

**LEEDS GRAMMAR SCHOOL AND  
LEEDS GIRLS' HIGH SCHOOL  
FOUNDATION**

**Report and Financial Statements**

**31 August 2023**

**LEEDS GRAMMAR SCHOOL AND  
LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

**REPORT AND FINANCIAL STATEMENTS 2023**

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# LEEDS GRAMMAR SCHOOL AND LEEDS GIRLS' HIGH SCHOOL FOUNDATION

## TRUSTEES' REPORT 2023

### REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS

The Trust is registered with the Charity Commissioners under charity reference number 529215.

Nominations to the Board of Trustees are approved by the Governors of The Grammar School at Leeds (GSAL), and all the Trustees, detailed below, have served throughout the period and subsequently, except where indicated.

	<b>Date of Appointment</b>	<b>Date of Resignation</b>
Mrs E E Bailey	5 July 2005	
Professor C M Leigh	5 July 2005	23 March 2023
Mr J Cross	2 April 2017	23 March 2023
Mr P Jolly	18 May 2012	
Mr J Woodward	19 August 2016	23 March 2023
Ms G Mitchell	23 March 2019	
Ms J Harper	24 September 2019	
Mr P Britton (Chair)	23 March 2023	
Ms C Vilarrubi	23 March 2023	
Mr M Curle	4 April 2023	

#### Officers

Secretary: Mrs E Carruthers

Treasurer: Mr S Kingston

Registered address: The Grammar School at Leeds, Alwoodley Gates, Harrogate Road, Leeds, LS17 8GS

#### Advisers

Bankers	NatWest Group P O Box 154 Leeds United Kingdom	Lloyds Bank Plc 65 Briggate Leeds LS1 6LH
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Independent auditor	Saffery LLP Mitre House, North Park Road Harrogate HG1 5RX
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Solicitors	Lupton Fawcett LLP Yorkshire House East Parade Leeds LS1 5BD
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Insurance brokers	Bartlett & Company Limited Broadway Hall Horsforth Leeds LS18 4RS
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Investment managers	RBC Brewin Dolphin 34 Lisbon Street Leeds LS1 4LX
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# **LEEDS GRAMMAR SCHOOL AND LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

## **TRUSTEES' REPORT 2023**

The Trustees of Leeds Grammar School and Leeds Girls' High School Foundation ('the Foundation') present their annual report for the year ended 31 August 2023 under the Charities Act 2011, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Charities Act 2011, the Trust Deed, and the Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) effective 1 January 2015.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Document**

The Foundation was regulated by a scheme made by the Charity Commissioners in 1978, and after a number of revisions a new scheme came into being on 5 July 2005 in connection with the legal merger of Leeds Grammar School and Leeds Girls' High School to form The Grammar School at Leeds (GSAL).

A unifying direction was issued on 25 November 2009 whereby the Leeds Grammar School and Leeds Girls' High School Foundation Award Fund for Girls, the Leeds Grammar School and Leeds Girls' High School Foundation Award Fund for Boys and the GSAL Award Fund were to be treated as forming part of the Foundation for the purposes of Part II (registration) and Part VI (accounting) of the Charities Act 1993, although the individual charities remained separate and legally distinct.

On 10 April 2015 the Charity Commission published a scheme whereby the funds and activities of the linked charities, being the Leeds Grammar School and Leeds Girls' High School Foundation Award Fund for Girls, the Leeds Grammar School and Leeds Girls' High School Foundation Award Fund for Boys and the GSAL Award Fund, were transferred into the Leeds Grammar School and Leeds Girls' High School Foundation, who will continue to pursue the same objects as those previously linked charities. The previously linked charities were removed from the Charity Commission register on 10 April 2015.

#### **Recruitment and training of Trustees**

The Trustees were selected both because of their relevant experience of the Trust's area of operations and because of their experience as Trustees of other bodies. An induction process is in place for new Trustees when appointed, and they are made aware of on-going training opportunities.

#### **Organisational Management**

The Trustees met on three occasions during the year. All operational decisions affecting the trust are undertaken by the Board of Trustees.

