

BATLEY GRAMMAR SCHOOL FOUNDATION

Annual Report and Financial Statements

Charity Registration Number 529335

Year ended 31 August 2020

Brown Butler
Chartered Accountants
Leeds

Batley Grammar School Foundation
Annual Report and Financial Statements 2020
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Batley Grammar School Foundation

Reference and Administrative Details

Registered Office Address	Batley Grammar School Carlinghow Hill Batley WF17 0AD
Charity Registration Number	529335
Trustee	Batley Grammar School Trustees Limited
Governors	Mr Ian Blamires Prof John Double Mr Robin Ghosh Mr Alistair Hartley Mr Paul Taylor Mr Oliver Tiplady
Statutory Auditor	Brown Butler Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	Lloyds Bank plc Kirklees Business Centre 1 Westgate Huddersfield HD1 2DN
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
Investment Managers	Investec Wealth & Investment Limited Quayside House Canal Wharf Leeds LS11 5PU CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

The trustee presents its annual report together with the financial statements and auditors' report of Batley Grammar School Foundation for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Foundation's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ((Charities SORP FRS 102) (October 2019)).

Structure, Governance and Management

The Foundation is a registered charity and is governed by a charity scheme approved by the Charity Commission on 2 November 2007 and as amended on 21 March 2011. The charity scheme replaced the former trust deed of the Foundation.

The Foundation is administered and managed by a corporate trustee, Batley Grammar School Trustees Limited. Its directors also make up the board of governors.

The Foundation's activities are controlled by the board of governors who meet once a year.

The current governors and those who served throughout the year are set out on page 2.

Recruitment and Appointment of Governors

The governors' aim is to recruit responsible people with appropriate knowledge, experience and skills, who are actively interested in the Foundation and can give the necessary time commitment.

An induction procedure is in place for new governors as and when appointed and all governors are made aware of the training opportunities available to them.

Objectives and Activities

The objectives of the Foundation are, for the benefit of the public, to advance education through:

- the provision of a site in Batley for an educational institution; and
- the support of the school in such a manner as the trustee thinks fit; and
- furthering the education of pupils by the award of prizes; and
- giving grants, bursaries or other payments or forms of support to:
 - (a) pupils who need financial assistance to attend school or to take part in extra-curricular activities; and
 - (b) former pupils under the age of 25 who are in need of financial assistance to assist their entry into further education, a profession, trade, occupation or services or to enable them to travel abroad to pursue their education.

In order to further its objectives, the Foundation's main activities during the year were:

- The leasing of a large proportion of its land and buildings to Batley Academy Trust for 125 years by a lease dated 25 May 2011. The lease is at a peppercorn rent.
- Supporting Batley Academy Trust by donating assets and cash.

Review of the Year

Over the past few years, the governors focused on consolidating funds after large amounts were spent upgrading the facilities and equipment of Batley Grammar School prior to its opening as a Free School in September 2011.

The governors have reviewed and found satisfactory their investment policy and strategies and the performance of the investment managers.

Financial Review

A summary of the income and expenditure of the Foundation is set out in detail on page 10. The Foundation's unrestricted funds show a surplus for the year of £13,208 (2019 deficit: £32,363) before transfers and investment gains/(losses). There were net losses on unrestricted investments of £21,439 (2019: £9,257).

The net decrease in total funds for the year was £14,594 (2019: £2,024). The movements on the various restricted and unrestricted fund, including the deficit on the pension fund reserve, are shown in notes 13 and 14. The governors are satisfied that the funds of the Foundation are available and adequate to fulfil its future obligations.

Reserves Policy

In line with the Charity Commission's guidelines, the Foundation has formulated a reserves policy to ensure that a level of reserves is maintained so that it can continue to meet its day-to-day obligations and to continue providing support to Batley Academy Trust.

The Foundation's unrestricted funds at 31 August 2020 were £599,778 (2019: £609,107) and its restricted funds were £715,510 (2019: £720,775). The bulk of these funds can only be realised by the disposal of tangible fixed assets or fixed asset investments.

The Foundation is taking advice in respect of the restricted funds being re-classified and made available for it to support the work of Batley Academy Trust, a Free School, as there is no longer any need for bursary support.

Investment Powers and Policy

The governors have the power to invest any part of the funds of the Foundation in such manner as they consider being most beneficial for the achievement of the objects of the Foundation. The governors aim to maximise investment returns while continuing to preserve the capital value of investments.

