327	5,402,856
Additions	10,876	132,408	25,753	2,581	-	171,618
Disposals	-	-	-	-	-	-
At 31 August 2022	3,757,337	982,773	541,226	191,811	101,327	5,574,474
Depreciation						
At 1 September 2021	1,136,431	489,991	254,780	158,250	73,619	2,113,071
Charge for the year	136,019	49,278	69,918	17,986	11,208	284,409
Disposals	-	-	-	-	-	-
At 31 August 2022	1,272,450	539,269	324,698	176,236	84,827	2,397,480
Net book value at 31 August 2022	2,484,887	443,504	216,528	15,575	16,500	3,176,994
Net book value at 31 August 2021	2,610,030	360,374	260,693	30,980	27,708	3,289,785

All assets are used for charitable purposes.

The value of the playing fields and Temple Hall land, which are not depreciated was £503,500 (2021: £503,500).

Included in fixtures and fittings and motor vehicles are assets held under finance leases which have net book values of £13,143 (2021: £15,772). Depreciation of £2,629 (2021: £2,629) was charged during the year.

14. DEBTORS

	2022 £	2021 £
Trade debtors	62,720	44,607
Other debtors	20,414	4,442
Prepayments and accrued income	189,816	86,341
	272,950	135,390

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

15. CREDITORS: amounts falling due within one year

	2022 £	2021 £
Bank loans and overdrafts	227,708	222,035
Net obligations under finance leases	845	3,382
Trade creditors	269,933	86,855
Taxation and social security	83,600	76,237
Other creditors	185,433	194,960
Fees in advance scheme	39,828	27,917
Fees received from parents in advance of term	574,158	447,500
Accruals	49,667	102,584
Deposits from parents	37,215	25,148
	1,468,387	1,186,618

National Westminster Bank Plc holds a first legal charge over assets owned by the charitable company. There are currently four bank loans.

The first bank loan is repayable by annual instalments of £30,000 (£10,000 per school term). The final balance is repayable on the last day of the loan term of 1 October 2024. Interest is charged at 1.5% above base rate. The loan is secured on the freehold land and buildings.

The second bank loan is repayable by 111 monthly instalments of £1,400 followed by a final instalment in March 2024. Interest is charged at 5.03% above base rate. The loan is secured on the freehold land and buildings.

The third bank loan is repayable by monthly instalments of £2,102 and a final instalment of an amount sufficient to repay the loan and interest in full, the first instalment is due 11 months after the loan commencement date of 1 February 2020 and the full loan repayable within 60 months. The loan is secured on the freehold land and buildings.

The fourth bank loan is a CBILs loan repayable by 60 monthly instalments of £12,500 from 1 September 2021. There was a capital repayment of £250,000 in August 2021. The loan is secured on the freehold land and buildings.

Obligations under finance leases and hire purchase contracts are secured on the related plant and motor vehicles.

16. CREDITORS: amounts falling due after one year

	2022 £	2021 £
Bank loans	897,741	1,104,982
Deposits from parents	146,440	147,382
Net obligations under finance leases	-	845
Fees in advance scheme	-	18,397
	1,044,181	1,271,606

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

17. BANK LOAN

	2022 £	2021 £
The bank loans are repayable in instalments:		
Due after 5 years	225,623	276,977
Due within 2 to 5 years	444,410	605,970
Due within 1 to 2 years	227,708	222,035
Due after more than one year	897,741	1,104,982
Due within 1 year	227,708	222,035
	<u>1,125,449</u>	<u>1,327,017</u>

18. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. Contributions may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2022 £	2021 £
Within 2 to 5 years	-	-
Within 1 to 2 years	-	18,397
	<u>-</u>	<u>18,397</u>
Within 1 year	39,828	27,917
	<u>39,828</u>	<u>46,314</u>

Summary of movements in liability

	£
Balance at 1 September 2021	46,314
New contracts	21,431
Amounts used to pay fees	(27,917)
Balance at 31 August 2022	<u><u>39,828</u></u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

19. FUNDS

RESTRICTED FUNDS	1 September 2022	Incom resourc	Outgoi resourc	Trans	At 31 August 2022 £
Bursary Fund	2,886	-	-	-	2,886
The Bernard Heathcote Foundation	843,067	2,003	(60,000)	-	785,070
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>852,453</u>	<u>2,003</u>	<u>(60,000)</u>	<u>-</u>	<u>794,456</u>

RESTRICTED FUNDS PREVIOUS YEAR	1 September 2021	Incomi resourc	Outgoi resourc	Trans	At 31 August 2021 £
Bursary Fund	2,886	-	-	-	2,886
The Bernard Heathcote Foundation	879,277	-	(60,300)	24,090	843,067
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>888,663</u>	<u>-</u>	<u>(60,300)</u>	<u>24,090</u>	<u>852,453</u>

There is no transfer between funds to represent a notional interest charge of £Nil (2021: £24,090) from unrestricted to restricted income in relation to the use of the Bernard Heathcote funds. The Governors agreed this as an exceptional measure given the overall financial position facing the Charity. This will be reviewed annually, with the desire being to reinstate this transfer.

The Bursary Fund has been established in order to assist with financing future bursaries awarded by the school.

The Bernard Heathcote Foundation has been formed as a result of the generous donation from the late Bernard Heathcote, a former Head Boy of the School. It is to be used for the provision of bursaries to support children who would benefit from a Dixie Grammar School education.

Station Road development is a scheme to consider the redevelopment of the main school campus site at Station Road, Market Bosworth.

Staff welfare fund – a donation to be used for the benefit of the staff.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

19. FUNDS (continued)

UNRESTRICTED FUNDS	At 1 September 2021 £	Incoming resources £	Outgoing resources £	Transfer £	A 31 August 2022 £
General	1,550,507	5,470,813	(5,725,182)	-	1,296,138
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,587,531</u>	<u>5,470,813</u>	<u>(5,725,182)</u>	<u>-</u>	<u>1,333,162</u>

UNRESTRICTED FUNDS	At 1 September 2020 £	Incoming resources £	Outgoing resources £	Transfer £	A 31 August 2021 £
General	1,512,470	5,175,479	(5,113,352)	(24,090)	1,550,507
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,549,494</u>	<u>5,175,479</u>	<u>(5,113,352)</u>	<u>(24,090)</u>	<u>1,587,531</u>

Myra Pedley Fund

These funds were donated to the charitable company to be utilised by the trustees at their absolute discretion, but with the hope that they would be used for the refurbishment of the school library. The trustees therefore designated these funds for the refurbishment of the library.

Sports Facility Fund

The Trustees have allocated these funds for the maintenance of the sports facilities of the school.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	2022 £
Tangible fixed assets	3,176,994	-	3,176,994
Interfund loan	(794,456)	794,456	-
Net current liabilities	(5,195)	-	(5,195)
Long term liabilities	(1,044,181)	-	(1,044,181)
	<u>1,333,162</u>	<u>794,456</u>	<u>2,127,618</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted £	Restricted £	2020 £
Tangible fixed assets	3,289,875	-	3,289,875
Interfund loan	(852,453)	852,453	-
Net current assets	421,805	-	421,805
Long term liabilities	(1,271,606)	-	(1,271,606)
	<u>1,587,531</u>	<u>852,453</u>	<u>2,439,984</u>

21. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2022 the charitable company has total minimum lease payments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2022 £	2021 £	2022 £	2021 £
Expiry date:				
Within 1 year	87,905	63,500	11,308	10,368
Between 2 and 5 years	274,716	249,500	13,254	10,375
After 5 years	45,100	54,500	-	-
	<u>407,721</u>	<u>367,500</u>	<u>24,563</u>	<u>20,743</u>

22. CAPITAL COMMITMENTS

At 31 August 2022 the charitable company has capital commitments of £239,103 (2021: £nil).

23. RECONCILIATION OF NET (EXPENDITURE)/ INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2022 £	2021 £
Net income for the reporting period	(312,366)	1,827
Depreciation charges	284,409	285,383
Dividends, interest and rents from investments	(7,054)	(6,904)
(Increase) / decrease in stock	(1,634)	(2,105)
(Increase) / decrease in debtors	(137,560)	173,510
Increase / (decrease) in creditors	255,912	195,944
Net cash provided by operating activities	<u>81,707</u>	<u>647,655</u>

24. PENSION SCHEMES

Teachers' Pension Scheme

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

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 £541,918 (2021: £486,204) and at the year-end £60,858 (2021 - £57,083) 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.

Defined Contribution Scheme

The charitable company also contributes to schemes for its non-teaching staff, which are defined contribution schemes. The legacy scheme is with Royal London and following auto enrollment legislation, the School is now enrolling all new support staff into the NEST scheme. The cost for the

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2022

year represents the Trust's contributions to the schemes of £27,423 (2021: £25,424). At the year end £2,175 (2021: £2,207) was accrued in respect of these schemes.

25. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and without share capital, incorporated in the United Kingdom. The liability of the members is limited to £1 in the unlikely event of the charity being "wound up." The charity's registered office is noted on page 1.

26. RELATED PARTIES

During the year six directors had between them eleven children attending the school (2021: five directors and eleven children). Directors do not receive any preferential fee rates.

Scholarships were granted in respect of three of these children (2021 – three children) totalling £3,000 (2021: £3,000).

There were no other related party transactions during the year (2021: none).

LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST

England & Wales - Charity number 514407

Accounts

Charity Registration No. 514407

Company Registration No. 01751466 (England and Wales)

LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST
(OPERATING AS DIXIE GRAMMAR SCHOOL)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

Leicestershire Independent Educational Trust

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Leicestershire Independent Educational Trust

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2021

DIRECTORS AND ADVISORS

Directors

Ms J Fenton Parkes (Chair)
Mr M Ashfield
Mr P J Bowman
Mr S D Boyes
Mr A J Churchill
Mrs S R Davies (resigned 1 April 2021)
Ms S Ghosh (appointed 25 June 2021)
Mr A S Hall (appointed 1 September 2021)
Dr C H Kendall
Ms S L Kennedy (appointed 25 June 2021)
Professor M Mihsein
Mrs L M Pittwood
Mr I A Smith (Vice Chair)

Company Secretary

Group Captain J K Wheeler

Charity No.

514407

Company No.

01751466

Principal address and Registered Office

Dixie Grammar School
Market Place
Market Bosworth
Nuneaton
Warwickshire
CV13 0LE

Key Management Personnel

Headmaster

Mr R J Lynn

Head of the Junior School

Mrs E L Billington

Acting Finance Manager

Mrs E S Dawkins

Deputy Head

Mrs C M Young

Head of Sixth Form

Mr J Dixon

Director of Student Care

Mrs H J Banton

Senior Management

Mr R J Thirlwell

Assistant Head of the Junior School

Mrs S Baker

Assistant Head of the Junior School

Miss K Mee

IT & Operations Manager

Mr P Kirk

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COMPANY INFORMATION YEAR ENDED 31 AUGUST 2021

Auditors	Cooper Parry Group Limited Sky View Argosy Road East Midlands Airport Castle Donnington Derby DE74 2SA
Bankers	National Westminster Bank Plc 13 The Borough Hinckley Leicestershire LE10 1NW
Solicitors	Pattersons Commercial Law 2 Pear Tree Business Park Desford Lane Ratby Leicestershire LE6 0PG Veale Wasbrough Vizards LLP Narrow Quay House Narrow Quay Bristol BS1 4QA
Insurance Brokers	Turner Insurance Group 34-36 Princess Road West Leicester LE1 6TQ
Land Agents	Fisher German LLP The Estates Office Norman Court Ivanhoe Business Park Ashby de la Zouch LE65 2UZ

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2021

The Directors present their report and financial statements for the year ended 31 August 2021 and confirm they comply with the requirements of the Charities Act 2011 including the Directors' and Strategic Reports as required under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity is registered with the Charity Commission as charity number 514407. The charity is a limited liability company (number 01751466). Directors of the company are also governors of the school and trustees of the charity. The charitable company is incorporated in the United Kingdom. Leicestershire Independent Educational Trust operates as "The Dixie Grammar School." There are no connected charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 18 September 2009, replacing those dated 22 July 1983. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner that is legally charitable. The principal object for which the charity was established is to promote and provide for the advancement of education and to carry on, acquire and develop schools.

Governing Body

The Governors are the Directors and charitable trustees of the company and comprise the Governing Body of the Dixie Grammar School and are elected to hold office for periods as defined in the Articles of Association. The school is governed by the Governing Body, which operates using a number of committees. The Governing Body meets a minimum of 3 times each year, usually termly. Given the restrictions imposed by COVID-19, the Board has met both in person and remotely via Video Conference and the Board and Committees have also evolved an effective hybrid approach to some meetings, as circumstances of the Board and individuals dictate. In order to strengthen governance, two people have been co-opted onto Committees, namely the FFP and Marketing Committees. One is a former student of the School.

Recruitment and Training of Governors

All Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The Governing Body looks to ensure a mix of skills and select new governors on the basis of background, competence and specialist skills. Following a full Board skills audit conducted in 2020, a number of new appointments to the Board have been made. Governors are provided with induction training by the Head, Consultant Bursar and staff and a wider programme of training events is organised by the Association of Governing Bodies of Independent Schools (AGBIS), which governors are encouraged to (and indeed do) attend.

Where possible the Governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with marketing experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female governor and at least one male governor.
- A number of parent governors.

Of course, any one Governor may have one or more of these skills/attributes.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2021

Volunteers

Governors are volunteers providing their time for free to support the governance of the school. The school also relies on a number of others to undertake volunteer roles, including members of the local Rotary club who give their time in helping our Upper Sixth prepare for university interviews. Also members of Bosworth in Bloom, who give their time in running the popular gardening club 'Dixie Diggers', albeit impacted to some extent by COVID-19 and a sizeable numbers of parents who lend their expertise in assisting the school with its Duke of Edinburgh programme, careers guidance, sports coaching and other such activities. From time to time, other local people offer their time to the school in support of school activities, which is much appreciated and underscores the place of the School in the centre of the local community.

Organisational Management

The Governing Body provides governance and oversight of the School. It delegates its work to a number of committees. Membership of each committee is outlined below and committees normally meet once per term, with the Finance, Facilities and Personnel Committee meeting twice each term. The directors determine the general policy of the company. The Governors' Manual developed in 2020, based upon an AGBIS template, has been utilised to improve Board effectiveness and to allow the better and timely induction of new governors. The Chair of the Governing Body remains alert to seeking further new Governors, indeed a number of new governors joined during this year.

Finance, Facilities and Personnel (FFP) Committee – the FFP Committee's remit is to consider budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It makes recommendations regarding fee levels to the full Governing Body. It also considers financial policies and financial regulations. It is responsible for overseeing governance, internal control and risk. It does this through consideration of audit management letters and other reports relating to governance and control of the School. It reviews relevant school policies. It also develops the school's people strategy, and considers matters such as pay and benefits, pensions, staffing levels and recruitment and training. With regard to pay, remuneration policy is reviewed annually. Finally, it monitors health and safety and reviews relevant school policies. It reports to, and makes recommendations to, the Governing Body for approval.

Education Committee – the Education Committee is responsible for oversight of the academic performance of the School and educational policy, making recommendations to the Governing Body for approval. It reviews relevant school policies and has a key focus on safeguarding and pupil well being.