#### **Risk Management**

The Trustees have reviewed major risks to which the trust is exposed, particularly those related to the operation and finances of the trust. The Trustees have given consideration to the appropriate policies, procedures and systems to mitigate the trust's exposure to the major risks.

The principal risks of the Foundation are associated with its ability to continue to generate investment income and donations to support the work of GSAL. The majority of the assets of the restricted funds are invested and so are subject to market fluctuation. The Trustees advise the Foundation's investment managers on the acceptable level of risk. A development group works for both the Foundation and School in order to develop fund raising activities as a whole.

### **OBJECTIVES AND ACTIVITIES**

#### **Charitable Objects**

The object of the Foundation is to further the objects of either or both of The Grammar School at Leeds (GSAL) and Leeds Girls' High School.

Leeds Girls' High School and the Grammar School at Leeds legally merged on 31 August 2005 and have been jointly known thereafter as The Grammar School at Leeds (GSAL).

The Foundation is the custodian of the land at Alwoodley on which GSAL is situated and must retain the property for use as a school or schools.

The Foundation's main objectives during the year were:

# LEEDS GRAMMAR SCHOOL AND LEEDS GIRLS' HIGH SCHOOL FOUNDATION

## TRUSTEES' REPORT 2023

- to continue exploring ways of attracting additional funding and/or other ways of meeting the Foundation's objectives, including reviewing the benefit provided to the public through support of GSAL, in the light of changing legislative requirements.
- to assist, where appropriate, GSAL with its review of activities and operations, in order to reduce overall costs of the services provided by the School without affecting their quality or scope.

The Foundation meets the definition of a public benefit entity under FRS 102. The Trustees confirm that they have had regard to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Foundation's aims and objectives and in planning activities.

## ACHIEVEMENTS AND PERFORMANCE

The Trustees have had success in attracting donations to support bursaries awarded to pupils of GSAL, in accordance with the objectives of the Foundation, and this work will continue to be developed. During the year the Trustees have reviewed various aspects of the Foundation's operations and have implemented changes to the Foundation's investment portfolio and bursary policy in order to provide additional funds to support bursary awards made by the school.

## FINANCIAL REVIEW

### Unrestricted funds

Income in respect of unrestricted funds amounted to £30,000 (2022: £30,000) arising from donations. Expenditure during the year was £11,376 (2022: £7,440). Net income from operations for the year amounted to £18,624 (2022: £22,560) resulting in total negative unrestricted funds carried forward of £172,618 (2022: negative £191,242).

### Endowment funds

The house on Harrogate Road was sold during the year for proceeds of £395,000, leading to a profit over book value £165,000.

In November 2022, as part of a restructuring and refinancing exercise, the total assets and liabilities of Morley House Trust were transferred to the Foundation. At this time the Foundation owed an amount of £401,916 to Morley House Trust. Following the restructure this amount was donated from Morley House Trust to Foundation in settlement of the amount due. This has been reflected within other income.

Endowment funds carried forward were £11,536,989 (2022: £10,970,318).

### Restricted funds

Incoming resources in respect of restricted funds amounted to £605,163 (2022: £637,230) made up of interest, dividends, legacies and donations. Expenditure amounted to £134,199 (2022: £130,441), the majority of which was the contribution towards bursaries awarded by GSAL, with the balance made up of support for projects specified by donors, investment portfolio management expenses and bank charges. Donations to the School for bursaries and projects totalled £100,532 (2022: £97,200).

Stock Market performance over the year has led to a reduction in portfolio values at year end resulting in unrealised losses of £326,489 (2022: losses of £381,996). The net movement in restricted funds was an increase of £141,994 (2022: increase of £128,068) and restricted funds carried forward are £6,089,059 (2022: £5,947,065).

Total funds for all three funds carried forward were £17,453,430 (2022: £16,726,141).

### Fundraising

Fundraising is carried out on behalf of the Foundation by the GSAL.