Risk Management

The governors have examined the major risks that the Foundation faces each financial year when preparing and updating the strategic plan. The Foundation has developed systems to monitor and control these risks to mitigate any impact that they may have on the Foundation in the future.

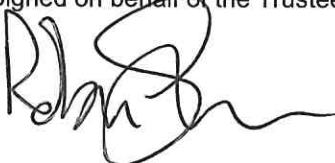
Public Benefit

The governors have had regard to the Charity Commission's guidance on public benefit and confirm that the guidance forms the basis of planning at both strategic and operational level. The principal public benefit delivered by the Foundation is the support given to Batley Academy Trust.

Audit Enquiries

So far as the governors are aware there is no information relevant to the audit of which the Foundation's auditors are unaware. The governors have taken the necessary steps to ensure they themselves are aware of all relevant audit information and made sure that the Foundation's auditors are also aware of that information.

Signed on behalf of the Trustee

A handwritten signature in black ink, appearing to be 'R Ghosh', written over a horizontal line.

Mr R Ghosh
Chair of Governors

2022

The trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law regulations.

Charity law requires the trustee to prepare financial statements for each financial year. Under that law the trustee has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the trustee 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 Foundation and of the income and expenditure of the Foundation for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity scheme. The trustee is also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Opinion

We have audited the financial statements of Batley Grammar School Foundation (the "charity") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet and 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 charity's affairs as at 31 August 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis of 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

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

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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.

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Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustee's report.

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

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- sufficient accounting records have not been kept; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the trustee's responsibilities statement set out on page 6, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or cease operations, or have no realistic alternative but to do so.

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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.

Use of our report

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

Brown Butler
Chartered Accountants and Statutory Auditor
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT

2022

Batley Grammar School Foundation

Statement of Financial Activities
(incorporating an income and expenditure account)
Year ended 31 August 2020

	Note	Unrestricted funds £	Restricted funds £	2020 Total £	2019 Total £
Incoming resources:					
Donations and legacies					
Donations received		34,996	1,171	36,167	40,513
Investment income	3	14,972	14,891	29,863	36,349
Total income		<u>49,968</u>	<u>16,062</u>	<u>66,030</u>	<u>76,862</u>
Expenditure on:					
Raising funds		4,017	-	4,017	4,883
Charitable activities		32,743	-	32,743	52,144
Total expenditure	4	<u>36,760</u>	<u>-</u>	<u>36,760</u>	<u>57,027</u>
Other recognised gains and losses:					
Net realised losses on investments	10	(15,482)	(15,402)	(30,884)	(23,783)
Net unrealised (losses)/gains on investments	10	(5,957)	(5,925)	(11,882)	6,447
Remeasurement loss on defined benefit pension scheme liability	16	(1,098)	-	(1,098)	(4,523)
Net expenditure	7	<u>(9,329)</u>	<u>(5,265)</u>	<u>(14,594)</u>	<u>(2,024)</u>
Reconciliation of funds:					
Fund balances brought forward		<u>609,107</u>	<u>720,775</u>	<u>1,329,882</u>	<u>1,331,906</u>
Fund balances carried forward		<u>599,778</u>	<u>715,510</u>	<u>1,315,288</u>	<u>1,329,882</u>

The notes on pages 12 to 22 form part of these financial statements.

Batley Grammar School Foundation

Balance Sheet
31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	8	536,126	551,575
Heritage assets	9	38,600	38,600
Investments	10	779,104	816,931
		<u>1,353,830</u>	<u>1,407,106</u>
Current assets			
Debtors	11	54,019	17,819
Cash at bank and broker		25,409	34,498
		<u>79,428</u>	<u>52,317</u>
Creditors: amounts falling due within one year	12	<u>11,850</u>	<u>14,090</u>
Net current assets		<u>67,578</u>	<u>38,227</u>
Net assets excluding pension liability		1,421,408	1,445,333
Defined benefit pension scheme liability	16	<u>(106,120)</u>	<u>(115,451)</u>
Net assets		<u><u>1,315,288</u></u>	<u><u>1,329,882</u></u>
Funds of the Foundation			
Restricted funds	13	715,510	720,775
Unrestricted funds	14		
Revenue fund		705,898	724,558
Pension reserve		<u>(106,120)</u>	<u>(115,451)</u>
		<u>599,778</u>	<u>609,107</u>
Total charity funds		<u><u>1,315,288</u></u>	<u><u>1,329,882</u></u>

These financial statements were approved and authorised for issue by the trustee on and signed on its behalf by:

2022



Mr R Ghosh
Chair of Governors



Prof John Double
Governor

The notes on pages 12 to 22 form part of the financial statements.