Strategy Committee – the Strategy Committee makes recommendations to the Governing Body regarding the strategic direction of the school and is responsible for considering the Governing Body's strategic plan in appropriate detail. It makes recommendations to the Governing Body for approval. An Away Day was held in January 2020 to debate and determine the school's medium term strategy. This delivered some very useful outcomes but in light of the impact of COVID-19, both locally and nationally to the sector, it was repeated in late 2021. It included members of the School's Senior Leadership Team. The latter event has developed a Dixie 2030 Vision and the associated short and medium terms action plans to develop this vision. The Board owns the Strategy and will monitor implementation of these plans.

Marketing and Communications Committee – this Committee is responsible for external and internal communications, complaints and compliments, marketing and advertising, the School website and public relations. The School's new website has been well received and now gives a much more accurate picture of the School. Further videos of the School have been developed, for use on the school website and indeed wider use. It makes recommendations to the Governing Body for approval. It also reviews relevant school policies.

The daily management of the company is delegated to the Headmaster and his Senior Leadership Team, assisted by the Bursar Consultant, as the Key Management personnel, overseeing the educational, pastoral and administrative functions of the School. The daily administration is undertaken within the policies and procedures approved by the Governors, which requires only significant expenditure decisions and major capital projects to be referred to them for prior approval, unless forming part of the approved annual budget.

The Headmaster oversees the recruitment of all educational staff, whilst under delegated authority; the

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DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2021

HR Manager oversees the recruitment of the support staff. All HR activity is the responsibility of the professionally qualified HR Manager. The Headmaster, Head Teacher of the Junior School and the Bursar Consultant are invited to attend all governors' meetings, with the Headmaster attending all committee meetings and the Bursar Consultant attending the FFP and Strategy Committees.

The remuneration of key management personnel is set by the Governing Body, under the auspices of the Remuneration Committee, chaired by the Chair of Governors, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success. Similarly the FFP Committee develop the pay policy for the teaching and support staff, which is agreed by the full Governing Body.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. This includes pension provision for both teaching and support staff.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence, with staff costs being the largest single element of our charitable expenditure. Delivery of the school's charitable vision and purpose is primarily dependent upon our key management personnel.

Group Structure and Relationships

The School has developed links with a wide range of organisations to ensure the widest possible access to our facilities and schooling. Through membership of ISC/ISA/ISBA/AGBIS and through networking with peer groups, we ensure that we are able to attain the highest standards of quality and performance. We encourage our pupils to develop an awareness of the social context of the all-round education they receive at the School and they are engaged in a number of activities to enhance their understanding. We retain the aim of developing an alumni group, to support the School in the years ahead. We also cooperate with other charities in our on-going endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Investment Policy and Objectives

The company's Memorandum and Articles of Association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Governors have taken legal advice with regard to the management of the Bernard Heathcote donation, which is used to support the provision of bursaries to widen access to the school from families who would otherwise not be able to benefit from the high quality all round education provided at the Dixie Grammar School. It remains their wish to continue to add funds to the Bursary Fund and to that end, encourages donations from former alumni as well as the wider community.

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and provide for the advancement of education for public benefit and in connection therewith to conduct, carry out, acquire and develop in the United Kingdom or elsewhere, a school or schools to be run for the education of students and children of any gender.

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DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2021

Aims

The Dixie Grammar School is a day school for pupils from the ages of 3 to 18. It aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. Our aim is to provide a rounded education to help the pupils to make their way in adult life. These aims have continued to be developed and actioned, notwithstanding the unprecedented demands imposed by COVID-19.

Primary objectives

The primary objectives of the Dixie Grammar School to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Dixie education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately; and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

Our key strategies in delivering each of the School's primary objectives include:

- Periodically reviewing the provision of teaching space across both the Senior and Junior Schools and investing in a rolling programme of refurbishment and upgrade.
- The provision of a clear pastoral structure in which every child is known.
- Creating an environment in which all students have responsibility for others' welfare and in which our older students have clear pastoral leadership responsibilities for more junior pupils.
- Making explicit the expectation that all staff will contribute to the extra-curricular programme.
- Encouraging students to show leadership in a variety of ways: through taking assemblies, initiating fundraising ideas, starting extra-curricular clubs and societies, becoming maths leaders, sports leaders, encouraging senior school students to take a lead with those at the junior school during whole school events.
- Running and actively promoting 'student voice' through our student council, senior prefects and the 'Ashworth Board' – a board on which students can voice concerns or request improvements to school life.
- Providing bursary and scholarship funds greater than or in line with Charity Commission guidelines, including via the Heathcote Legacy. Our Bursary Fund allows us to widen access to the school.

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- Periodically reviewing our management structure and ensuring that we provide clarity to lines of accountability and responsibility.
- The curriculum is kept under continual review and adaptations are made each year to ensure that the children are best supported.

Principal Activities of the Year

The principal activity of the school is the delivery of education to pupils ranging from 3 to 18 years of age. We also run a number of summer school activities and the school is open at other times for use by the local community. Pupil numbers at the school during the year (as at September of each academic year) were as shown below. Of note, whilst COVID-19 did impact numbers for the start of the academic year by the end of the 2020/221 academic year total pupil numbers had almost returned to the level of the previous year being 293 Senior School, 150 Junior School and 29 Nursery.

	2020/2021	2019/2020
Senior School	286	313
Junior School	140	142
Nursery (FTE)	20	19
Total	<u>446</u>	<u>474</u>

As has been well documented elsewhere, the COVID-19 pandemic has impacted hugely on all schools and the Dixie Grammar School has had to, at pace, adapt to a 'new normal' in terms of the delivery of education during the full lockdowns when schools were ordered to close to all, except key/critical worker children, by the Government and also when the pandemic has necessitated restrictions to our hitherto ways of working. The Leadership Team worked closely with key members of the Governing Body to adapt and reflect guidance/direction from official bodies such as DfE and Public Health England. Our primary focus throughout these challenging times has been to continue, to the very best of our ability, to provide our pupils with the most relevant and purposeful education, supporting in particular key groups such as those in examination years and those seeking university admission. Whilst at the same time, seeking to maintain a safe working environment for both our pupils and staff. The Governors determine these have been met to a very high standard is testament to our key asset, namely our staff, principally teaching but also the invaluable contribution made by the support staff.

Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting, leadership, musical and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community that they are part of.

In the furtherance of these aims the Dixie Grammar School Governors, as charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our School will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our School is a part of a wider community and we are keen that our staff and pupils participate. Our school also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our Governors are committed to developing, where

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possible, cooperation and joint working with local maintained sector junior and secondary schools. Looking wider afield, we are developing a relationship with Stafford Grammar School, a not dissimilar independent school to ourselves. Sixth Form pupils at both schools are working together to respond to the challenges of misogyny, consent and related issues highlighted in the Everyone's Invited website and Black lives Matter. They aim to produce peer-training resources, which can form part of our joint schools' on-going response to these important issues, whilst also highlighting the central importance and power of the Student Voice in our schools.

The Dixie Grammar School provides significant benefit to the public. It strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below. Of course, COVID-19 continues to impact such provision and we look forward to being able to resume *normal* engagement with our local community, once the pandemic recedes.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individual is of course entirely incidental to delivery of the charitable objectives.

Bursaries and Scholarships

Bursaries

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means, we use the methodology promulgated by the Independent Schools' Bursars Association, which takes a comprehensive range of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. We do not enjoy the ownership of any permanent endowments and in funding our awards, we therefore have to be mindful that we must ensure a balance between our fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. We do though have the support of the legacy of the late Bernard Heathcote, a former pupil of the school, to assist with our provision. Finally, we are grateful to the NFL Trust, one of the wider educational charities, who continue to provide support to a pupil at the school. We are also in discussion with Leicestershire County Council regarding the receipt of charity funds from them, to be used for bursary support. Historically, the Dixie Educational Foundation (a registered Charity), has generously financially supported pupils at the Dixie.

The Governor Bursary Committee meets annually to grant bursarial awards for the forthcoming academic year. The bursary awards range from 5 % to 100 % remission of fees. Information about fee assistance through bursaries is provided to all applying to the school. The Bursar Consultant in concert with the Headmaster, periodically reviews *in place* awards, making adjustments as deemed appropriate. In the period of this report, some small adjustments were made to *in place* awards. Full details of our bursary policy and how to apply are available on the School's website.

The value of means tested bursaries in 2021 totalled £280,314 (2020: £307,922)

Scholarships

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of other exceptional abilities, thereby allowing contribution to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor. The availability of scholarship awards is advertised on our website.

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Scholarships are awarded with a fixed remission of fees of up to £1,000 per annum. Where further assistance is required, awards can be supplemented through a bursary.

The School awarded scholarships in 2021 totalling £66,399 (2020: £70,266).

The progress of pupils receiving scholarships is reviewed at least annually, to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of such reviews.

Review

The school includes details of the various concessions in its prospectuses and on the website. All parents making enquiries about possible entry are provided with a description of the criteria for bursaries and scholarships. In most cases the budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school. The criteria and policies relating to concessions are kept under Governor periodic review.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Promotion of Education

During the year we educated between 446 and 472 children between the ages of 3 and 18. The School provides a very high standard of education and this is validated in a review of the academic results, our measurements of added value and through external inspection. The school offers a broad curriculum and educates children with a range of ability. We are able to demonstrate excellence across the curriculum and in a wide range of extra-curricular activities, including:

- Music and Musical theatre examinations in which 27 students in Years 6 and above achieved awards, 10 at grade 5 and above. In addition students achieved honours through representation in the Warwickshire County Youth orchestra and Windband, Birmingham Conservatoire and the Nuneaton Festival of Arts. One student performed with the Birmingham Royal Ballet. 19 students achieved school Music Honours.
- Our Equestrian Club, including over 40 students from ages 8-18 represented the Dixie on the local and national stage, winning several prestigious events, including the British Schools National final, NSEA National Championships at Hickstead, The Dixie Challenge event and School Equestrian Games.
- 23 students were awarded bronze, silver and gold medals in the Primary, Junior, Intermediate and Senior UK Mathematics Trust Maths challenges, with two students qualifying for the next round in the Senior and Intermediate Challenges. Two awards were at gold level.
- 15 students were awarded bronze, silver and gold medals in the Biology and Physics Olympiads.
- Despite the challenges of the times, the Duke of Edinburgh Award scheme pleasingly continues to grow in popularity, as part of our outdoors programme. This runs from a Forest School in the Pippins Nursery to World Challenge in our Sixth Form.
- Our Business and Entrepreneurship Award, generously sponsored by a parent, saw a strong field of applicants. The judging panel posed questions to candidates online and came from a variety of industries and specialisms.
- A significant number of students achieve major sporting honours through the Independent School Association competitions at both regional and national level. During 2020/21 there were many sporting events cancelled as a result of Covid-19. Despite this, one student represented the Dixie on the national swimming stage, qualifying for the Olympic swimming trials and competing in the European Juniors competition. One student achieved major cross country honours, with two achieving County representative honours in athletics, two in football, one in rugby, six in hockey, two in cricket, one in tennis, one in golf and one in water polo. One student competed on the national stage in sailing, five qualified for the national finals in equestrianism, three competed on the national stage in ISA skiing, with one student a member of the British

Leicestershire Independent Educational Trust

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National ski squad. Two students have County representative honours in gymnastics, and one qualified for the ISA national finals in climbing.

Parents of pupils at the school often make significant sacrifices to pay the fees. In educating an average of 460 UK based pupils, parents help considerably in relieving HM Government of the financial burden of paying for their children's education through general taxation. This saved HM Government the sum of £2,998,740 taking account of the DfE costs of state education of £6,519 per pupil per annum (DfE data 2018-19 – unfortunately the DfE is not able to provide an updated figure for our use, hence the sums saved by H M Government one can assume comfortably exceed £3M).

Academic Results

We are proud of our external examination results, and particularly in our record of securing places for individuals at their first choice university. In 2020, the vast majority of our students went on to their first or second choice universities with, as last year, over 75% of those choosing to go to university taking a place at their first choice institution. Our small group sizes, expert tuition and individual support ensure that every individual realises their own potential. The Dixie is, however, about far more than external exam results. We help create young people with courtesy, confidence and a thirst for life. Young people who don't just meet the expectations of society, but individuals with the confidence and self-esteem who, through their belief that anything is possible, can challenge, progress and shape the society in which they live.

The da Vinci award scheme runs in Years 6-11 and taking the 'Renaissance Man' as the ideal, the scheme seeks to measure that which we value – exceptional contribution in one of 6 areas – Leadership, Academic, Performance, Clubs, Sport and Charity. Awards have been given for exceptional acts of courage and kindness as well as smaller acts that have made big contributions to our community. Every student is expected to gain a da Vinci in at least one area in any academic year and the scheme is highlighted weekly in assemblies.

In 2021 our GCSE and A level results were arrived at following robust internal processes. Whilst no examinations were sat, the results realistically reflect the academic strength of both GCSE and A level cohorts. 85% of students achieved their first choice place with 67% securing places at Russell Group universities. Students secured places to study Mechanical Engineering, Psychology, Chinese and German, Natural Sciences, War Studies, Global Sustainable Development, Politics and Economics, PPE, Maths, Architecture, Geography, Business Management and Games Technology – which serves to illustrate the strength, depth and range of our students' successes.

Academic Results

A Level Results	A*	A*-A	A*-B	A*-C
2021	39%	73%	88%	100%

GCSE Results	9	8 and above	7 and above	6 and above	5 and above	4 and above
2021	25%	45%	68%	85%	95%	97%
	A*		A	B		C

We are of course proud of these impressive results, but more so of the value added data, which shows that the value added by the Dixie is on average more than one grade for every GCSE taken compared to all schools nationally. Taking individual students' ability alone, their success at GCSE, regardless of gender or need, is more than one grade higher than predicted. Compared to just independent schools, the value added to every GCSE taken is on average one third of a grade.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2021

Improving Facilities

We seek to continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. Covid-19 has of course impacted on our capacity to do so. The Dixie Grammar School continued with its refurbishment programme and during 2020-21 undertook a range of refurbishments at both the Junior and Senior Schools, albeit COVID-19 impacted on progress compared with more recent years. ICT investment continued to evident benefit, as detailed later in this report. One of the mini buses was replaced during the academic year and the new vehicle appropriately branded, to advertise the school. Planning continues for a new Sixth Form Centre and we are pleased to be able to report that the Local Authority has granted planning permission. We are presently in negotiation with our Senior School Landlord, the Dixie Educational Foundation, to secure a further lease and also NatWest bank for further borrowing to support the build of the new facility. In the meantime, some early enabling work has been completed, with further work planned for the year ahead.

Significant Events

The COVID-19 pandemic continues to mean the cancellation of a number of school events. Through our carefully defined programme of strategic investment in our ICT infrastructure, we were well positioned to cope and adapt to the initial period of remote learning. Further investment in classroom technology throughout Summer 2020 enabled us to accept new students on roll in August 2020 from overseas. Two such students joined all their classes remotely from Africa and the ease with which our educational provision has been delivered to them is testament to the ingenuity and adaptability of our teaching staff, but also opens up exciting opportunities ahead.