GSAL is registered with the Fundraising Regulator and, as a result, has signed up to the Code of Fundraising Practice. No complaints have arisen this year with regards to the GSAL's fundraising activity. All marketing/advertisement of events and activities is planned and led by the GSAL Director of Development to ensure that it is not unreasonably intrusive or persistent.

### Reserves policy

Net income after expenditure from unrestricted funds is normally donated annually to GSAL unless the Trustees have reason to retain it in furtherance of the trust's objectives, therefore no free reserves are considered necessary.

# **LEEDS GRAMMAR SCHOOL AND LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

## **TRUSTEES' REPORT 2023**

The unrestricted fund had a negative balance of £172,618 at 31 August 2023 (2022: £191,242) Having sought the views and advice of the Charity Commission, the Foundation Trustees have agreed with the Directors of GSAL to replenish these funds by annual donations over a period not exceeding twenty years.

### **Investment policy and objectives**

The Trustees have wide investment powers as if they were beneficially entitled. Their policy has been to maintain the level of working capital. Each year the Trustees agree what the following year's bursary support to the School will be based on an agreed monetary amount. This gives certainty to the School in planning bursary awards and allows the Trustees to give appropriate direction to the investment manager. Three investment portfolios are held, with different investment priorities. The average income yields for the three portfolios for the year were:

Heritage portfolio	3.8% (2022: 3.5%)
New Bursary portfolio	2.6% (2022: 2.3%)
Prize portfolio	2.4% (2022: 1.7%)

### **Relationships**

Whilst not qualifying as related parties, LGS General Charitable Trust, the Morley House Trust and this charity shared similar charitable objectives to support GSAL in meeting its own objectives, including provision of bursary funding for pupils and provision of buildings facilities for the education of children.

In November 2022, as part of a restructuring and refinancing exercise, the total assets and liabilities of the LGS General Charitable Trust were transferred to GSAL and the total assets and liabilities of Morley House Trust were transferred to the Foundation. At this time the LGS General Charitable Trust and the Morley House Trust were dissolved.

The Trustees review the financial position of the Foundation each year and decide on the donations to be made to GSAL.

### **PLANS FOR THE FUTURE**

- to continue exploring ways of attracting additional funding and/or other ways of meeting the trust's objectives.
- where appropriate, assisting GSAL with its review of activities and operations, in order to reduce overall costs of the services provided by the school without affecting their quality or scope.

# **LEEDS GRAMMAR SCHOOL AND LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, applicable accounting regulations and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information of which the charity's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Signed on behalf of the Trustees



Date: 11 June 2024

# **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LEEDS GRAMMAR SCHOOL AND LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

## **Opinion**

We have audited the financial statements of Leeds Grammar School and Leeds Girl's High School Foundation for the year ended 31 August 2023 which comprise the statement of financial activities, balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

## **Basis for opinion**

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

## **Conclusions relating to going concern**

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

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

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

## **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the Trustees' Annual Report is inconsistent in any material respect with the financial statements; or



## **INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LEEDS GRAMMAR SCHOOL AND LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the Trustees' Responsibilities Statement set out on page 5, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **Auditors' responsibilities for the audit of the financial statements**

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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.

#### **Identifying and assessing risks related to irregularities:**

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with the trustees, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with trustees and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

#### **Audit response to risks identified:**

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review

## INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LEEDS GRAMMAR SCHOOL AND LEEDS GIRLS' HIGH SCHOOL FOUNDATION

included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the trustees as a body, for our audit work, for this report, or for the opinions we have formed.