1. General information

Batley Grammar School Foundation is a registered charity and is governed by a charity scheme approved by the Charity Commission on 2 November 2007 and as amended on 21 March 2011. The charity scheme replaced the former trust deed of the Foundation.

The Foundation is registered in England and the address of its registered office and place of business is:

Batley Grammar School
Carlinghow Hill
Batley
WF17 0AD

The Foundation is a public benefit entity as defined by FRS 102.

2. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the charities Statement of Recommended Practice (SORP (FRS 102) (October 2019)): Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 1A) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102 1A) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 1A) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Going concern

The financial statements have been prepared on a going concern basis under the historic cost convention, modified to include certain items at fair value, as the trustee believes that no material uncertainties exist. The trustee has considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The presentation currency is £ sterling and the financial statements have been rounded to the nearest £1.

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

2. Summary of significant accounting policies - continued

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Foundation is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised, the Foundation will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and these require a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Foundation and it is probable that they will be fulfilled.

For assets donated to the Foundation, the assets are recognised at their fair value.

For legacies, entitlement is the earlier of the Foundation 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 Foundation 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.

Investment income

Dividends and interest receivable on listed investments are recognised on an accruals basis.

Income from short term cash deposits is accounted for on an accruals basis.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Support costs allocation

Support costs are those costs that assist the work of the Foundation but do not directly represent charitable activities and comprise mainly of governance costs.

The analysis of these costs is included in note 5.

Taxation

The Foundation considers that it meets definition of a charity for UK corporation tax purposes and is accordingly potentially exempt from tax in respect of its income and gains.

Pensions

Since the closure of Little Batelian's Nursery, the Foundation no longer makes regular contributions to a pension scheme. However, the Foundation has an agreed deficit funding arrangement in place and has recognised this obligation in the balance sheet. Any changes in measurement of the obligation and the unwinding of the discount factor are charged to the SoFA.

2. Summary of significant accounting policies - continued

Net gains and losses on investments

Net realised gains/(losses) on investments are calculated as the difference between the net sales proceeds and their valuation at the last balance sheet date or, where purchased during the year, the purchase price.

Net unrealised gains/(losses) on investments represent the difference between the valuation of fair value assets at the balance sheet date and their valuation at the previous balance sheet date or, where purchased during the year, the purchase price.

Fixed assets and depreciation

Expenditure on freehold land and buildings, fixtures, fittings and equipment incurred prior to 1975 has been written off and no value is incorporated in the financial statements in respect of these assets.

Expenditure prior to 31 August 2001 on subsequent major school extensions, including fixtures, fittings and equipment, has been written off against the appropriate fund when incurred, and expenditure on minor building alterations and fixtures, fittings and equipment was charged to the revenue fund when incurred.

Depreciation is provided to write off the cost of the assets in equal annual instalments over the estimated useful economic lives of the assets as follows:

Building improvements	50 years straight line basis
Sixth form block	10 - 50 years straight line basis
Fixtures, fittings and equipment	20% and 25% straight line basis

Heritage assets

Heritage assets are brought into account at either cost or fair value, if donated.

No depreciation is charged on heritage assets which have an indefinite useful life.

Investments

Investments are stated at fair value.

Pooled investment vehicles are stated at bid prices for funds with bid/offer spreads, or single price where no bid/offer spreads exists as provided by the fund manager.

Impairment of fixed assets

Fixed assets are assessed to each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the SoFA. The reversal of an impairment loss is recognised immediately in the SoFA.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment.

2. Summary of significant accounting policies - continued

Creditors

Short term creditors are measured at transaction price, less any impairment. Other financial liabilities are measured initially at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

Funds

Unrestricted funds are available for use at the discretion of the trustee in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Cash flow statement

The Foundation qualifies as a small entity and has taken advantage of the exemption under FRS 102 not to prepare a cash flow statement.

Critical accounting estimates and assumptions

The preparation of the financial statements requires the trustee to make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The main area of estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year relate to the estimates used in valuing the CARE pension scheme deficit funding liability.

The present value of the liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the liability include the discount rate. Any change in these assumptions will impact the carrying amount of the pension liability. The carrying value of the pension liability is £106,120 (2019: £115,451).