The world of work is collaborative, and we have an opportunity to collaborate with other schools in providing an element of remote education for all our students. This will both enrich our provision but also and importantly open up the possibility of new income streams. The size of our classes is no longer necessarily limited by bricks and mortar and thus the further expansion of the Dixie Grammar School may not require additional buildings beyond the new Sixth Form Centre. Throughout the period of the lockdown (January 2021 to March 2021) our students experienced a full timetabled day and were encouraged to wear school uniform at home – to preserve the sense of 'going to work'. Cooperation with this request was typically overwhelming and whilst we suspect that many only wore uniform on the top half whilst working remotely, many parents and indeed students commented how much it helped them whilst working remotely.

Wider Education

We are committed to providing opportunities for students at university to gain practical teaching experience as part of their PGCE teacher-training course. During last year, a teacher new to the profession was provided with in-house training and experience as part of their preparation for formal teacher training next year, which the school will financially support.

Community

Through development of, and provision of access to new facilities, the school remains at the heart of the community. Facilities made open to the public include:

- The School Hall - used for local groups including choirs, cinema clubs, Market Bosworth Festival and other societies, including the Rotary Club
- Our Music facilities are made available to local choirs
- The school runs a programme of Mandarin classes free to members of the local community
- Sports facilities – used by the local community

Outreach

We operate an arrangement with five primary schools in the local area whereby we provide use of our expertise in Mandarin to help enrich their educational provision. Teaching of Mandarin for business classes to employees at MIRA has halted during the pandemic, but given its previous success, we look forward to re-establishing links.

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Our Duke of Edinburgh programme in the senior school requires students to take community based projects. This year students have volunteered to work in a range of businesses and charities.

Our Intergenerational care community project in Year 6 – which gives Year 6 students the opportunity to visit a local care home on a weekly basis – has continued to thrive despite the pandemic. Visits have been replaced with electronic communication. Games, information sheets and letters have been written to and from residents of the care home and this continues to be an important part of our community contribution.

The School continues to develop wider community links. In addition to the facilities listed above, we have a programme of widening educational access to our facilities, at fee rates below commercial levels, including use of our impressive sporting facilities.

Charitable Activities

As well as supporting the local community, pupils and staff support schools in Africa and Madagascar through World Challenge. We have undertaken specific fundraising for projects and a number of our pupils have been to the countries to help in development of educational projects. The school community takes part in a wide range of sponsored events and other fundraising activities. During the year we managed to raise in excess of £10,000 to help these and other projects.

FINANCIAL REVIEW

Results for the Year

The wider Independent Schools Sector has continued to face a wide range of challenges resulting from governmental, political and economic strategy. All this has been further impacted by the myriad of challenges presented by COVID-19. Naturally, Governors are concerned about the impact this will have on the School, pupils, parents, staff and suppliers and continue to closely monitor what the short and long term impacts may be. Indeed, this was a key focus during the recent (February 2022) Governor Strategy Day.

The Directors secured a Government backed CBILS loan of £1M (drawn down in August 2020) to support the school's cash flow needs in the short to medium term, as we sought to navigate the many challenges presented by COVID-19 including further waves of infection, and resultant national and local lock-downs. Just prior to the first anniversary of drawdown, given the financial performance of the school, it was decided to repay £250K of the borrowed sum immediately with the balance being repaid in equal monthly instalments over the remaining 5 years of the loan. The loan is secured against the assets of the School, alongside our other borrowing, and is charged at 2.42% over bank base rate. We thus retain a substantial if decreasing cash buffer to guard against any future disruption. Such sums have been placed on short-term deposit with a range of savings institutions.

A claim was lodged with the School's Insurers, to seek to recover some of the lost fee income, consequent on agreeing substantive fee reductions for the Summer Term 2020, namely 25% for the Senior School and 35% for the Junior School. Insurers, after robust engagement from us and our advisors, eventually accepted the claim and a total of £309,917 was received in 3 instalments, spanning this and the previous financial year.

The net incoming resources for the year amounted to £1,827 (2020: £23,508). This sixth year of a positive out-turn, is a significant and sustained improvement over the deficits in the years prior to this period and whilst not in line with the budget set by the Governors, in the face of a pandemic, is still judged a very creditable performance. However, it is flattered by the Insurance claim for lost fee income, without which this year and last would have seen substantial trading deficits. It also reflects increased investment in the school estate, more of which below and reflected in the growing depreciation charge. The Governors are therefore confident to continue with the planning for further significant investment, namely a new Sixth Form Centre. A necessary precursor of this investment is the securing of a new lease on the Senior School site from the Dixie Educational Foundation. Negotiations in this respect continue. Such a development will also depend upon the support of our bankers, as regards lending and in that context, the on-going detrimental impact of the increased teachers' pensions employer contributions is being studied. More detail about this is available later in this report.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2021

Total net assets have grown slightly over the period to £2,439,984 (2020: £2,438,157). Non – ancillary trading income understandably fell. Happily donation income rose, principally reflecting generous donations for the Parent Teacher Association to fund specific items of equipment requested of them.

In addition to the very substantial benefits our school brings to our pupils, the local community and society through the education we offer, our bursary programme creates a social asset without cost to the Exchequer. However, we planned in 2016 to reduce the overall percentage of funding available, then around 13.5% of gross fee income across both scholarships and bursaries and other forms of remission. This is to allow such funding to be deployed to improve our educational offering and ensure that the school attracts sufficient pupils to ensure its financial viability. A more rigorous bursary assessment and review process was put in place to assist with this aim. Pleasingly, the overall rate of remission which includes bursaries, scholarships sibling awards and staff remission is now at 11.04% (2020 11.75%) and the intention remains to seek further reductions over the next three years, with the aim of achieving a level around 10%.

Rigorous processes are in place to address trade debtors, with benefits evident in the decrease in the level of trade debtors at year-end to £44,607 (2020: £47,607) notwithstanding COVID-19 and as last year, no sums requiring write off. With regard to bank loans outstanding, these continue to be inflated by the CBILS borrowing. All are being repaid in accordance with the borrowing agreements in place with National Westminster Bank. With regard to CBILS, this is over a 60-month duration from September 2021, at the rate of £12,500 per month, following a one off repayment of £250,000 in August 2021. We retain the strongest possible relationship with them and indeed they have indicated a willingness, to consider further borrowing for the planned Sixth Form Centre.

The intention of the Directors is that the Charity will continue to invest prudently in its buildings and facilities, as well as its staff, and the Board will ensure that any future surplus income will be so appropriately deployed.

Reserves Level and Policy, and Financial Viability

It has been the School's policy to utilise funds to ensure that high quality, up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the school without the requirement to have recourse to sales of tangible fixed assets. Dixie Grammar School plans to fund longer-term capital expenditure and meet long-term liabilities through careful management of resources and investments and through building reserves through operations and trading. It will also seek to avail itself of further borrowing from its bankers, NatWest Bank, with whom it has a long-standing association. The Governors' medium term aim is to make an overall surplus of 5% of net fee income to allow for its continued development. This year, understandably given COVID-19, the surplus is only minimal.

The Governors have invested substantial sums into new school buildings in recent years, principally the facilities at the Barton Road site and more latterly the purchase of the freehold of the Junior School site, a new music room at the Junior School and the new Reception Classroom at the Junior School. They have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils and as already indicated, are now considering further capital investment at the Senior School. This is most likely to involve new build facilities for the Sixth Form. In common with most independent schools, and due to having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total net assets of £2,439,984 at the year-end included £1,587,531 of unrestricted funds and £852,453 in restricted funds. Fixed assets held for charity use total £3,289,785. The school's financial viability does not depend on income reserves but in its ability to continue to operate at a surplus on an annual basis, together with its portfolio of fixed assets held for operational use.

The company's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for its direct charitable activities.

GOING CONCERN

Governors have prepared a number of scenarios relating to sources and levels of income, pupil numbers going forward, levels of remissions, staff pay and other operational budget areas. They also considered factors such as delayed fee payment, increased bad debts and COVID-19 mitigation expenditure. They also formally considered the matter at the March 2022 FFP Committee, informed by

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2021

a paper from the Bursar Consultant.

Taking account of both the CBILS loan and also the successful lost fees claim sum, together with growth in pupil numbers, cash flow analysis, allied to appropriate sensitivity analysis, show that the cash reserves of the Charity are entirely adequate to meet in full the Charity's financial obligations as they fall due. Additionally, forward pupil recruitment remains healthy. Accordingly, the Directors believe it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school, which of course has been exacerbated by the COVID-19 pandemic. There is also now the challenge of inflation at levels not seen for a number of years. Happily pupil recruitment in-year, during the year 2021/22, is such that we expect to start the Summer Term 2022 with overall pupil numbers broadly similar to those pre Covid-19. Accordingly, Governor strategy to grow pupil numbers across the School under the *Dixie 2030* vision, continues to be progressed and we are optimistic for pupil numbers going forward, as a number of parents, who can afford our fees, become increasingly dissatisfied with state education provision for their children. This confidence in the School bodes well and is credit to the Headmaster and his staff for the strength of the Dixie educational offering.

The Governing Body carefully considers the level of fee increase, taking due account of what competitors are charging and the cost inflation the School faces, in particular that of staff costs, more latterly also the significant burden of increased employer contributions to the Teachers' Pension Scheme, in which the school currently participates. This growing burden is well illustrated by note 10 to the accounts, where the considerable growth in pension costs is largely attributable to the increased employer contributions payable to the Teachers' Pension Scheme (TPS). Accordingly, the Governing Body is giving consideration to the affordability of continued participation in this scheme as many other independent schools are doing, indeed a not inconsiderable number have already exited TPS. A Governor Working Group leads this work.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the School is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The Governing Body is responsible for the identification and management of risks. The major risks, to which the Charity is exposed, as identified by the Governors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the Executive Officers and is overseen by the FFP Committee of the Governing Body. A comprehensive Risk Register is in place and this is used as both a management tool for the School's Executive as well as a monitoring device for the Governing Body, with it being reviewed formally by the FFP Committee twice per year.

The principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the market in which the School operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our School.
- we strive to ensure that all staff are to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the School meets expectations.
- the School operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools' Council also ensure that we have access to up to date information and support.

Leicestershire Independent Educational Trust

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- the School operates in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges.
- all organisations face difficult economic conditions and directors and senior managers in the School keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues.

The key controls used by the school include:

- formal agendas and minutes for all meetings of the Governing Body and committees;
- a comprehensive Risk Register;
- terms of reference for all committees, all periodically reviewed;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines which are regularly reviewed;
- comprehensive formal written policies;
- clear authorisation limits; and
- vetting procedures, as required by law, for protection of the vulnerable.

Financial risk management objectives and policies

The School uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the School's operations.

The main issues arising from the school's financial instruments are liquidity risk and interest rate risk.

The Governors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the School seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks and other lenders
- Interest rate risk – the School finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities and re-negotiating the terms of any loan, when necessary or thought sensible

FUTURE PLANS

The key objectives of the current Strategic Plan are contained in the Dixie 2030 Vision document, which contains both short and medium term actions to be implemented, all with responsible owners. Key extracts from the subject document are shown below.

Our *Core Purpose* is defined as – To provide an excellent education for all students at the Dixie Grammar School.

Our *Mission Statement* is defined as – To provide excellent growth opportunities for all members of the whole Dixie Community.

- Academic excellence – continuing to exceed expectations for all pupils.
- Active engagement of pupils in Sport, Music, Adventure and the Student/School Council.
- Provide opportunities for appreciation of international perspectives and travel.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2021

- For pupils, experience of charitable work in the local community and overseas.
- Continued growth in pupil numbers, taking account of local demographic and other changes.
- Construction of the new Sixth Form Centre.
- Place the School as the school of *first choice* in the catchment area.
- Be recognised in the local community as core to the long-term success of Market Bosworth.
- Fully exploit the educational and financial benefits of collaboration, building on the initial work with Stafford Grammar School.
- Surpluses of 5% of net fee income in the medium term, whilst in the short term a surplus of 2.5% of net fee income.
- The School to continue to attract and retain high quality teaching and support staff.

Overall, the Directors seek to ensure the medium term viability and success of the School.

OTHER MATTERS

The Directors who served during the year are detailed at the front of this document. None have any beneficial interest in the company.

The company holds trustees' and officers' insurance on behalf of the Directors.

AUDITORS

Cooper Parry Group Limited, having expressed its willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Directors are required to:

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

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

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2021

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Approved by the Board of Directors of the Leicestershire Independent Educational Trust on 25 March 2022 including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



Ms J Fenton Parkes
Chair
25 March 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the financial statements of Leicestershire Independent Educational Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Directors' 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 charitable company'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 Directors 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 directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2021

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 the audit:

- the information given in the directors' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept by the charitable company, 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 15, the directors (who are also the directors of the charitable company for the purpose of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2021

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

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

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

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

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

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

Use of our report

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



Simon Atkins FCA

Senior Statutory Auditor for and on behalf of **Cooper Parry Group Limited**

Chartered Accounts

Statutory Auditor

Sky View, Argosy Road, Castle Donnington, Derby DE74 2SA

Date: 25/03/2022

Leicestershire Independent Educational Trust

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted Funds £	Restricted Funds £	2021 £	2020 £
Income from:					
Charitable activities					
School fees receivable	2	4,678,118	-	4,678,118	4,295,639
Ancillary trading income	3	245,027	-	245,027	261,600
Other trading activities					
Non-ancillary trading income	4	6,451	-	6,451	12,709
Other activities	4	7,868	-	7,868	12,962
Investments					
Bank and other interest	5	6,904	-	6,904	-
Donations and legacies					
Grants and donations	6	32,884	-	32,884	350
Other incoming resources					
Government grants receivable – Coronavirus Job Retention Scheme		13,310	-	13,310	234,698
Insurance claim		184,917	-	184,917	125,000
TOTAL INCOMING RESOURCES		5,175,479	-	5,175,479	4,942,958
Expenditure on:					
Raising funds					
Financing costs	7	18,639	-	18,639	14,351
Fundraising and development	7	622	-	622	336
Charitable Activities					
Education and grant making	7	5,094,091	60,300	5,154,391	4,904,763
TOTAL EXPENDITURE		5,113,352	60,300	5,173,652	4,919,450
NET (EXPENDITURE)/INCOME before transfers		62,127	(60,300)	1,827	23,508
Transfers between funds	19	(24,090)	24,090	-	-
NET (EXPENDITURE) / INCOME after transfers		38,037	(36,210)	1,827	23,508
Fund balances at 1 September 2020		1,549,494	888,663	2,438,157	2,414,649
FUND BALANCES AS AT 31 AUGUST 2021		1,587,531	852,453	2,439,984	2,438,157

Leicestershire Independent Educational Trust

BALANCE SHEET AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
FIXED ASSETS			
Tangible assets	13	3,289,785	3,376,115
CURRENT ASSETS			
Stock		7,360	5,255
Debtors	14	135,390	308,900
Cash at bank and in hand		1,465,673	1,243,293
		<u>1,608,423</u>	<u>1,557,448</u>
CREDITORS: amounts falling due within one year	15	<u>(1,186,618)</u>	<u>(807,383)</u>
NET CURRENT ASSETS		<u>421,805</u>	<u>750,065</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,711,590</u>	<u>4,126,180</u>
CREDITORS: amounts falling due after one year	16	<u>(1,271,606)</u>	<u>(1,688,023)</u>
TOTAL NET ASSETS		<u><u>2,439,984</u></u>	<u><u>2,438,157</u></u>
REPRESENTED BY:			
RESTRICTED FUNDS	19	852,453	888,663
UNRESTRICTED FUNDS	19	1,587,531	1,549,494
		<u>2,439,984</u>	<u>2,438,157</u>

The financial statements were approved and authorised for issue by the Board on 25 March 2022 and signed on its behalf by



Ms J Fenton Parkes
Chair

Company registration number 01751466

The notes on pages 24 to 38 form part of these financial statements

Leicestershire Independent Educational Trust

STATEMENT OF CASH FLOWS AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities:			
<i>Net cash provided by operating activities</i>	24	647,655	(121,590)
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	6,904	-
Purchase of property, plant and equipment	13	(199,053)	(514,649)
Sale of property, plant and equipment		-	1,250
<i>Net cash used in investing activities</i>		(192,149)	(513,399)
Cash flows from financing activities:			
New bank loans		-	1,284,024
Repayments of borrowing		(233,126)	(34,682)
<i>Net cash (used)/generated in financing activities</i>		(233,126)	1,249,342
<i>Change in cash and cash equivalents in the reporting period</i>		222,380	614,353
Cash and cash equivalents at the beginning of the reporting period		1,243,293	628,940
Cash and cash equivalents at the end of the reporting period		1,465,673	1,243,293
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,465,673	1,243,293

Analysis of changes in net debt

	At 1 August 2020	Cashflows	Other changes	At 31 August 2021
	£	£	£	£
Cash at bank and in hand	1,243,293	222,380	-	1,465,673
Debt due < 1 year	(61,522)	(233,126)	72,613	(222,035)
Debt due > 1 year	(1,498,621)	-	393,639	(1,104,982)
	(316,850)	(10,746)	466,252	138,656

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

1. ACCOUNTING POLICIES

a) General information and basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. They are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

They comply with the requirements of the Companies Act 2006 and the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

Leicestershire Independent Educational Trust meets the definition of a public benefit entity under FRS102.