*Saffery LLP*

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Saffery LLP

Mitre House  
North Park Road  
Harrogate  
HG1 5RX

Chartered Accountants

Statutory Auditors

Date: 12 June 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

**LEEDS GRAMMAR SCHOOL AND  
LEEDS GIRLS' HIGH SCHOOL FOUNDATION  
STATEMENT OF FINANCIAL ACTIVITIES  
Year ended 31 August 2023**

	Note	<u>Unrestricted Funds</u> £	<u>Permanent Endowment</u> £	<u>Restricted Funds</u> £	<b>Total Funds 2023 £</b>	Total Funds 2022 £
<b>INCOME:</b>						
<b>Charitable Income – support of education</b>						
Interest received		-	9,106	-	<b>9,106</b>	441
Dividends received		-	-	222,378	<b>222,378</b>	170,592
Donations received		30,000	-	382,785	<b>412,785</b>	496,638
<b>Other Trading Income</b>						
Property income		-	-	-	-	1,933
Realised gain on sale of tangible assets		-	165,000	-	<b>165,000</b>	30,000
Other income		-	401,931	-	<b>401,931</b>	
<b>TOTAL INCOME</b>		<b>30,000</b>	<b>576,037</b>	<b>605,163</b>	<b>1,211,200</b>	<b>669,604</b>
<b>EXPENDITURE:</b>						
<b>Raising funds:</b>						
Investment management expenses		-	-	33,037	<b>33,037</b>	32,621
<b>Charitable expenditure:</b>						
Donation to GSAL		-	-	100,532	<b>100,532</b>	97,200
Bank charges		-	30	630	<b>660</b>	650
Operating expenses		3,336	9,336	-	<b>12,672</b>	9,082
Audit fees		8,040	-	-	<b>8,040</b>	7,440
<b>TOTAL EXPENDITURE</b>		<b>11,376</b>	<b>9,366</b>	<b>134,199</b>	<b>154,941</b>	<b>146,993</b>
<b>(Losses)/gains on investments:</b>						
Realised (losses)/gains on sale of investments		-	-	(2,481)	<b>(2,481)</b>	3,275
Unrealised (losses) on sale of investments		-	-	(326,489)	<b>(326,489)</b>	(381,996)
<b>NET INCOME FOR THE YEAR</b>		<b>18,624</b>	<b>566,671</b>	<b>141,994</b>	<b>727,289</b>	<b>143,890</b>
<b>NET MOVEMENT IN FUNDS</b>	2	<b>18,624</b>	<b>566,671</b>	<b>141,994</b>	<b>727,289</b>	<b>173,890</b>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<b>(191,242)</b>	<b>10,970,318</b>	<b>5,947,065</b>	<b>16,726,141</b>	<b>16,552,251</b>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>(172,618)</b>	<b>11,536,989</b>	<b>6,089,059</b>	<b>17,453,430</b>	<b>16,726,141</b>

All income and expenditure derives from continuing operations.

There are no recognised gains and losses for the current and prior period other than as stated above.

See note 12 for a comparative analysis of the 2022 Statement of Financial Activities.

**LEEDS GRAMMAR SCHOOL AND  
LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

**BALANCE SHEET**

**Year ended 31 August 2023**

	Note	<u>Unrestricted Funds</u> £	<u>Permanent Endowment</u> £	<u>Restricted Funds</u> £	<b>Total Funds 2023 £</b>	Total Funds 2022 £
<b>FIXED ASSETS</b>						
Tangible assets	3	-	2,500,000	-	<b>2,500,000</b>	2,730,000
Investments	4	-	-	5,958,134	<b>5,958,134</b>	5,897,763
<b>CURRENT ASSETS</b>						
Debtors - amounts falling due within one year	5	30,000	-	636	<b>30,636</b>	-
Debtors - amounts falling due after more than one year	5	-	10,900,000	-	<b>10,900,000</b>	10,900,000
Cash at bank and on deposit		(195,818)	779,352	130,318	<b>713,852</b>	248,953
		<b>(165,818)</b>	<b>11,679,352</b>	<b>130,954</b>	<b>11,644,488</b>	11,148,953
<b>CREDITORS: amounts falling due within one year</b>	6	(6,800)	-	(29)	<b>(6,829)</b>	(408,212)
<b>NET CURRENT (LIABILITIES)/ASSETS</b>		(172,618)	11,679,352	130,925	<b>11,637,659</b>	10,740,741
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(172,618)</b>	<b>14,179,352</b>	<b>6,089,059</b>	<b>20,095,793</b>	19,368,504
<b>CREDITORS: amounts falling due after more than one year</b>	7	-	(2,642,363)	-	<b>(2,642,363)</b>	(2,642,363)
<b>NET (LIABILITIES)/ASSETS</b>		<b>(172,618)</b>	<b>11,536,989</b>	<b>6,089,059</b>	<b>17,453,430</b>	16,726,141
<b>FUNDS</b>						
Permanent Endowment		-	11,536,989	-	<b>11,536,989</b>	10,970,318
Restricted	8	-	-	6,089,059	<b>6,089,059</b>	5,947,065
Unrestricted	9	(172,618)	-	-	<b>(172,618)</b>	(191,242)
		<b>(172,618)</b>	<b>11,536,989</b>	<b>6,089,059</b>	<b>17,453,430</b>	16,726,141