3. Investment income

	Unrestricted funds £	Restricted funds £	2020 £	2019 £
Income from UK investments	14,961	14,882	29,843	36,318
Bank interest	4	3	7	11
Ground rents	7	6	13	20
	<u>14,972</u>	<u>14,891</u>	<u>29,863</u>	<u>36,349</u>

Income from investments in the year ended 31 August 2019 was £36,349 of which £19,409 was attributable to unrestricted funds and £16,940 was attributable to restricted funds.

4. Total resources expended

	Unrestricted funds £	Restricted funds £	2020 £	2019 £
Raising funds				
Investment management	4,017	-	4,017	4,883
Charitable activities				
Prizes and gifts	-	-	-	5,005
Staff costs – pension	1,581	-	1,581	1,525
Bad debts	658	-	658	21,488
Depreciation	15,449	-	15,449	15,449
Bank charges and interest	85	-	85	104
Management fees	-	-	-	2,000
Finance cost re pension deficit	1,147	-	1,147	2,167
Support costs	13,823	-	13,823	4,406
	<u>32,743</u>	<u>-</u>	<u>32,743</u>	<u>52,144</u>
	<u>36,760</u>	<u>-</u>	<u>36,760</u>	<u>57,027</u>

Expenditure for the year ended 31 August 2019 was £57,027, of which £52,022 was attributable to unrestricted funds and £5,005 was attributable to restricted funds.

5. Support costs

Support costs comprise of:

	2020 £	2019 £
Audit fees	3,000	3,000
Trustee expenses	240	133
Pension scheme expenses	1,272	1,273
Legal and professional fees	9,311	-
	<u>13,823</u>	<u>4,406</u>

6. Information regarding employees and governors

There were no employees during the year (2019: £nil).

Staff costs during the year:

	2020 £	2019 £
West Yorkshire pension fund	1,581	1,525
Remeasurement of pension deficit funding	1,098	4,523
	<u>2,679</u>	<u>6,048</u>

No governor or person related or connected by business to them has received any remuneration or reimbursement for expenses from the Foundation during the current or prior year.

7. Net expenditure is after (crediting)/charging:

	2020 £	2019 £
Operating leases – rents receivable	(13)	(20)
Auditor's remuneration	3,000	3,000
Depreciation	<u>15,449</u>	<u>15,449</u>

8. Tangible fixed assets

	Building improvements £	Sixth form block £	1975 school extensions £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 September 2019 and at 31 August 2020	<u>512,148</u>	<u>437,974</u>	<u>25,000</u>	<u>61,131</u>	<u>1,036,253</u>
Depreciation					
At 1 September 2019	297,526	101,021	25,000	61,131	484,678
Charge for the year	<u>6,534</u>	<u>8,915</u>	<u>-</u>	<u>-</u>	<u>15,449</u>
At 31 August 2020	<u>304,060</u>	<u>109,936</u>	<u>25,000</u>	<u>61,131</u>	<u>500,127</u>
Net book value					
At 31 August 2019	<u>214,622</u>	<u>336,953</u>	<u>-</u>	<u>-</u>	<u>551,575</u>
At 31 August 2020	<u>208,088</u>	<u>328,038</u>	<u>-</u>	<u>-</u>	<u>536,126</u>

On 1 September 2011, the Foundation granted a 125-year lease over its freehold properties to Batley Academy Trust at a peppercorn rent.

9. Heritage fixed assets

	Paintings collection £	Total £
Cost		
At 1 September 2019 and 31 August 2020	<u>38,600</u>	<u>38,600</u>

The heritage assets are shown at deemed cost being their fair value at donation. The fair value donation valuation was ascertained from a suitably qualified person, external to the Foundation.

The five-year financial summary of heritage fixed asset transactions is:

	2020 £	2019 £	2018 £	2017 £	2016 £
Additions:					
Donations	<u>-</u>	<u>38,600</u>	<u>-</u>	<u>-</u>	<u>-</u>

10. Fixed asset investments

	2020 £	2019 £
Valuation		
At 1 September 2019	816,931	805,223
Additions at cost	133,670	45,539
Disposal proceeds	(128,731)	(16,495)
Net realised losses	(30,884)	(23,783)
Net unrealised (losses)/gains	(11,882)	6,447
At 31 August 2020	<u>779,104</u>	<u>816,931</u>

The change in market value of listed investments during the year comprises all increases and decreases in the market value of listed investments held at any time during the year, including profits and losses realised on disposals during the year.