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

b) Going Concern

At the time of signing these financial statements, it is still relatively early days regarding an assessment of the medium term impact of COVID-19 on the global economy, but it is possible that there will be a significant level of uncertainty in all economies around the world for a sustained period of time. However, the governors consider that the charitable company is well placed to continue operating through the uncertain times caused by the COVID-19 pandemic due to its strong cash position as a result of £1m of CBILS funding which has been drawn down from its bankers and the continued support from the schools' existing parent body. Indeed, it is noteworthy that the school is now witnessing increased interest in its product. On this basis the governors are confident that the charitable company has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

c) School Fees Receivable and Similar Income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are held as cash at bank and in hand until either taken to income to match liabilities in the term when used, or else refunded. Estimating amounts to provide against recovery of debts is a matter of judgement.

d) Ancillary and Non-Ancillary Trading Income

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

e) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the school in case of donated services or facilities.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

For legacies, entitlement is the earlier of the charitable company being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies, will be notified to the charitable company however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

f) **Government grants receivable – Coronavirus Job Retention Scheme**

Grants receivable relates to government funding received via the Coronavirus Job retention Scheme. It is designed to protect jobs in the wake of the economic impact of the COVID-19 pandemic and to support employers. It is accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are those that assist the work of the charitable company but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charitable company. Where support costs cannot be directly attributed to a particular heading they have been allocated on a basis consistent with the use of the resources.

h) **Pension Costs**

The charitable company participates in the Teachers' Pensions scheme, which is an unfunded government scheme which provide benefits based on final pensionable pay. The funds of the scheme are separate from the charitable company, although the charitable company's share of the scheme cannot be identified as the scheme is a multi-employer scheme, and so the pension costs are accounted for as defined contribution schemes. The charitable company also contributes to defined contribution pension schemes for non-teaching staff. See note 25 for further details.

i) **Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less depreciation.

The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost over its expected useful life, as follows:

Freehold land	- Not depreciated
Playing fields drainage	- 4%-25% per annum on cost
Playing fields garage store	- 4% per annum on cost
Freehold buildings	
- permanent	- 4% per annum on cost
- temporary	- 25% per annum on cost
Leasehold improvements	- Over period of the lease
Furniture and equipment	- 10% - 20% per annum on cost
Plant and equipment	- 10% per annum on cost
Books and teaching equipment	- 20% per annum on cost
Motor vehicles	- 25% per annum on cost

Leicestershire Independent Educational Trust exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

j) **Financial Instruments**

Leicestershire Independent Educational Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

k) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

l) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the SOFA over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

m) **Fund Accounts**

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 financial statements.

Unrestricted funds are available at the discretion of the directors to further the school's objects or to benefit the school itself. Where the directors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to a designated fund.

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

See note 19 for further details of all funds.

n) **Taxation**

Leicestershire Independent Educational Trust is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

o) **Redundancy payments**

Redundancy payments are recognised within the year the redundancy is announced.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

2. CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

	2021 £	2020 £
The school fees income comprises:		
Gross fees	5,259,465	4,868,041
Less: scholarships, bursaries, etc	(581,347)	(572,402)
	<u>4,678,118</u>	<u>4,295,639</u>

In the prior year all income in relation to school fees receivable was unrestricted.

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2021 £	2020 £
Extras	169,955	202,051
Entrance fees and registration fees	10,652	20,722
Summer play scheme	29,200	-
Commissions and other income	35,220	38,827
	<u>245,027</u>	<u>261,600</u>

In the prior year all income in relation to ancillary trading income was unrestricted.

4. OTHER TRADING ACTIVITIES

	2021 £	2020 £
Non-ancillary trading income		
Lettings and hire	6,451	12,709
	<u>6,451</u>	<u>12,709</u>
Other activities		
Interest on overdue fees	514	1,329
Other	7,354	11,633
	<u>7,868</u>	<u>12,962</u>

In the prior year all income in relation to other trading activities was unrestricted.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

5. INVESTMENTS – BANK INTEREST

	2021 £	2020 £
Bank interest	6,904	-
	<u>6,904</u>	<u>-</u>

In the prior year all income in relation to bank and other interest was unrestricted.

6. VOLUNTARY SOURCES – GRANTS AND DONATIONS

	2021 £	2020 £
Other donations	32,884	350
	<u>32,884</u>	<u>350</u>

In the prior year all grants and donations related to unrestricted funds.

7. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Depreciation (note 13) £	Support Costs £	Total 2021 £	Total 2020 £
Costs of raising funds					
Financing cost (note 9)	-	-	18,639	18,639	14,351
Fundraising and development	-	-	622	622	336
Total cost of generating funds	<u>-</u>	<u>-</u>	<u>19,261</u>	<u>19,261</u>	<u>14,687</u>
Charitable expenditure					
Teaching	3,067,087	-	128,624	3,195,711	3,033,449
Welfare	-	-	27,390	27,390	7,496
Premises	166,994	173,512	302,192	642,698	672,000
School administration and governance	539,748	111,871	624,435	1,276,054	1,189,215
Grants awards and prizes	-	-	12,538	12,538	2,603
Total charitable expenditure	<u>3,773,829</u>	<u>285,383</u>	<u>1,095,179</u>	<u>5,154,391</u>	<u>4,904,763</u>
Total Expenditure	<u>3,773,829</u>	<u>285,383</u>	<u>1,114,440</u>	<u>5,173,652</u>	<u>4,919,450</u>

Total expenditure comprised £60,300 (2020: £60,000) in respect of bursaries funded from restricted funds and unrestricted expenditure of £5,113,352 (2020: £4,859,450).

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

7. ANALYSIS OF EXPENDITURE (Continued)

b) Governance included in support costs

Leicestershire Independent Educational Trust reimburses governors for out of pocket expenses including travel, subsistence and accommodation, where a claim is made. No trustee (2020: 1 trustee) was reimbursed during the year for expenses totalling £nil (2020: £1,546) the decrease is due to a trustee with large travel and accommodation expenses leaving the board.

8. NET INCOMING RESOURCES

	2021 £	2020 £
Net incoming resources is stated after charging:		
Auditor's remuneration	11,000	10,000
Depreciation	<u>285,383</u>	<u>253,982</u>

9. FINANCING COSTS

	2021 £	2020 £
Bad debts	-	-
Bank interest	18,288	14,000
Lease finance costs	351	351
	<u>18,639</u>	<u>14,351</u>

10. STAFF COSTS

	2021 £	2020 £
The aggregate payroll costs for the year were:		
Wages and salaries	2,980,371	2,990,247
Social security costs	281,830	276,597
Other pension costs	511,628	492,050
	<u>3,773,829</u>	<u>3,758,894</u>
None of the governors received remuneration or other benefits from the Leicestershire Independent Educational Trust or from any connected body.		
Aggregate employee benefits of key management personnel	<u>641,914</u>	<u>601,802</u>
Number of employees classed as key management personnel	<u>9</u>	<u>8</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

10. STAFF COSTS (continued)

The number of higher paid employees whose annual emoluments (excluding pensions) were £60,000 or more was:

	2021 No	2020 No
£60,000 - £70,000	1	1
£101,000 - £110,000	1	1
The number with retirement benefits accruing: - in defined benefit schemes was	2	2
of which the contributions amounted to	<u>£39,887</u>	<u>£39,887</u>

The average number of employees during the year was:

	2021 No	2020 No
Teaching	60	63
Office and non-teaching	34	36
Directors	<u>11</u>	<u>11</u>
	<u>105</u>	<u>110</u>

The average number of employees during the year calculated on a full-time equivalent basis, was 84 (2020: 84).

There were no redundancy payments (2020: 5) during the year totalling £Nil (2020: £13,793).

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £3,000 were awarded to children of directors attending the school (2020: £1,200) in accordance with the school's usual criteria and processes.

12. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

13. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Furniture & Office Equipment £	Books & Teaching Equipment £	Plant & Motor Vehicles £	Total £
Cost						
At 1 September 2020	3,704,060	805,502	535,461	237,008	89,020	5,371,051
Additions	42,401	44,863	90,624	-	21,165	199,053
Disposals	-	-	(110,612)	(47,778)	(8,858)	(167,248)
At 31 August 2021	3,746,461	850,365	515,473	189,230	101,327	5,402,856
Depreciation						
At 1 September 2020	998,956	453,954	288,984	181,773	71,269	1,994,936
Charge for the year	137,475	36,037	76,408	24,255	11,208	285,383
Disposals	-	-	(110,612)	(47,778)	(8,858)	(167,248)
At 31 August 2021	1,136,431	489,991	254,780	158,250	73,619	2,113,071
Net book value at 31 August 2021	2,610,030	360,374	260,693	30,980	27,708	3,289,785
Net book value at 31 August 2020	2,705,104	351,548	246,477	55,235	17,751	3,376,115

All assets are used for charitable purposes.

The value of the playing fields and Temple Hall land, which are not depreciated was £503,500 (2020: £503,500).

Included in fixtures and fittings and motor vehicles are assets held under finance leases which have net book values of £15,772 (2020: £18,401). Depreciation of £2,629 (2020: £2,629) was charged during the year.

14. DEBTORS

	2021	2020
	£	£
Trade debtors	44,607	47,607
Other debtors	4,442	131,363
Prepayments and accrued income	86,341	129,930
	135,390	308,900

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

15. CREDITORS: amounts falling due within one year

	2021 £	2020 £
Bank loans and overdrafts	222,035	61,522
Net obligations under finance leases	3,382	3,382
Trade creditors	86,855	57,932
Taxation and social security	76,237	67,130
Other creditors	194,960	183,481
Fees in advance scheme	27,917	39,327
Fees received from parents in advance of term	447,500	300,953
Accruals	102,584	79,761
Deposits from parents	25,148	13,895
	1,186,618	807,383

National Westminster Bank Plc holds a first legal charge over assets owned by the charitable company. There are currently four bank loans.

The first bank loan is repayable by annual instalments of £30,000 (£10,000 per school term). The final balance is repayable on the last day of the loan term of 1 October 2024. Interest is charged at 1.5% above base rate. The loan is secured on the freehold land and buildings.

The second bank loan is repayable by 111 monthly instalments followed by a final instalment in March 2024. Interest is charged at 5.03% above base rate. The loan is secured on the freehold land and buildings.

The third bank loan is repayable by monthly instalments of £2,102 and a final instalment of an amount sufficient to repay the loan and interest in full, the first instalment is due 11 months after the loan commencement date of 1 February 2020 and the full loan repayable within 60 months. The loan is secured on the freehold land and buildings.

The fourth bank loan is a CBILs loan repayable by 60 monthly instalments of £12,500 from 1 September 2021. There was a capital repayment of £250,000 in August 2021. The loan is secured on the freehold land and buildings.

Obligations under finance leases and hire purchase contracts are secured on the related plant and motor vehicles.

16. CREDITORS: amounts falling due after one year

	2021 £	2020 £
Bank loans	1,104,982	1,498,621
Deposits from parents	147,382	156,247
Net obligations under finance leases	845	4,226
Fees in advance scheme	18,397	28,929
	1,271,606	1,688,023

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

17. BANK LOAN

	2021 £	2020 £
The bank loans are repayable in instalments:		
Due after 5 years	276,977	368,389
Due within 2 to 5 years	605,970	858,194
Due within 1 to 2 years	222,035	272,038
Due after more than one year	1,104,982	1,498,621
Due within 1 year	222,035	61,522
	<u>1,327,017</u>	<u>1,560,143</u>

18. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. Contributions may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2021 £	2020 £
Within 2 to 5 years	-	9,705
Within 1 to 2 years	18,397	19,224
	<u>18,397</u>	<u>28,929</u>
Within 1 year	27,917	39,327
	<u>46,314</u>	<u>68,256</u>
Summary of movements in liability		£
Balance at 1 September 2020		68,256
New contracts		8,693
Amounts used to pay fees		(30,635)
Balance at 31 August 2021		<u>46,314</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

19. FUNDS

RESTRICTED FUNDS	At 1 September 2020 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2021 £
Bursary Fund	2,886	-	-	-	2,886
The Bernard Heathcote Foundation	879,277	-	(60,300)	24,090	843,067
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>888,663</u>	<u>-</u>	<u>(60,300)</u>	<u>24,090</u>	<u>852,453</u>

RESTRICTED FUNDS PREVIOUS YEAR	At 1 September 2019 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2020 £
Bursary Fund	2,886	-	-	-	2,886
The Bernard Heathcote Foundation	911,391	-	(60,000)	27,886	879,277
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>920,777</u>	<u>-</u>	<u>(60,000)</u>	<u>27,886</u>	<u>888,663</u>

Transfers between funds represent a notional interest charge (£24,090) from unrestricted to restricted income in relation to the use of the Bernard Heathcote funds.

The Bursary Fund has been established in order to assist with financing future bursaries awarded by the school.

The Bernard Heathcote Foundation has been formed as a result of the generous donation from the late Bernard Heathcote, a former Head Boy of the School. It is to be used for the provision of bursaries to support children who would benefit from a Dixie Grammar School education.

Station Road development is a scheme to consider the redevelopment of the main school campus site at Station Road, Market Bosworth.