See note 13 for a comparative analysis of the 2022 total balances.

**LEEDS GRAMMAR SCHOOL AND  
LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

**BALANCE SHEET**  
**Year ended 31 August 2023**

These financial statements of the Leeds Grammar School and Leeds Girls' High School Foundation registered number 529215 were approved by the Board of Trustees

and authorised for issue on 11 June 2024 and signed on their behalf by:

Chairman

A handwritten signature in black ink, appearing to read 'Phyllis Birt', is written over the 'Chairman' text.

**LEEDS GRAMMAR SCHOOL AND  
LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

**CASH FLOW STATEMENT**

**For the year ended 31 August 2023**

	<b>Note</b>	<b><u>2023</u></b> <b><u>£</u></b>	<b><u>2022</u></b> <b><u>£</u></b>
<b>Net cash flows from operating activities</b>	<b>A</b>	<b>539,431</b>	<b>(14,417)</b>
<b>Cash flows from investing activities:</b>			
Dividends & interest received		<b>231,484</b>	171,033
Proceeds from sales of investments		<b>492,584</b>	598,660
Purchase of investments		<b>(1,193,600)</b>	(793,347)
Proceeds from sale of fixed assets		<b>395,000</b>	30,000
Change in cash in the year		<b>464,899</b>	(8,071)
Cash at the beginning of the year		<b>248,953</b>	257,024
Cash at the end of the year		<b>713,852</b>	248,953

Cash and cash equivalents are represented by bank balances and cash.

**NOTE A: RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM  
OPERATING ACTIVITIES**

	<b>2023</b> <b>£</b>	<b>2022</b> <b>£</b>
Net income for the year	<b>727,289</b>	173,890
Interest & dividends receivable	<b>(231,484)</b>	(171,032)
(Profit) on disposal of fixed assets	<b>(165,000)</b>	(30,000)
Loss on investments and transfers to cash	<b>640,645</b>	15,436
(Decrease) in creditors <1yr	<b>(401,383)</b>	(6,501)
(Increase)/Decrease in debtors	<b>(30,636)</b>	3,790
Net cash inflow/(outflow) from operating activities	<b>539,431</b>	(14,417)

# LEEDS GRAMMAR SCHOOL AND LEEDS GIRLS' HIGH SCHOOL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2023

### 1. ACCOUNTING POLICIES

The Charity is registered with the Charity Commission under registration number 529215. It meets the definition of a public benefit entity under FRS 102.

The principal accounting policies adopted by the Trustees are described below.

#### **Basis of Accounting**

The financial statements have been prepared under the historical cost convention and in accordance with Statement of Recommended Practice "Accounting and Reporting by Charities (SORP 2015)" applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), effective 1 January 2015.

#### **Basis of preparation of financial statements – going concern basis**

The charity has provided a guarantee under a loan agreement between NatWest and GSAL as disclosed in note 10. The guarantee embodies certain performance covenants for GSAL.

After making enquiries, the Trustees have a reasonable expectation that GSAL will have adequate resources to make the required capital and interest repayments to its bankers as they fall due and that the covenants will be met.

The Trustees of the Foundation have reviewed the ongoing commitment to the annual donations to GSAL in order to preserve funds in the Foundation, and accordingly, the Trustees continue to adopt the going concern basis in preparing the annual report and financial statements.