The portfolio comprises of securities which are listed on a UK recognised stock exchange.

The historical cost of the securities is £746,676 (2019: £733,654).

Net losses on investments in the year ended 31 August 2019 were £17,336 of which £9,257 was attributable to unrestricted funds and £8,079 was attributable to restricted funds.

11. Debtors

	2020 £	2019 £
School fees	10,489	12,172
Other debtors	35,941	24
Accrued income	7,589	5,623
	<u>54,019</u>	<u>17,819</u>

12. Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	-	5,310
Accruals	11,850	8,780
	<u>11,850</u>	<u>14,090</u>

13. Restricted funds

Restricted funds comprise unexpended balances of donations, grants and legacies given for specific purposes on the following funds:

Prize and scholarship fund – used for prizes and scholarships

Jean Naylor Gaunt Legacy Fund – used for the provision of bursary assistance

Batley Lads Roll of Honour Fund – used for the research of the First World War history of Batley Grammar School

Peter Brook Fund – used to further historic and artistic knowledge and cultural enrichment

Movements on the restricted funds are as follows:

	At 01.09.19 £	Incoming resources £	Resources expended £	Realised & unrealised losses £	At 31.08.20 £
Prize and scholarship fund	219,590	5,982	-	(6,889)	218,683
Jean Naylor Gaunt legacy fund	460,200	10,080	-	(14,438)	455,842
Batley Lads roll of honour fund	2,385	-	-	-	2,385
Peter Brook Fund	38,600	-	-	-	38,600
	<u>720,775</u>	<u>16,062</u>	<u>-</u>	<u>(21,327)</u>	<u>715,510</u>
	At 01.09.18 £	Incoming resources £	Resources expended £	Realised & unrealised losses £	At 31.08.19 £
Prize and scholarship fund	220,041	7,191	5,005	(2,637)	219,590
Jean Naylor Gaunt legacy fund	454,230	11,412	-	(5,442)	460,200
Batley Lads roll of honour fund	2,385	-	-	-	2,385
Peter Brook Fund	-	38,600	-	-	38,600
	<u>676,656</u>	<u>57,203</u>	<u>5,005</u>	<u>(8,079)</u>	<u>720,775</u>

14. Unrestricted funds

Movements on the unrestricted funds are as follows:

	At 01.09.19 £	Incoming resources £	Resources expended £	Transfer between funds £	Realised & unrealised losses £	Remeasurement of pension deficit funding £	At 31.08.20 £
Revenue fund	724,558	49,968	36,760	(10,429)	(21,439)	-	705,898
Pension reserve	(115,451)	-	-	10,429	-	(1,098)	(106,120)
	<u>609,107</u>	<u>49,968</u>	<u>36,760</u>	<u>-</u>	<u>(21,439)</u>	<u>(1,098)</u>	<u>599,778</u>
	At 01.09.18 £	Incoming resources £	Resources expended £	Transfer between funds £	Realised & unrealised losses £	Remeasurement of pension deficit funding £	At 31.08.19 £
Revenue fund	775,250	19,659	52,022	(9,072)	(9,257)	-	724,558
Pension reserve	(120,000)	-	-	9,072	-	(4,523)	(115,451)
	<u>655,250</u>	<u>19,659</u>	<u>52,022</u>	<u>-</u>	<u>(9,257)</u>	<u>(4,523)</u>	<u>609,107</u>

15. Analysis of net assets, excluding the pension liability, between funds

	Revenue fund £	Price and Scholarship fund £	Jean Naylor Gaunt legacy fund £	Batley Lads roll of honour fund £	Peter Brook fund £	2020 Total £	2019 Total £
Tangible fixed assets	274,156	84,931	177,039	-	-	536,126	551,575
Heritage fixed assets	-	-	-	-	38,600	38,600	38,600
Fixed asset investments	398,405	123,424	257,275	-	-	779,104	816,931
Current assets	45,187	10,328	21,528	2,385	-	79,428	52,317
Current liabilities	(11,850)	-	-	-	-	(11,850)	(14,090)
	<u>705,898</u>	<u>218,683</u>	<u>455,842</u>	<u>2,385</u>	<u>38,600</u>	<u>1,421,408</u>	<u>1,445,333</u>

16. Pension costs

The Foundation participates in the Career Average Revalued Earnings (CARE) Pension Scheme administered by the Pensions Trust for non-teaching staff. Since the closure of the nursery there have been no regular pension contributions and the cost to the Foundation for the year was £nil (2019: £nil). However, the Foundation has an agreed deficit funding arrangement in place and has recognised this obligation in the balance sheet. Any changes in measurement of the obligation and the unwinding of the discount factor, are charged to the SoFA.