Staff welfare fund – a donation to be used for the benefit of the staff.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

19. FUNDS (continued)

UNRESTRICTED FUNDS	At 1 September 2020 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2021 £
General	1,512,470	5,175,479	(5,113,352)	(24,090)	1,550,507
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,549,494</u>	<u>5,175,479</u>	<u>(5,113,052)</u>	<u>(24,090)</u>	<u>1,587,531</u>

UNRESTRICTED FUNDS	At 1 September 2019 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2020 £
General	1,456,848	4,942,958	(4,859,450)	(27,886)	1,512,470
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,493,872</u>	<u>4,942,958</u>	<u>(4,859,450)</u>	<u>(27,886)</u>	<u>1,549,494</u>

Myra Pedley Fund

These funds were donated to the charitable company to be utilised by the trustees at their absolute discretion, but with the hope that they would be used for the refurbishment of the school library. The trustees therefore designated these funds for the refurbishment of the library.

Sports Facility Fund

The Trustees have allocated these funds for the maintenance of the sports facilities of the school.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	2021 £
Tangible fixed assets	3,289,785	-	3,289,785
Interfund loan	(852,453)	852,453	-
Net current assets	421,805	-	421,805
Long term liabilities	(1,271,606)	-	(1,271,606)
	<u>1,587,531</u>	<u>852,453</u>	<u>2,439,984</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted £	Restricted £	2020 £
Tangible fixed assets	3,376,115	-	3,376,115
Interfund loan	(888,663)	888,663	-
Net current (liabilities)/assets	750,065	-	750,065
Long term liabilities	(1,688,023)	-	(1,688,023)
	<u>1,549,494</u>	<u>888,663</u>	<u>2,438,157</u>

21. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2021 the charitable company has total minimum lease payments under non-cancellable operating leases as follows

	Land and buildings		Other	
	2021 £	2020 £	2021 £	2020 £
Expiry date:				
Within 1 year	63,500	63,500	10,368	11,341
Between 2 and 5 years	249,500	254,000	10,375	18,230
After 5 years	54,500	113,500	-	-
	<u>367,500</u>	<u>431,000</u>	<u>20,743</u>	<u>29,571</u>

22. CAPITAL COMMITMENTS

At 31 August 2021 the charitable company has capital commitments of £nil (2020: £19,558).

23. CONTINGENT ASSET

In the prior year a claim had been made with the insurance company in relation to loss of school fees for the summer term. At the date of signing the prior year accounts the claim had not been approved in full but the directors were of the opinion that the results of recent communications with the insurance company had given strong indications that the claim was probable to be met in full in the near future. £125,000 was received and recognised in the accounts within other income. This year, the claim has been settled in full.

24. RECONCILIATION OF NET (EXPENDITURE)/ INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2021 £	2020 £
Net income for the reporting period	1,827	23,508
Depreciation charges	285,383	253,982
Dividends, interest and rents from investments	(6,904)	-
(Increase) / decrease in stock	(2,105)	(3,255)
(Increase) / decrease in debtors	173,510	(155,766)
Increase / (decrease) in creditors	195,944	(240,059)
Net cash provided by operating activities	<u>647,655</u>	<u>(121,590)</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

25. PENSION SCHEMES

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £486,204 (2020: £467,859) and at the year end £57,083 (2020: £50,965) was accrued in respect of contributions to this scheme.

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme.

The school has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out above the information available on the scheme.

Defined Contribution Scheme

The charitable company also contributes to schemes for its non-teaching staff, which are defined contribution schemes. The legacy scheme is with Royal London and following auto enrollment legislation, the School is now enrolling all new support staff into the NEST scheme. The cost for the year represents the Trust's contributions to the schemes of £25,424 (2020: £24,191). At the year end £4,708 (2020: £4,425) was accrued in respect of these schemes.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2021

26. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and without share capital, incorporated in the United Kingdom. The liability of the members is limited to £1 in the unlikely event of the charity being "wound up." The charity's registered office is noted on page 1.

27. RELATED PARTIES

During the year five directors had between them eleven children attending the school (2020: four directors and nine children).

No bursaries were granted in respect of these children. Three children (2020 – two children) received a small scholarship.

There were no other related party transactions during the year (2020: none).

LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST

England & Wales - Charity number 514407

Accounts

Charity Registration No. 514407

Company Registration No. 01751466 (England and Wales)

**LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST
(OPERATING AS DIXIE GRAMMAR SCHOOL)
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

Leicestershire Independent Educational Trust

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Leicestershire Independent Educational Trust

COMPANY INFORMATION YEAR ENDED 31 AUGUST 2020

DIRECTORS AND ADVISORS

Directors

Ms J Fenton Parkes (Chair)
Mr M Ashfield
Mr P J Bowman
Mr S D Boyes
Mr A J Churchill
Mrs S R Davies
Mrs C E Ellis (resigned 21 January 2020)
Dr C H Kendall
Professor M Mihsein
Mrs L M Pittwood
Mr I A Smith (Vice Chair)

Company Secretary

Group Captain J K Wheeler

Charity No.

514407

Company No.

01751466

Principal address and Registered Office

Dixie Grammar School
Market Place
Market Bosworth
Nuneaton
Warwickshire
CV13 0LE

Key Management Personnel

Headmaster

Mr R J Lynn

Finance Manager

Mrs M Medhurst

Head of the Junior School

Mrs E L Billington

Deputy Head

Mrs C Young

Head of Sixth Form

Mr J Dixon

Director of Student Care

Mrs H Banton

Assistant Head of the Junior School

Mrs S Baker

Assistant Head of the Junior School

Miss K Mee

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Auditors

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

Bankers

National Westminster Bank Plc
13 The Borough
Hinckley
Leicestershire
LE10 1NW

Solicitors

M and S Solicitors
20 Newton Road
Heather
Leicestershire
LE67 2RD

Broomfields Solicitors LLP
8 St John's Business Park
Rugby Road
Lutterworth
Leicestershire
LE17 4HB

Insurance Brokers

Turner Insurance Group
34-36 Princess Road West
Leicester
LE1 6TQ

Land Agents

Fisher German LLP
The Estates Office
Norman Court
Ivanhoe Business Park
Ashby de la Zouch
LE65 2UZ

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2020

The directors present their report and financial statements for the year ended 31 August 2020 and confirm they comply with the requirements of the Charities Act 2011 including the Directors' and Strategic Reports, under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity is registered with the Charity Commission as charity number 514407. The charity is a limited liability company (number 01751466). Directors of the company are also governors of the school and trustees of the charity. The charitable company is incorporated in the United Kingdom. Leicestershire Independent Educational Trust operates as "The Dixie Grammar School." There are no connected charities.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company is governed by Articles of Association as adopted by Special Resolution dated 18 September 2009, replacing those dated 22 July 1983. They permit funds to be managed in such a manner as the Directors see fit, provided that such powers are only exercised for the purposes of attaining the objects and in a manner that is legally charitable. The principal object for which the charity was established is to promote and provide for the advancement of education and to carry on, acquire and develop schools.

Governing Body

The Governors are the Directors and charitable trustees of the company and comprise the Governing Body of the Dixie Grammar School and are elected to hold office for periods as defined in the Articles of Association. The school is governed by the Governing Body, which operates using a number of committees. The Governing Body meets a minimum of 3 times each year, usually termly. This year it met more frequently, via video conferencing, to provide effective management and direction of the Charity and school during COVID-19.

Recruitment and Training of Governors

All Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The Governing Body looks to ensure a mix of skills and select new governors on the basis of background, competence and specialist skills. Governors are provided with induction training by the Head, Chair, Consultant Bursar and staff and a wider programme of training events is organised by the Association of Governing Bodies of Independent Schools (AGBIS), which governors are encouraged to attend.

Where possible the governors consider that the skills and experience of the Board should comprise the following:

- A Governor with a legal background.
- A Governor with a financial/accounting background.
- A Governor with education experience.
- A Governor with senior managerial or business experience.
- A Governor with marketing experience.
- A Governor with experience of equal opportunities or disability needs.
- At least one female governor and at least one male governor.
- A number of parent governors.

Of course, one Governor may have one or more of these skills/attributes.

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Volunteers

Governors are volunteers providing their time for free to support the governance of the school. The school also relies on a number of others to undertake volunteer roles, including members of the local Rotary club who give their time in helping our Upper Sixth prepare for university interviews. Also members of Bosworth in Bloom, who give their time in running the popular gardening club 'Dixie Diggers', and a sizeable numbers of parents who lend their expertise in assisting the school with its Duke of Edinburgh programme, sports coaching and other such activities. From time to time, other local people offer their time to the school in support of school activities, which is much appreciated and underscores the place of the school in the local community.

Organisational Management

The Governing Body provides governance and oversight of the school. It delegates its work to a number of committees. Membership of each committee is outlined below and committees normally meet once per term, with the Finance, Facilities and Personnel Committee usually meeting twice each term. The directors determine the general policy of the company. During the year, a comprehensive Governors Manual was developed, based upon an AGBIS template, to further improve Board effectiveness and to allow the better and timely induction of new governors. The Governing Body is currently active in seeking new additional governors, the size of the Board being at its lowest desirable range (10-15) having 10 members. Governors are welcome to attend any committee meeting and, during a year of video conferencing, 70% of governors had attended extra meetings. The Headmaster and Chair of Governors welcome the scope offered by this approach.

Finance, Facilities and Personnel (FFP) Committee – the FFP Committee's remit is to consider budgets, both revenue and capital, cash flow information and financial reports, including the financial statements. It makes recommendations regarding fee levels to the full Governing Body. It also considers financial policies and financial regulations. It is responsible for overseeing governance, internal control and risk. It does this through consideration of audit management letters and other reports relating to governance and control of the school. It reviews relevant school policies. It also develops the school's people strategy, and considers matters such as pay and benefits, pensions, staffing levels and recruitment and training. With regard to pay, remuneration policy is reviewed annually. Finally, it monitors health and safety and reviews relevant school policies. It reports to, and makes recommendations to, the Governing Body for approval.

Education Committee – the Education Committee is responsible for oversight of the academic performance of the school and educational policy, making recommendations to the Governing Body for approval. It reviews relevant school policies.

Strategy Committee – the Strategy Committee is made up of the Committee Chairs and Chair of Governors. It makes recommendations to the Governing Body regarding the strategic direction of the school and is responsible for considering the Governing Body's strategic plan in appropriate detail. It makes recommendations to the Governing Body for approval. An Away Day was held to debate and determine the school's medium term strategy. This delivered some very useful outcomes but in light of the impact of COVID-19, both locally and nationally to the sector, this will be repeated in 2021. Once again, it will include members of the school's Senior Leadership Team.

Marketing and Communications Committee – this Committee is responsible for external and internal communications, marketing and advertising, the school website and public relations. The school's new website has been well received and now gives a much more accurate picture of the school. Further videos of the school are being developed, not only for the website but also for wider publicity and marketing uses, these being developed by a former student. It makes recommendations to the Governing Body for approval. It reviews relevant school policies.

The daily management of the company is delegated to the Headmaster and his Senior Leadership Team, assisted by the Bursar Consultant, as the Key Management personnel, overseeing the educational, pastoral and administrative functions of the school. The daily administration is undertaken within the policies and procedures approved by the Governors, which requires only significant expenditure decisions and major capital projects to be referred to them for prior approval, unless forming part of the approved annual budget.

The Headmaster oversees the recruitment of all educational staff, whilst under delegated authority; the

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HR Manager oversees the recruitment of the support staff. All HR activity is the responsibility of the professionally qualified HR Manager. The Headmaster, Head Teacher of the Junior school, Deputy Head and the Bursar Consultant are invited to attend all governors' meetings, with the Headmaster attending all committee meetings, with the Bursar Consultant attending the FFP and Strategy Committees.

The remuneration of key management personnel is set by the Governing Body, under the auspices of the Remuneration Committee, it being chaired by the Chair of Governors, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the school's success. Similarly the FFP develop the pay policy for the teaching and support staff, which is agreed by the full Governing Body.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure that the school remains sensitive to the broader issues of pay and employment conditions elsewhere. This includes pension provision for both teaching and support staff.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence, with staff costs being the largest single element of our charitable expenditure. Delivery of the school's charitable vision and purpose is primarily dependent upon our key management personnel.

Group Structure and Relationships

The school has developed links with a wide range of organisations to ensure the widest possible access to our facilities and schooling. Through membership of ISA/ISBA/AGBIS and through networking with peer groups, we ensure that we are able to attain the highest standards of quality and performance. The support of both ISA and the ISBA has been invaluable to both the school Executive and the Governing Body, as they have sought to successfully manage the many challenges provided by COVID-19. We encourage our pupils to develop an awareness of the social context of the all-round education they receive at the school and they are engaged in a number of activities to enhance their understanding. We aim to develop an alumni group, to support the school in the years ahead. We also cooperate with many local charities in our on-going endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive.

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Investment Policy and Objectives

The company's Memorandum and Articles of Association permit funds to be invested in such manner as the Directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The Governors have taken legal advice with regard to the management of the Bernard Heathcote donation, which is used to support the provision of bursaries to widen access to the school from families who would otherwise not be able to benefit from the high quality all round education provided at the Dixie Grammar School. It remains their wish to continue to add funds to the Bursary Fund and to that end, encourage donations from former alumni as well as the wider community.

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CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The charity's objects, as set out in the Articles of Association, are to promote and provide for the advancement of education for public benefit and in connection therewith to conduct, carry out, acquire and develop in the United Kingdom or elsewhere, a school or schools to be run for the education of students and children of either sex or both sexes.

Aims

The Dixie Grammar School is a day school for pupils from the ages of 3 to 18. It aims to support children in reaching their potential in all areas of their activity at the school, and in the wider community. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. We produce 'well rounded' individuals who are able to make a positive contribution to society. Our aim is to provide a rounded education to help the pupils to make their way in adult life. These aims have continued to be developed and actioned, notwithstanding the unprecedented demands imposed by COVID-19.

Primary objectives

The primary objectives of the Dixie Grammar School to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, respect for one other and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- to provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Dixie education;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately; and
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to achieve the primary objectives

Our key strategies in delivering each of the school's primary objectives include:

- Periodically reviewing the provision of teaching space across both the Senior and Junior schools and investing in a rolling programme of refurbishment and upgrade.
- The provision of a clear pastoral structure in which every child is known.
- Creating an environment in which all students have responsibility for others' welfare and in which our older students have clear pastoral leadership responsibilities for more junior pupils.
- Making explicit the expectation that all staff will contribute to the extra-curricular programme.
- Encouraging students to show leadership in a variety of ways: through taking assemblies, initiating fundraising ideas, starting extra-curricular clubs and societies, becoming maths leaders, sports leaders, encouraging senior school students to take a lead with those at the junior school during whole school events.

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- Running and actively promoting 'student voice' through our student council, senior prefects and the 'Ashworth Board' – a board on which students can voice concerns or request improvements to school life.
- Providing bursary and scholarship funds greater in amount than the Charity Commission guidelines, including via the Heathcote Legacy. This Bursary Fund allows us to widen access to the school.
- Periodically reviewing our management structure and ensuring that we provide clarity to lines of accountability and responsibility.
- The curriculum is kept under continual review and adaptations are made each year to ensure that the children are best supported.