#### **Income**

All income is recognised in the statement of financial activities when the charity has entitlement to the funds, conditions for receipt have been met, it is probable that the income will be received and the amount can be measured reliably. The following accounting policies are applied to income:

##### *Donations*

Donations received are recognised in the Statement of Financial Activities in the period in which the charity is entitled to receipt.

##### *Investment income*

Dividends and interest are accounted for when receivable and include the related tax recoverable.

#### **Expenditure**

##### *Direct charitable expenditure*

Direct charitable expenditure includes all expenditure directly related to the objects of the charity and includes the following:

##### *Donation to GSAL for bursaries and scholarships*

Donations are made to GSAL towards the cost of bursaries. These are accounted for in the academic year to which they are used by GSAL.

##### *Bursaries, prizes and scholarships*

Scholarships and prizes are accounted for when the Trustees have accepted a legal or moral obligation to make the expenditure.

##### *Other expenditure*

Other expenditure represents expenditure incurred in the management of the charity's assets, organisational administration, and compliance with constitutional and statutory requirements. Administration services are provided by GSAL free of charge and it is not possible to determine a reliable value of these donated services.

# **LEEDS GRAMMAR SCHOOL AND LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2023**

### **Fund accounting**

The trust holds the following funds:

- Unrestricted funds - these funds can be used in accordance with the charitable objects at the discretion of the Trustees.
- Restricted funds - these funds can only be used for particular restricted purposes within the objects of the trust. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.
- Permanent endowment funds - income generated from these funds may be used in the furtherance of the objects of the trust, but the capital must be retained.

### **Tangible fixed assets**

Freehold properties are stated in the balance sheet at cost or value at the date of receipt.

No depreciation has been provided on the freehold land at Alwoodley (occupied by GSAL) or the property at 539 Harrogate Road, which was sold during the year. The Trustees consider that the residual values based on cost at the time of occupation are such that their depreciation is insignificant. The property at 539 Harrogate Road, Alwoodley had been reviewed for impairment in accordance with Financial Reporting Standard 102. Any impairment identified is charged against the original cost of the property.

### **Investments**

Investments are stated at market value. Realised and unrealised gains and losses are shown separately in the appropriate section of the statement of financial activities.

### **Concessionary loans**

Concessionary loans are initially measured at the amount received or paid. In subsequent years, the carrying amount of concessionary loans is adjusted to reflect any accrued interest payable or receivable, less any impairment loss.

### **Financial instruments**

Financial assets and financial liabilities are recognised when the charity becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at transaction price (including transaction costs).

The charity 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.

### **Taxation**

As a registered charity the Foundation is exempt from income tax on its charitable activities.

### **Critical accounting judgements and key sources of estimation uncertainty**

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

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

The Trustees do not consider there are any critical judgements or sources of estimation uncertainty requiring disclosure beyond the accounting policies listed above.



**LEEDS GRAMMAR SCHOOL AND  
LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2023**

**2. NET MOVEMENT IN FUNDS**

Net movement in funds for the year is stated after charging:

	<b>2023</b>	2022
	<b>£</b>	<b>£</b>
Auditors' remuneration	6,800	6,200

The Trustees received no remuneration or expenses in the performance of their duties as Trustees of the Trust in the current or prior year. The Foundation purchased insurance costing £840 (2022: £840) to protect the Foundation from loss arising from neglect or default of its Trustees and to indemnify the Trustees against the consequences of neglect or default on their part.

The charity employs no staff, employees from GSAL provide support to the operations of the charity, however, it is not possible to place a value on these services which are provided free of charge.

**3. TANGIBLE ASSETS**

	<b>Freehold land The Grammar School at Leeds, Alwoodley £</b>	<b>Freehold Property 539 Harrogate Road, Alwoodley £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 September 2022	2,500,000	230,000	2,730,000
Disposals during the year	-	(230,000)	(230,000)
At 31 August 2023	2,500,000	-	2,500,000

In respect of the loans held within GSAL, a first and third party first legal charge is given by the Foundation in respect of the Alwoodley Freehold.