Principal Activities of the Year

The principal activity of the school is the delivery of education to pupils ranging from 3 to 18 years of age. We also run a number of summer school activities and the school is open at other times for use by the local community. Pupil numbers at the school during the year (as at September of each academic year) were as follows:

	2019/2020	2018/2019
Senior school	313	323
Junior school	142	128
Nursery (FTE)	19	19
Total	<u>474</u>	<u>470</u>

As has been well documented elsewhere, the COVID-19 pandemic has impacted hugely on all schools and the Dixie Grammar School has had to, at pace, adapt to a 'new normal' in terms of the delivery of education during the full lockdowns when schools were ordered to close to all, except key/critical worker children, by the Government. During the lockdown, all lessons were delivered remotely and the school's prior investment in its IT platforms made the move to remote teaching much easier than it might otherwise have been. The Leadership Team worked closely with key members of the Governing Body to adapt and reflect guidance/direction from official bodies such as DfE, Public Health England. Our primary focus throughout these challenging times was to continue, to the very best of our ability, to provide our pupils with the most relevant and purposeful education, supporting in particular key groups such as those in examination years and those seeking university admission. Whilst at the same time, seeking to maintain a safe working environment for both our pupils and staff. That the Governors determine these have been met to a very high standard is testament to our key asset, namely our staff, principally teaching but also the invaluable contribution made by the support staff.

Public Benefit

Within the objects, the school aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide them with a first class independent education and a wide range of sporting, leadership, musical and artistic opportunities. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community that they are part of.

In the furtherance of these aims the Dixie Grammar School Governors, as charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

Our school welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our school will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are

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undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

Our school is a part of a wider community and we are keen that our staff and pupils participate. Our school also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. Our Governors are committed to developing, where possible, cooperation and joint working with local maintained sector junior and secondary schools. See page 11 for further examples in our outreach section.

The Dixie Grammar School provides significant benefit to the public. It strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the school provides a wide range of opportunities for community benefit and facilities and events are often open to all. Further detail of the public benefit offered is included in the section entitled 'Review of Achievements and Performance for the Year' below. Of course, COVID-19 has adversely impacted such provision and we look forward to being able to resume *normal* engagement with our local community.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses: any private benefit to individual is entirely incidental to delivery of the charitable objectives.

Bursaries and Scholarships

Bursaries

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk, for example in the case of redundancy. In assessing means, we use the methodology promulgated by the Independent Schools' Bursars Association, which takes a comprehensive range of factors into consideration including family income, investments and savings and family circumstances for example dependant relatives and the number of siblings. We do not enjoy the ownership of any permanent endowments and in funding our awards, we therefore have to be mindful that we must ensure a balance between our fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. We do though have the support of the legacy of the late Bernard Heathcote, a former pupil of the school, to assist with our provision. Finally, we are grateful to the NFL Trust, one of wider educational charities, who provide support to a pupil at the school. The Dixie Educational Foundation have provided support for pupils but none this year.

The Governor Bursary Committee meets annually to grant bursarial awards for the forthcoming academic year. The bursary awards range from 5 % to 100 % remission of fees. Information about fee assistance through bursaries is provided to all applying to the school. The Bursar Consultant and the Headmaster periodically review *in place* awards. Full details of our bursary policy and how to apply are available on the school's website.

This year the value of means tested bursaries in 2020 totalled £307,922 (2019: £345,676)

Scholarships

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of other exceptional abilities, thereby allowing contribution to our co-curricular activities. In addition, awards may be subject to conditions imposed by the original donor. The availability of scholarship awards is advertised on our website.

Scholarships are awarded with a fixed remission of fees of up to £1,000 per annum. Where further

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assistance is required, such awards can, of course, be supplemented by a bursary award as well.

The school awarded scholarships totalling £70,266 (2019: £63,975).

The progress of pupils receiving scholarships is reviewed at least annually, to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of such reviews.

Review

The school includes details of the various concessions in its prospectuses and on the website. All parents making enquiries about possible entry are provided with a description of the criteria for bursaries and scholarships. In most cases the budget for bursaries is allocated using a "needs blind" approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school. All criteria and policies relating to concessions are kept under review and were extensively revised and updated during the year, including the guiding governor bursary policy.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Promotion of Education

During the year we educated an average of 474 children between the ages of 3 and 18. The school provides a very high standard of education and this is validated in review of the academic results, our measurements of added value and through external inspection. The school offers a broad curriculum and educates children with a wide range of ability. Despite losing the summer term in school – a time in which there is a great number of whole school events and individual sporting competition, we can demonstrate excellence across the curriculum and in a wide range of extra-curricular activities, including:

- Music and Musical theatre examinations in which 30 students in Years 6 and above achieved awards, 10 at grade 5 and above. In addition students achieved honours through representation in the Warwickshire County Youth orchestra and Windband, Birmingham Conservatoire and the Nuneaton Festival of Arts. One student performed with the Birmingham Royal Ballet. 19 students achieved school Music Honours.
- Our Equestrian Club, including over 30 students from ages 8-18 represented the Dixie on the local and national stage, winning several prestigious events.
- 38 students were awarded bronze, silver and gold medals in the Primary, Junior, Intermediate and Senior UK Mathematics trust Maths challenges, with two students qualifying for the next round in the Senior and Intermediate Challenges. 6 awards were at gold level.
- 6 students were awarded bronze, silver and gold medals in the Biology and Physics Olympiads.
- The Duke of Edinburgh Award scheme pleasingly continues to grow in popularity as part of our outdoors programme that runs from Forest school in Pippins Nursery to World Challenge in the Sixth Form. Completed D of E awards include 9 at Bronze level, 7 at Silver and 7 at Gold.
- Our Young Enterprise Company 'Gift 'n' Box' represented the Dixie in the County Competition and focused on the importance of local sourcing and the environment. They developed a gift box containing local honey and school manufactured lavender candles that they titled 'The Bosworth Box'. In developing the product they collaborated with University of Warwick lecturers and a Bosworth beekeeper.
- A significant number of students achieve major sporting honours through the Independent School Association competitions at both regional and national level. During 2019/20 there were many sporting events cancelled as a result of Covid-19. Despite this, four individuals represented the Dixie on the national swimming stage, with one achieving two new national records. Four students achieved major cross country honours, with two achieving County representative honours in football, 7 in rugby, 1 in climbing, 1 in water-polo and one achieving national honours in Ice Hockey. One student competed as part of the national ski squad, and 6 have county representative honours in hockey, one in cricket, two in tennis and one student

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was crowned European junior champion in shooting. Two athletes represented Leicestershire on the national stage.

Parents of pupils at the school often make significant sacrifices to pay the fees. In educating 474 UK based pupils, parents help considerably to relieving HM Government of the financial burden of paying for their children's education through general taxation. This saved HM Government the sum of £3,090,006 taking account of the DfE costs of state education of £6,519 per pupil per annum (DfE data 2018-19).

Academic Results

We are proud of our external examination results, and particularly in our record of securing places for individuals at their first choice university. In 2020, the vast majority of our students went on to their first or second choice universities with, as last year, over 75% of those choosing to go to university taking a place at their first choice institution. Our small group sizes, expert tuition and individual support ensure that every individual realises their own potential. The Dixie is, however, about far more than external exam results. We help create young people with courtesy, confidence and a thirst for life - young people who don't just meet the expectations of society, but individuals with the confidence and self-esteem who, through their belief that anything is possible, can challenge, progress and shape the society in which they live.

In 2019 we launched the da Vinci award scheme in Years 6-11. Taking the 'Renaissance Man' as the ideal, the scheme seeks to measure that which we value – exceptional contribution in one of 6 areas – Leadership, Academic, Performance, Clubs, Sport and Charity. Awards have been given for exceptional acts of courage and kindness as well as smaller acts that have made big contributions to our community. Every student is expected to gain a da Vinci in at least one area in any academic year and the scheme is highlighted weekly in assemblies.

In 2020 our GCSE and A level results were arrived at following robust internal processes. Whilst no examinations were sat, the results realistically reflect the academic strength of both GCSE and A level cohorts. One student progressed to study Economics at Cambridge and two secured places to study Medicine, with one studying Law. Places for Art and Design, French, Chinese, Film and Creative writing, Maths, Physics, Mechanical engineering, Graphic Design, Music, English & French, Linguistics, Chemistry and Geography serves to underline the strength in range of our students' successes. Many deferred their places in light of the pandemic, but one individual through her own determination and ingenuity not only secured a lucrative degree apprenticeship place at Aldi, but also importantly encouraged them to start the scheme.

Academic Results

<i>A Level Results</i>	A*	A*-A	A*-B	A*-C	A*-D	A*-E
2020	30%	57%	86%	97%	99%	100%

<i>GCSE Results</i>	9	9/8	9/7	9/6	9/5	9/4
2020	17%	36%	56%	74%	86%	97%

We are of course proud of these data, but more so of the value added data, which shows that the value added by the Dixie is on average more than one grade for every GCSE taken compared to all schools nationally. Taking individual students' ability alone, their success at GCSE, regardless of gender or need, is more than one grade higher than predicted. Compared with just independent schools, the value added to every GCSE taken is on average one third of a grade.

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Improving Facilities

We continue to improve facilities through constant investment in the fabric of the buildings and assets, and ambitious programmes to provide the best facilities to support teaching and learning. The Dixie Grammar School continued with its refurbishment programme and during 2019-20 undertook a range of refurbishments at both the Junior and Senior schools including the significant investment, of circa £350K, in a brand new Reception facility at the Junior school. There has also been significant ICT investment. In addition, one of the mini buses will be replaced during the next academic year and the new vehicle appropriately branded, to advertise the school. Similarly, the next academic year has seen further significant ICT investment to allow for remote learning in a COVID-19 restrained environment. Planning has also commenced for a new Sixth Form Centre.

Significant Events

The COVID-19 pandemic forced the cancellation of many events. Through our carefully defined programme of strategic investment in ICT infrastructure, the school was well positioned to cope with the initial period of remote learning. Further investment in classroom technology over throughout Summer 2020 enabled us to accept new students on roll in August 2020 from overseas. Two such students joined all their classes remotely from Africa, and the ease with which our educational provision has been delivered to them is testament to the ingenuity of teaching staff, but also opens up exciting opportunities ahead. The world of work is collaborative, and we have an opportunity to collaborate with other schools in providing an element of remote education for all our students. This will both enrich our provision, but also open up the possibility of new income streams. The size of our classes is no longer limited by bricks and mortar and thus the further expansion of the Dixie no longer needs to necessarily be associated with expensive building projects.

Wider Education

We are committed to providing opportunities for students at university to gain practical teaching experience as part of their PGCE teacher-training course. During last year, newly qualified teacher completed his NQT year with us and joins the teaching staff fully qualified next academic year.

Community

Through development of, and provision of access to new facilities, the school remains at the heart of the community. Facilities made open to the public include:

- The school hall - used for local groups including choirs, cinema clubs, Market Bosworth Festival and other societies
- Our Music facilities are made available to a local choir
- The school provides a series of community lectures, free to all, which are well attended by members of the community
- The school runs a programme of Mandarin classes free to members of the local community
- The school has been offered out as a vaccination centre and base for community COVID-19 testing.

Outreach

We operate an arrangement with five primary schools in the local area whereby we provide use of our expertise in Mandarin to help enrich their educational provision. Teaching of Mandarin for business classes to employees at MIRA continues.

Our Duke of Edinburgh programme in the senior school requires students to take community based projects. This year students have volunteered to work at a range of businesses and charities.

We have started a community project in Year 6 – intergenerational care, which gives Year 6 students the opportunity to visit a local care home on a weekly basis. This has proved to be mutually very beneficial, although communication has moved to letter writing rather than direct visits, given Covid-19 constraints.

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The charity continues to develop wider community links. In addition to the facilities listed above, we have a programme of widening educational access to our facilities, at fee rates below commercial levels, including use of our impressive sporting facilities, which increasingly are in high demand.

Charitable Activities

As well as supporting the local community, pupils and staff support schools in Africa and Madagascar through World Challenge. We have undertaken specific fundraising for projects and a number of our pupils have been to the countries to help in development of educational projects. The school community takes part in a wide range of sponsored events and other fundraising activities. During the year we managed to raise in excess of £10,000 to help these and other projects.

FINANCIAL REVIEW

Results for the Year

The wider Independent schools Sector has continued to face a wide range of challenges resulting from governmental, political and economic strategy. All this has been further impacted by the myriad of challenges presented by COVID-19 including a lockdown and restrictions on the ability of the school to operate to its conventional model. Governors are naturally concerned about the impact this will have on the school, pupils, parents, staff and suppliers and continue to closely monitor what the short and long term impacts may be.

Accordingly, the Directors, who are also the Governors, arranged with the school's bankers, National Westminster Bank, to secure a Government backed CBILS loan to support the school's cash flow needs in the short to medium term. This is reflected in the increased borrowing and as detailed in notes 15 and 16.

The sum of £1m has been provided by Nat West and arrangements were put in hand to draw this down from August 2020. The sum granted is substantially in excess of immediate cash flow needs but the Directors considered an appropriately prudent approach was sensible, given the continued uncertainty surrounding COVID-19 impacts and a possible second and further waves of infection, and potential national and local lock-downs. The intention of the Governors is to determine before the first anniversary of drawdown, how much should continue to be retained and therefore accrue interest charges.

Certainly, the intention of the Directors is that the loan will be repaid within its duration, which is presently set at 6 years (but could be extended by Government) and they will budget accordingly. A claim was lodged with the school's Insurers, to seek to recover some of the lost fee income, consequent on agreeing substantive fee reductions for the Summer Term 2020, namely 25% for the Senior school and 35% for the Junior school. Insurers have accepted the Claim and whilst negotiations with regard to quantum continue, the Directors are able to report that Insurers have made an interim payment of £125,000 and this is reflected in these accounts. Additionally, and in line with placing a substantial number of staff, both teaching and support on furlough, the school received £234,698 under the Government Coronavirus Job Retention Scheme.

The net incoming resources for the year amounted to £23,508 (2019: £73,223). This fifth year of a positive out-turn is a significant improvement over the deficits in the years prior to this period and whilst not in line with the budget set by the Governors, in the face of a pandemic, is judged a very creditable performance. It also reflects increased investment in the school estate, more of which below. The Governors are now confident to take forward planning for a significant investment at the school, possibly during the next financial year, namely a new 6th Form Centre.

Total net assets have grown again over the period to £2,438,157 (2019: £2,414,649). Non – ancillary trading income understandably fell, as did donation income. Fixed Assets grew, reflecting part of the expenditure on the new Reception Classroom at the Junior school.

In addition to the very substantial benefits our school brings to our pupils, the local community and society through the education we offer, our bursary programme creates a social asset without cost to the Exchequer. However, we planned in 2016 to reduce the overall percentage of funding available, then substantially over 13% of gross fee income across both scholarships and bursaries. This is to allow such funding to be deployed to improve our educational offering and ensure that the school attracts

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

sufficient pupils to ensure its financial viability. A more rigorous bursary assessment and review process was put in place to assist with this aim. Pleasingly, the overall rate of remission is now at 11.75% (2019 12.26%) and the intention remains to seek further reductions over time, with the aim of achieving a level of 11%.

Rigorous processes are in place to address trade debtors, with benefits evident in the relatively small increase in the level of trade debtors at year-end to £47,607 (2019: £33,721) and no sums requiring write off. With regard to bank loans outstanding, these have of course increased significantly, reflecting both the CBILS borrowing, as well as the structured borrowing from National Westminster Bank for the Junior school build. We retain the strongest possible relationship with them and indeed they have already indicated a willingness, in principle, to provide further borrowing, as required, for the planned 6th Form development.

The intention of the Governors is that the charity will continue to invest prudently in its buildings and facilities as well as its staff and the Board will ensure that any future surplus income will be so appropriately deployed.

Reserves Level and Policy, and Financial Viability

It has been the school's policy to utilise funds to ensure that high quality, up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the school without the requirement to have recourse to sales of tangible fixed assets. Dixie Grammar School plans to fund longer-term capital expenditure and meet long-term liabilities through careful management of resources and investments and through building reserves through operations and trading. It will also seek to avail itself of further borrowing from its bankers, National Westminster Bank. Indeed, discussions are presently on going with regard to the funding of a further school improvement. The governors' aim is to make an overall surplus of 5% of net fee income to allow for its continued development. This year, understandably given COVID-19, the surplus amounts to only 0.5% of net fee income but this is after planned increased investment in the site, including IT, with substantial teaching premises and administration expenditure, plus significant additions to fixed assets.

The governors have invested substantial sums into new school buildings in recent years, principally the facilities at the Barton Road site and more latterly the purchase of the freehold of the Junior school site. This year, the main investment at the Junior school is for a new Reception Classroom, after earlier work to provide a new music facility. They have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils and as already indicated, are now considering what further capital investment is appropriate. This is likely to be at the Senior school site and involve facilities for the 6th Form. In common with most independent schools, and due to having to fund their own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. The school's total net assets of £2,438,157 at the year-end included £1,549,494 of unrestricted funds and £888,633 in restricted funds. Fixed assets held for charity use total £3,376,115. The school's financial viability does not depend on income reserves but in its ability to continue to operate at a surplus on an annual basis, together with its portfolio of fixed assets held for operational use.

The company's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for its direct charitable activities.

GOING CONCERN

Governors have prepared a number of scenarios relating to sources and levels of income, pupil numbers going forward, levels of remissions, staff pay and other operational budget areas. They also considered factors such as delayed fee payment, increased bad debts and COVID-19 mitigation expenditure together with receipts from Government funded COVID-19 support measures.

Taking account of both the CBILS loan and also the successful lost fees claim, together with growth in pupil numbers, in the current academic year, cash flow analysis allied to appropriate sensitivity analysis, show that the cash reserves of the Charity are entirely adequate to meet in full the Charity's financial obligations as they fall due. Accordingly, the Directors believe it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31 AUGUST 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider the economic turbulence of recent years and the affordability of fees by parents across the independent sector to be the principal risk faced by the school, which of course has been exacerbated by the COVID-19 pandemic. Whilst the school is not currently full, given the not unexpected reduction in pupils during this reporting year and at the start of the 2020/21 academic year, all COVID-19 related. Happily recruitment in-year, during the year 2020/21, is such that we expect to start the Summer Term 2021 with overall pupil numbers broadly similar to those pre Covid-19. Accordingly, Governor strategy to grow pupil numbers across the school, continues to be progressed and we are optimistic for pupil numbers for the academic year 2021/22. This confidence in the school, without pressure on bursary remissions, bodes well and is credit to the Headmaster and his staff for the strength of the educational offering, including remotely.

The Governing Body carefully considers the level of fee increase, taking careful account of what competitors are charging and the cost inflation the school faces, in particular that of staff costs, more latterly also the significant burden of increased employer contributions to the Teachers' Pension Scheme, in which the school currently participates. This growing burden is well illustrated by note 10 to the accounts, where the considerable growth in pension costs is largely attributable to the increased Teachers Pension Scheme employer contributions payable. Accordingly, the Governing Body will be giving consideration to the affordability of continued participation in this scheme as many other independent schools are doing.

Health and Safety is always a significant area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the school is impressive and the risks associated with all activities are minimised by thorough planning and risk assessment.

The Governing Body is responsible for the identification and management of risks. The major risks, to which the Charity is exposed, as identified by the Governors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the Executive Officers and is overseen by the FFP Committee of the Governing Body. A comprehensive Risk Register is in place and this is used as both a management tool for the school's Executive as well as a monitoring device for the Governing Body, with it being reviewed formally by the FFP Committee twice per year.

The principal risks to which the school is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. Significant risk areas:

- the market in which the school operates is highly competitive and we monitor developments in education to ensure that pupils always receive a first class, holistic and varied educational experience in our school.
- we strive to ensure that all staff is able to work in a safe and supportive environment and policies, procedures and training in Human Resource management and Health and Safety help to ensure that the school meets expectations.
- the school operates in a highly regulated sector, including in matters of child protection, and we appoint appropriate professional advisers to ensure that we can keep up to date with all requirements; school or individual membership of bodies being the constituent associations of the Independent Schools' Council also ensure that we have access to up to date information and support.
- the school operates in an increasingly litigious environment and we appoint appropriate professional advisers and purchase insurance using specialist brokers and advisers to ensure that we can keep up to date with all requirements and meet all challenges.
- all organisations face difficult economic conditions and directors and senior managers in the school keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues.

The key controls used by the school include:

- formal agendas and minutes for all meetings of the Governing Body and committees;

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

- terms of reference for all committees, currently being reviewed;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines which are regularly reviewed;
- comprehensive formal written policies;
- clear authorisation limits; and
- vetting procedures, as required by law, for protection of the vulnerable.

Financial risk management objectives and policies

The school uses financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from operations. The main purpose of these financial instruments is to raise finance for the school's operations.

The main issues arising from the school's financial instruments are liquidity risk and interest rate risk.

The school's Governors adopt policies for managing each of the risks and these are summarised below:

- Liquidity risk – the school seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks and other lenders
- Interest rate risk – the school finances operations through a mixture of retained surpluses and bank and other borrowings. The exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities and re-negotiating the terms of any loan, when necessary or thought sensible

FUTURE PLANS

The key objectives of the current Governing Body's strategic plan are:

- Academic excellence – continuing to exceed expectations for all pupils.
- Active engagement of pupils in Sport, Music, Adventure and the Student/school Council.
- Provide opportunities for appreciation of international perspectives and travel.
- For pupils, experience of charitable work in the local community and overseas.
- Continued growth in pupil numbers at both the Senior and Junior schools, taking account of local demographic and other changes.
- A surplus of 5% of net fee income.
- The school to continue to attract and retain high quality teaching and support staff.
- To determine investment opportunities at both the Senior and Junior school sites, supported as necessary by structured bank borrowing.
- The development of a whole school IT investment plan.

During the forthcoming year, the Governors plan a Strategy Day, in company with the school's key executive staff. From this day, it is intended to develop a revised strategic plan and one that will seek to ensure the medium term viability and health of the school, underpinned by growing a pupil base and strong financial performance. The Governors will of course pay due regard to Charity Commission guidance in determining which activities to undertake.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

OTHER MATTERS

The directors who served during the year are detailed at the front of this document. None has any beneficial interest in the company.

The company holds trustees' and officers' insurance on behalf of the directors.

AUDITORS

Cooper Parry Group Limited, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Leicestershire Independent Educational Trust

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31 AUGUST 2020

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the directors are required to:

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

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

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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

Approved by the Board of Directors of the Leicestershire Independent Educational Trust on 19 March 2021 including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:

DocuSigned by:
Joanna Fenton Parkes
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Ms J Fenton Parkes
Chair

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of Leicestershire Independent Educational Trust (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 August 2020 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees' have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company'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 trustees are responsible for the other information. The other information comprises the information included in the trustees' report, other than the financial statements and our audit report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2020

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 the audit:

- the information given in the trustees' report (incorporating the strategic report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 15, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees 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 financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LEICESTERSHIRE INDEPENDENT EDUCATIONAL TRUST YEAR ENDED 31 AUGUST 2020

Use of our report

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

DocuSigned by:

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Simon Atkins FCA

Senior Statutory Auditor for and on behalf of Cooper Parry Group Limited

Chartered Accounts

Statutory Auditor

Sky View, Argosy Road, Castle Donington, Derby DE74 2SA

Date: 24 March 2021

Leicestershire Independent Educational Trust

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	2020 £	2019 £
Income from:					
Charitable activities					
School fees receivable	2	4,295,639	-	4,295,639	4,693,599
Ancillary trading income	3	261,600	-	261,600	312,724
Other trading activities					
Non-ancillary trading income	4	12,709	-	12,709	12,325
Other activities	4	12,962	-	12,962	7,830
Investments					
Bank and other interest	5	-	-	-	1,174
Donations and legacies					
Grants and donations	6	350	-	350	21,399
Other incoming resources					
Government grants receivable – Coronavirus Job Retention Scheme		234,698	-	234,698	-
Insurance claim		125,000	-	125,000	-
TOTAL INCOMING RESOURCES		4,942,958	-	4,942,958	5,049,051
Expenditure on:					
Raising funds					
Financing costs	7	14,351	-	14,351	21,020
Fundraising and development	7	336	-	336	712
Charitable Activities					
Education and grant making	7	4,844,763	60,000	4,904,763	4,954,096
TOTAL EXPENDITURE		4,859,450	60,000	4,919,450	4,975,828
NET (EXPENDITURE)/INCOME before transfers		83,508	(60,000)	23,508	73,223
Transfers between funds	19	(27,886)	27,886	-	-
NET (EXPENDITURE) / INCOME after transfers		55,622	(32,114)	23,508	73,233
Fund balances at 1 September 2019		1,493,872	920,777	2,414,649	2,341,426
FUND BALANCES AS AT 31 AUGUST 2020		1,549,494	888,663	2,438,157	2,414,649

Leicestershire Independent Educational Trust

BALANCE SHEET AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
FIXED ASSETS			
Tangible assets	13	3,376,115	3,116,698
CURRENT ASSETS			
Stock		5,255	2,000
Debtors	14	308,900	153,134
Cash at bank and in hand		1,243,293	628,940
		<u>1,557,448</u>	<u>784,074</u>
CREDITORS: amounts falling due within one year	15	(807,383)	(1,042,669)
NET CURRENT ASSETS /(LIABILITIES)		750,065	(258,595)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,126,180	2,858,103
CREDITORS: amounts falling due after one year	16	(1,688,023)	(443,454)
TOTAL NET ASSETS		2,438,157	2,414,649
REPRESENTED BY: RESTRICTED FUNDS	19	888,663	920,777
UNRESTRICTED FUNDS	19	1,549,494	1,493,872
		<u>2,438,157</u>	<u>2,414,649</u>

The financial statements were approved and authorised for issue by the Board on 19 March 2021 and signed on its behalf by

DocuSigned by:
Joanna Fenton Parkes
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Ms J Fenton Parkes
Chair

Company registration number 01751466

The notes on pages 24 to 38 form part of these financial statements

Leicestershire Independent Educational Trust

STATEMENT OF CASH FLOWS AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	24	(121,590)	257,961
Cash flows from investing activities:			
Dividends, interest and rents from investments	5	-	1,174
Purchase of property, plant and equipment	13	(514,649)	(164,782)
Sale of property, plant and equipment		1,250	-
Net cash used in investing activities		(513,399)	(163,608)
Cash flows from financing activities:			
New bank loans		1,284,024	-
Repayments of borrowing		(34,682)	(35,545)
Net cash generated/(used) in financing activities		1,249,342	(35,545)
Change in cash and cash equivalents in the reporting period		614,353	58,808
Cash and cash equivalents at the beginning of the reporting period		628,940	570,132
Cash and cash equivalents at the end of the reporting period		1,243,293	628,940
Cash and cash equivalents consist of:			
Cash at bank and in hand		1,243,293	628,940

Analysis of changes in net debt

	At 1 August 2019 £	Cashflows £	Other changes £	At 31 July 2020 £
Cash at bank and in hand	628,940	614,353	-	1,243,293
	628,940	614,353	-	1,243,293

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

a) General information and basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. They are prepared in sterling which is the functional currency of the charitable company and rounded to the nearest £1.

They comply with the requirements of the Companies Act 2006 and the provisions of the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014.

Leicestershire Independent Educational Trust meets the definition of a public benefit entity under FRS102.

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

b) Going Concern

At the time of signing these financial statements, it is still relatively early days regarding an assessment of the medium term impact of the virus on the global economy, but it is possible that there will be a significant level of uncertainty in all economies around the world for a sustained period of time. However, the governors consider that the charity is well placed to continue operating through the uncertain times caused by the COVID 19 pandemic due to its strong cash position as a result of £1m of CBILS funding which has been drawn down from its bankers and the continued support from the schools' existing parent body. Indeed, it is noteworthy that the school is now witnessing increased interest in its product. On this basis the governors are confident that the charity has adequate resources to continue in operation and, accordingly, have adopted the going concern basis in preparing the financial statements.

c) School Fees Receivable and Similar Income

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are held as cash at bank and in hand until either taken to income to match liabilities in the term when used, or else refunded. Estimating amounts to provide against recovery of debts is a matter of judgement.

d) Ancillary and Non-Ancillary Trading Income

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

e) Voluntary sources, Grants and Donations

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the school in case of donated services or facilities.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

or the legacy being received. At this point income is recognised. On occasion legacies, will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

f) **Government grants receivable – Coronavirus Job Retention Scheme**

Grants receivable relates to government funding received via the Coronavirus Job retention Scheme. It is designed to protect jobs in the wake of the economic impact of the COVID-19 pandemic and to support employers. It is accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to a particular heading they have been allocated on a basis consistent with the use of the resources.

h) **Pension Costs**

The school company participates in the Teachers' Pensions scheme, which is an unfunded government scheme which provide benefits based on final pensionable pay. The funds of the scheme are separate from the charity, although the charity's share of the scheme cannot be identified as the scheme is a multi-employer scheme, and so the pension costs are accounted for as defined contribution schemes. The company also contributes to defined contribution pension schemes for non-teaching staff. See note 25 for further details.

i) **Tangible Fixed Assets and Depreciation**

Tangible fixed assets are stated at cost less depreciation

The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation is provided at rates calculated to write off the cost over its expected useful life, as follows:

Freehold land	- Not depreciated
Playing fields drainage	- 4%-25% per annum on cost
Playing fields garage store	- 4% per annum on cost
Freehold buildings	
- permanent	- 4% per annum on cost
- temporary	- 25% per annum on cost
Leasehold improvements	- Over period of the lease
Furniture and equipment	- 10% - 20% per annum on cost
Plant and equipment	- 10% per annum on cost
Books and teaching equipment	- 20% per annum on cost
Motor vehicles	- 25% per annum on cost

Leicestershire Independent Educational Trust exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

j) **Financial Instruments**

Leicestershire Independent Educational Trust only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

k) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

l) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the SOFA over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

m) **Fund Accounts**

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 financial statements.

Unrestricted funds are available at the discretion of the directors to further the school's objects or to benefit the school itself. Where the directors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to a designated fund.