**4. INVESTMENTS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Total investments</b>		
Market value at 1 September 2022	5,897,763	5,718,513
Additions	1,193,600	793,347
Disposal proceeds	(492,584)	(598,662)
Net realised investment gains/(losses)	(2,481)	3,275
Net unrealised investment (losses)/gains	(326,489)	(381,996)
Net transfer between investments and cash deposits	(311,675)	363,286
<b>Market value at 31 August 2023</b>	<b>5,958,134</b>	<b>5,897,763</b>
 Cost as at 31 August 2023	 <b>5,850,117</b>	 <b>5,435,281</b>

**LEEDS GRAMMAR SCHOOL AND  
LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS  
For the year ended 31 August 2023**

**Investments comprise the following:**

Investments	5,806,466	5,434,422
Cash held by investment managers	151,668	463,341
	<u>5,958,134</u>	<u>5,897,763</u>
<b>Market value at 31 August 2023</b>		
	<u>5,958,134</u>	<u>5,897,763</u>

Investments are revalued at mid market value at the year end. All investments are held within restricted funds.

**5. DEBTORS**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Due from Grammar School at Leeds	30,636	-
	<u>30,636</u>	<u>-</u>
<b>Amounts falling due after more than one year</b>		
Amount due from GSAL	10,900,000	-
Amount due from the LGS General Charitable Trust	-	10,900,000
	<u>10,900,000</u>	<u>10,900,000</u>

In November 2022, as part of a restructuring and refinancing exercise, the total assets and liabilities of the LGS General Charitable Trust were transferred to GSAL and consequently the balance owed to the Foundation by the Trust was transferred to GSAL.

The loan is interest-free, unsecured and due to be repaid in one amount on 31 December 2067, with an option to make prepayments after 31 December 2028.

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Creditors and accruals	6,829	408,212
	<u>6,829</u>	<u>408,212</u>

At 31 August 2022 an amount of £401,916 was owed to Morley House Trust. In November 2022, as part of a restructuring and refinancing exercise, the total assets and liabilities of Morley House Trust were transferred to the Foundation, and consequently the liability was cancelled by way of donation.

**7. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR**

	<b>2023</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Loan from GSAL	2,642,363	2,642,363
	<u>2,642,363</u>	<u>2,642,363</u>

Interest was charged on the loan until 31 January 2014, but it is now interest free.

# **LEEDS GRAMMAR SCHOOL AND LEEDS GIRLS' HIGH SCHOOL FOUNDATION**

## **NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2023**

### **8. RESTRICTED FUNDS**

On 10 April 2015 the Charity Commission published a scheme whereby the funds and activities of the linked charities, being the Foundation Award Fund for Girls, the Foundation Award Fund for Boys and the GSAL Award Fund, were merged with the Leeds Grammar School and Leeds Girls' High School Foundation. The previously linked charities were removed from the Charity Commission register on 10 April 2015. The various restricted funds inherited from the predecessor charities were reviewed and combined so that now only three separate restricted funds are maintained.

- Heritage Fund – combines all the historical restricted funds relating to bursaries.
- New Bursary Fund – intended to include all new donations, unless otherwise specified by the donor.
- Prize Fund – combines all the historical restricted funds related to prize awards, and donations received specifically for prizes.

### **9. UNRESTRICTED FUNDS**

This fund had a negative balance of £172,618 at 31 August 2023 (2022: £191,242). Having sought the views and advice of the Charity Commission, the Foundation Trustees have agreed with the Directors of GSAL and the Trustees of the LGS General Charitable Trust to replenish these funds by annual donations over a period not exceeding twenty years.

### **10. CONTINGENT LIABILITIES**

Under a loan agreement entered into in November 2022 between the NatWest Group (the Bank) and GSAL the Foundation has provided the following securities:-

- a first-party first legal charge in respect of the Alwoodley freehold
- a deed of sub-ordination subordinating the loan to GSAL to the indebtedness of the Bank.

At 31 August 2023, the borrowings of GSAL amounted to £22,600,004.

**NOTE 12 - STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND-TYPE**

	Note	<u>Unrestricted Funds</u> £	<u>Permanent Endowment</u> £	<u>Restricted Funds</u> £	<b>Total Funds 2022 £</b>
<b>INCOME:</b>					
<b>Charitable Income – support of education</b>					
Interest received		-	441	-	441
Dividends received		-	-	170,592	170,592
Donations received		30,000	-	466,638	496,638
<b>Other Trading Income</b>					
Property income		-	1,933	-	1,933
<b>TOTAL INCOME</b>		<u>30,000</u>	<u>2,374</u>	<u>637,230</u>	<u>669,604</u>
<b>EXPENDITURE:</b>					
<b>Raising funds:</b>					
Investment management expenses		-	-	32,621	32,621
<b>Charitable expenditure:</b>					
Donation to GSAL for bursaries and scholarships		-	-	97,200	97,200
Bank charges		-	30	620	650
Operating expenses		-	9,082	-	9,082
Audit fees		7,440	-	-	7,440
<b>TOTAL EXPENDITURE</b>		<u>7,440</u>	<u>9,112</u>	<u>130,441</u>	<u>146,993</u>
<b>Gains/(losses) on investments:</b>					
Realised gains on sale of investments		-	-	3,275	3,275
Unrealised (losses) on revaluation of investments		-	-	(381,996)	(381,996)
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<u>22,560</u>	<u>(6,738)</u>	<u>128,068</u>	<u>143,890</u>
<b>Other recognised gains/(losses)</b>					
Realised gain on sale of tangible assets		-	30,000	-	30,000
<b>NET MOVEMENT IN FUNDS</b>	2	<u>22,560</u>	<u>23,262</u>	<u>128,068</u>	<u>173,890</u>
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<u>(213,802)</u>	<u>10,947,056</u>	<u>5,818,997</u>	<u>16,552,251</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>(191,242)</u>	<u>10,970,318</u>	<u>5,947,065</u>	<u>16,726,141</u>

### 13 BALANCE SHEET - COMPARATIVE FIGURES BY FUND TYPE

	Note	<u>Unrestricted Funds</u> £	<u>Permanent Endowment</u> £	<u>Restricted Funds</u> £	<b>Total Funds 2022 £</b>
<b>FIXED ASSETS</b>					
Tangible assets	3	-	2,730,000	-	2,730,000
Investments	4	-	-	5,897,763	5,897,763
<b>CURRENT ASSETS</b>					
Debtors - amounts falling due within one year	5	-	-	-	-
Debtors - amounts falling due after more than one year	5	-	10,900,000	-	10,900,000
Cash at bank and on deposit		(185,042)	384,597	49,398	248,953
		<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>CREDITORS: amounts falling due within one year</b>	6	(6,200)	(401,916)	(96)	(408,212)
<b>NET CURRENT ASSETS</b>		<u>(191,242)</u>	<u>10,882,681</u>	<u>49,302</u>	<u>10,740,741</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>(191,242)</b>	<b>13,612,681</b>	<b>5,947,065</b>	19,368,504
<b>CREDITORS: amounts falling due after more than one year</b>	7	<u>-</u>	<u>(2,642,363)</u>	<u>-</u>	<u>(2,642,363)</u>
<b>NET ASSETS</b>		<u><b>(191,242)</b></u>	<u><b>10,970,318</b></u>	<u><b>5,947,065</b></u>	<u>16,726,141</u>
<b>FUNDS</b>					
Permanent Endowment		-	10,970,318	-	10,970,318
Restricted	8	-	-	5,947,065	5,947,065
Unrestricted	9	<u>(191,242)</u>	<u>-</u>	<u>-</u>	<u>(191,242)</u>
		<u><b>(191,242)</b></u>	<u><b>10,970,318</b></u>	<u><b>5,947,065</b></u>	<u>16,726,141</u>