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

See note 19 for further details of all funds.

n) **Taxation**

Leicestershire Independent Educational Trust is a registered charity and as such is exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

o) **Redundancy payments**

All redundancy payments are recognised within the year.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

2. CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

	2020 £	2019 £
The school fees income comprises		
Gross fees	4,868,041	5,346,787
Less: scholarships, bursaries, etc	(572,402)	(653,188)
	4,295,639	4,693,599
	4,295,639	4,693,599

In the prior year all income in relation to school fees receivable was unrestricted.

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2020 £	2019 £
Extras	202,051	264,437
Entrance fees and registration fees	20,722	18,517
Commissions and other income	38,827	29,770
	261,600	312,724
	261,600	312,724

In the prior year all income in relation to ancillary trading income was unrestricted.

4. OTHER TRADING ACTIVITIES

	2020 £	2019 £
Non-ancillary trading income		
Lettings and hire	12,709	12,325
	12,709	12,325
	12,709	12,325
Other activities		
Interest on overdue fees	1,329	480
Other	11,633	7,350
	12,962	7,830
	12,962	7,830

In the prior year all income in relation to other trading activities was unrestricted.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

5. INVESTMENTS – BANK INTEREST

	2020 £	2019 £
Bank interest	-	1,174
	-	1,174

In the prior year all income in relation to bank and other interest was unrestricted.

6. VOLUNTARY SOURCES – GRANTS AND DONATIONS

	Unrestricted	Restricted	Total 2020 £	Total 2019 £
Heathcote Legacy	-	-	-	1,388
Other donations	350	-	350	20,011
	350	-	350	21,399

In the prior year £1,388 of grants and donations related to restricted funds. All other income was unrestricted.

7. ANALYSIS OF EXPENDITURE

a) Total expenditure

	Staff costs (note 10) £	Depreciation (note 13) £	Support Costs £	Total 2020 £	Total 2019 £
Costs of raising funds					
Financing cost (note 9)	-	-	14,351	14,351	21,020
Fundraising and development	-	-	336	336	712
Total cost of generating funds	-	-	14,687	14,687	21,732
Charitable expenditure					
Teaching	2,938,176	-	95,273	3,033,449	2,869,394
Welfare	-	-	7,496	7,496	26,841
Premises	172,670	253,982	245,348	672,000	777,773
School administration and governance	648,048	-	541,167	1,189,215	1,261,043
Grants awards and prizes	-	-	2,603	2,603	19,045
Total charitable expenditure	3,758,894	253,982	891,887	4,904,763	4,954,096
Total Expenditure	3,758,894	253,982	906,574	4,919,450	4,975,828

Total expenditure in 2019 comprised restricted expenditure of £60,000 and unrestricted expenditure of £4,915,828.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

7. ANALYSIS OF EXPENDITURE (Continued)

b) Governance included in support costs

Leicestershire Independent Educational Trust reimburses governors for out of pocket expenses including travel, subsistence and accommodation, where a claim is made. 1 trustee (2019: 1 trustee) was reimbursed during the year for expenses totalling £1,546 (2019: £4,162) the decrease due to a trustee with large travel and accommodation expenses has left the board,

8. NET INCOMING RESOURCES

	2020 £	2019 £
Net incoming resources is stated after charging Auditor's remuneration	<u>10,000</u>	<u>10,000</u>

9. FINANCING COSTS

	2020 £	2019 £
Bad debts	-	7,439
Bank interest	14,000	13,086
Lease finance costs	351	495
	<u>14,351</u>	<u>21,020</u>

10. STAFF COSTS

	2020 £	2019 £
The aggregate payroll costs for the year were:		
Wages and salaries	2,990,247	2,940,663
Social security costs	276,597	276,415
Other pension costs	492,050	337,006
	<u>3,758,894</u>	<u>3,554,084</u>

None of the governors received remuneration or other benefits from the Leicestershire Independent Educational Trust or from any connected body.

Aggregate employee benefits of key management personnel	<u>601,802</u>	<u>619,822</u>
Number of employees classed as key management personnel	<u>8</u>	<u>9</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

10. STAFF COSTS (continued)

The number of higher paid employees whose annual emoluments (excluding pensions) were £60,000 or more was:

	2020	2019
	No	No
£60,000 - £70,000	1	-
£101,000 - £110,000	1	1

The number with retirement benefits accruing:
- in defined benefit schemes was

2	1
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of which the contributions amounted to

£39,887	£17,298
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The average number of employees during the year was:

	2020	2019
	No	No
Teaching	63	61
Office and non-teaching	36	44
Directors	11	9
	110	114

The average number of employees during the year calculated on a full-time equivalent basis, was 84 (2019: 86).

There were 5 redundancy payments during the year totalling £13,793 (2019: £Nil).

11. DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year. Scholarships totalling £1,200 were awarded to children of directors attending the school (2019: £2,700).

12. TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

13. TANGIBLE FIXED ASSETS

	Freehold Land & Buildings £	Leasehold Land & Buildings £	Furniture & Office Equipment £	Books & Teaching Equipment £	Plant & Motor Vehicles £	Total £
Cost						
At 1 September 2019	3,388,137	753,868	378,770	189,007	175,204	4,884,986
Additions	315,923	51,634	110,197	13,228	23,667	514,649
Disposals	-	-	-	(12,675)	(15,909)	(28,584)
Transfer between classes	-	-	46,494	47,448	(93,942)	-
At 31 August 2020	3,704,060	805,502	535,461	237,008	89,020	5,371,051
Depreciation						
At 1 September 2019	876,759	421,995	271,278	82,022	116,234	1,768,288
Charge for the year	122,197	31,959	65,369	28,541	5,916	253,982
Disposals	-	-	-	(12,675)	(14,659)	(27,334)
Transfer between classes	-	-	(47,663)	83,885	(36,222)	-
At 31 August 2020	998,956	453,954	288,984	181,773	71,269	1,994,936
Net book value at 31 August 2020	2,705,104	351,548	246,477	55,235	17,751	3,376,115
Net book value at 31 August 2019	2,511,378	331,873	107,492	106,985	58,970	3,116,698

All assets are used for charitable purposes.

The value of the playing fields and Temple Hall land, which are not depreciated at the end of the year was £503,500 (2019: £503,500).

Included in fixtures and fittings and motor vehicles are assets held under finance leases which have net book values of £18,401 (2019: £21,030) respectively. Depreciation of £2,629 (2019: £6,613) was charged during the year.

14. DEBTORS

	2020	2019
	£	£
Trade debtors	47,607	33,721
Other debtors	131,363	109
Prepayments and accrued income	129,930	119,304
	308,900	153,134

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

15. CREDITORS: amounts falling due within one year

	2020 £	2019 £
Bank loans and overdrafts	61,522	46,805
Net obligations under finance leases	3,382	3,381
Trade creditors	57,932	224,771
Taxation and social security	67,130	69,207
Other creditors	183,481	172,628
Fees in advance scheme	39,327	28,069
Fees received from parents in advance of term	300,953	351,640
Accruals	79,761	113,638
Deposits from parents	13,895	32,530
	807,383	1,042,669

National Westminster Bank Plc holds a first legal charge over assets owned by the charity. There are currently 4 banks loans.

The first bank loan is repayable by annual instalments of £30,000 (£10,000 per school term). The final balance is repayable on the last day of the loan term of 1 October 2024. Interest is charged at 1.5% above base rate. The loan is secured on the freehold land and buildings.

The second loan is repayable by 111 monthly instalments followed by a final instalment in March 2024. Interest is charged at 5.03% above base rate. The loan is secured on the freehold land and buildings.

The third bank loan is repayable by monthly instalments of £2,102 and a final instalment of an amount sufficient to repay the loan and interest in full, the first instalment is due 11 months after the loan commencement date of 1 February 2020 and the full loan repayable within 60 months. The loan is secured on the freehold land and buildings.

The fourth bank loan is a CBILs loan repayable by 71 monthly instalments of £16,666 followed by a final instalment of £16,667. The first instalment is due 13 months after the date on which the loan was drawn down upon which was 28 August 2020. The loan is secured on the freehold land and buildings.

Obligations under finance leases and hire purchase contracts are secured on the related plant and motor vehicles.

16. CREDITORS: amounts falling due after one year

	2020 £	2019 £
Bank loans	1,498,621	263,996
Deposits from parents	156,247	123,697
Net obligations under finance leases	4,226	7,608
Fees in advance scheme	28,929	48,153
	1,688,023	443,454

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

17. BANK LOAN

	2020 £	2019 £
The bank loans are repayable in instalments		
Due after 5 years	368,389	76,776
Due within 2 to 5 years	858,194	140,415
Due within 1 to 2 years	<u>272,038</u>	<u>46,805</u>
Due after more than one year	1,498,621	263,996
Due within 1 year	<u>61,522</u>	<u>46,805</u>
	<u><u>1,560,143</u></u>	<u><u>310,801</u></u>

18. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. Contributions may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2020 £	2019 £
Within 2 to 5 years	9,705	19,224
Within 1 to 2 years	<u>19,224</u>	<u>28,929</u>
	<u>28,929</u>	<u>48,153</u>
Within 1 year	<u>39,327</u>	<u>28,069</u>
	<u><u>68,256</u></u>	<u><u>76,222</u></u>
Summary of movements in liability		£
Balance at 1 September 2019		76,222
New contracts		-
Amounts used to pay fees		(7,966)
		<u><u>68,256</u></u>
Balance at 31 August 2020		68,256

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

19. FUNDS

RESTRICTED FUNDS	At 1 September 2019 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2020 £
Bursary Fund	2,886	-	-	-	2,886
The Bernard Heathcote Foundation	911,391	-	(60,000)	27,886	879,277
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>920,777</u>	<u>-</u>	<u>(60,000)</u>	<u>27,886</u>	<u>888,663</u>

RESTRICTED FUNDS PREVIOUS YEAR	At 1 September 2018 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2019 £
Bursary Fund	2,886	-	-	-	2,886
The Bernard Heathcote Foundation	938,227	1,388	(60,000)	31,776	911,391
Station Road Development	6,400	-	-	-	6,400
Staff welfare fund	100	-	-	-	100
	<u>947,613</u>	<u>1,388</u>	<u>(60,000)</u>	<u>31,776</u>	<u>920,777</u>

Transfers between funds represent a notional interest charge (£27,886) from unrestricted to restricted income in relation to the use of the Bernard Heathcote funds.

The Bursary Fund has been established in order to assist with financing future bursaries awarded by the school.

The Bernard Heathcote Foundation has been formed as a result of the generous donation from the late Bernard Heathcote, a former Head Boy of the School. It is to be used for the provision of bursaries to support children who would benefit from a Dixie Grammar School education.

Station Road development is a scheme to consider the redevelopment of the main school campus site at Station Road, Market Bosworth.

Staff welfare fund – a donation to be used for the benefit of the staff.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

19. FUNDS (continued)

UNRESTRICTED FUNDS	At 1 September 2019 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2020 £
General	1,456,848	4,942,958	(4,859,450)	(27,886)	1,512,470
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,493,872</u>	<u>4,942,958</u>	<u>(4,859,450)</u>	<u>(27,886)</u>	<u>1,549,494</u>

UNRESTRICTED FUNDS	At 1 September 2018 £	Incoming resources £	Outgoing resources £	Transfer £	At 31 August 2019 £
General	1,356,789	5,047,663	(4,915,828)	(31,776)	1,456,848
Designated Funds					
Myra Pedley Fund	20,645	-	-	-	20,645
Sports Facility Fund	16,379	-	-	-	16,379
	<u>1,393,813</u>	<u>5,047,663</u>	<u>(4,915,828)</u>	<u>(31,776)</u>	<u>1,493,872</u>

Myra Pedley Fund

These funds were donated to the charity to be utilised by the trustees at their absolute discretion, but with the hope that they would be used for the refurbishment of the school library. The trustees therefore designated these funds for the refurbishment of the library.

Sports Facility Fund

The Trustees have allocated these funds for the maintenance of the sports facilities of the school.

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	2020 £
Tangible fixed assets	3,376,115	-	3,376,115
Interfund loan	(888,663)	888,663	-
Net current assets	750,065	-	750,065
Long term liabilities	(1,688,023)	-	(1,688,023)
	<u>1,549,494</u>	<u>888,663</u>	<u>2,438,157</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS – PRIOR YEAR

	Unrestricted £	Restricted £	2019 £
Tangible fixed assets	3,116,698	-	3,116,698
Interfund loan	(920,521)	920,521	-
Net current (liabilities)/assets	(258,851)	256	(258,595)
Long term liabilities	(443,454)	-	(443,454)
	<u>1,493,872</u>	<u>920,777</u>	<u>2,414,649</u>

21. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2020 the charity has total minimum lease payments under non cancellable operating leases as follows

	Land and buildings		Other	
	2020 £	2019 £	2020 £	2019 £
Expiry date:				
Within 1 year	63,500	64,400	11,341	16,023
Between 2 and 5 years	254,000	257,600	18,230	29,571
After 5 years	113,500	179,700	-	-
	<u>431,000</u>	<u>501,700</u>	<u>29,571</u>	<u>45,594</u>

22. CAPITAL COMMITMENTS

At 31 August 2020 the charity has capital commitments of £19,558 (2019: £nil).

23. CONTINGENT ASSET

A claim has been made with the insurance company in relation to loss of school fees for the summer term. At the date of signing the accounts the claim has not been approved in full but the trustees are of the opinion that the results of recent communications with the insurance company have given strong indications that this claim is probable to be met in full in the near future. Currently £125,000 has been received and recognised in the accounts within other income.

24. RECONCILIATION OF NET (EXPENDITURE)/ INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2020 £	2019 £
Net (expenditure)/income for the reporting period	23,508	73,223
Depreciation charges	253,982	233,200
Dividends, interest and rents from investments	-	(1,174)
Increase in stock	(3,255)	-
(Increase) /decrease in debtors	(155,766)	7,796
Decrease in creditors	(240,059)	(55,084)
Net cash provided by operating activities	<u>(121,590)</u>	<u>257,961</u>

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

25. PENSION SCHEMES

Teachers' Pension Scheme

Teachers' Pension Scheme

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

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

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy).
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million.
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £467,859 (2019: £312,826) and at the year end £50,965 (2019 £41,984) was accrued in respect of contributions to this scheme.

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme.

The school has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out above the information available on the scheme.

Defined Contribution Scheme

The charity also contributes to schemes for its non-teaching staff, which are defined contribution schemes. The legacy scheme is with Royal London and following auto enrollment legislation, the School is now enrolling all new support staff into the NEST scheme. The cost for the year represents the Trust's contributions to the schemes of £24,191(2019: £24,180). At the year end £4,425 (2019: £2,861) was accrued in respect of these schemes.

Leicestershire Independent Educational Trust

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2020

26. LEGAL STATUS OF THE CHARITY

The charity is a company limited by guarantee and without share capital, incorporated in the United Kingdom. The liability of the members is limited to £1 in the unlikely event of the charity being “wound up.” The charity’s registered office is noted on page 1.

27. RELATED PARTIES

During the year 4 directors had between them 9 children attending the school (2019: 5 directors and 10 children).

No bursaries were granted in respect of these children. Two children (2019 – Three children) received a small scholarship.

There were no other related party transactions during the year (2019: none).