The CARE scheme is a multi-employer scheme which provides benefits to some 37 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the Foundation to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2019. This valuation showed assets of £79m, liabilities of £93.9m and a deficit of £14.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme from 1 April 2021 to 30 September 2027 of £1.53m PA, payable monthly and increasing by 3% each year on 1 April.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities. During the year the Foundation paid contributions totalling £12,848 (2019: £12,512) to the CARE pension scheme.

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

Pension scheme legislation provides that in the event of the employer ceasing to participate in the CARE scheme, or the CARE scheme winding up, the scheme's trustees can levy a "buy-out" debt on the employer. Whilst there is no current intention to cease membership of the scheme, the governors feel that the disclosure set out below will aid the understanding of the Foundations affairs.

The estimate of the buyout debt was calculated to 30 September 2020 as being £303,690 (2019: £322,375).

16. Pension costs - continued

The key assumption used by the actuary in calculating the defined benefit pension scheme liability was:

	2020	2019
Discount rate	0.80%	1.05%

The opening and closing balances of the defined benefit pension scheme liability are reconciled as follows:

	2020 £	2019 £
At 1 September 2019	115,451	120,000
Finance cost	1,147	2,167
Employer deficit contributions	(11,576)	(11,239)
Remeasurement	1,098	4,523
At 31 August 2020	<u>106,120</u>	<u>115,451</u>

In addition, the Foundation makes payments to the West Yorkshire Pension Fund, a defined benefit scheme in respect of non-teaching staff, to cover unfunded pension costs relating to ex-staff. The cost to the Foundation for the year £1,581 (2019: £1,525).

17. Related party transactions

Batley Grammar School Trustees Limited had expenses paid on its behalf by the Foundation totalling £240 (2019: £133).

18. Contingent asset

As at 31 August 2020 the Foundation had been notified of a residuary legacy.

The legacy had been subject to challenge and the value of the legacy is still uncertain. Legal costs associated with the challenge are subject to review and as of April 2022, the value of the legacy and associated costs can not be reasonably estimated and therefore not brought into these financial statements.

19. Non adjusting events after the financial period

Following the year end, the government lockdowns to combat Covid-19 have eased. The investment value maintained to support the going concern of the Foundation fell at the year-end as the stock market reacted to the Covid-19 pandemic. Since the year end the fair value of the investments has recovered.

BATLEY GRAMMAR SCHOOL FOUNDATION

Annual Report and Financial Statements

Charity Registration Number 529335

Year ended 31 August 2020

Brown Butler
Chartered Accountants
Leeds

Batley Grammar School Foundation
Annual Report and Financial Statements 2020

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Batley Grammar School Foundation

Reference and Administrative Details

Registered Office Address	Batley Grammar School Carlinghow Hill Batley WF17 0AD
Charity Registration Number	529335
Trustee	Batley Grammar School Trustees Limited
Governors	Mr Ian Blamires Prof John Double Mr Robin Ghosh Mr Alistair Hartley Mr Paul Taylor Mr Oliver Tiplady
Statutory Auditor	Brown Butler Leigh House 28-32 St Paul's Street Leeds LS1 2JT
Bankers	Lloyds Bank plc Kirklees Business Centre 1 Westgate Huddersfield HD1 2DN
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG
Investment Managers	Investec Wealth & Investment Limited Quayside House Canal Wharf Leeds LS11 5PU CCLA Investment Management Limited Senator House 85 Queen Victoria Street London EC4V 4ET

The trustee presents its annual report together with the financial statements and auditors' report of Batley Grammar School Foundation for the year ended 31 August 2020.

The financial statements have been prepared in accordance with the accounting policies set out in the notes to the financial statements and comply with the Foundation's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ((Charities SORP FRS 102) (October 2019)).

Structure, Governance and Management

The Foundation is a registered charity and is governed by a charity scheme approved by the Charity Commission on 2 November 2007 and as amended on 21 March 2011. The charity scheme replaced the former trust deed of the Foundation.

The Foundation is administered and managed by a corporate trustee, Batley Grammar School Trustees Limited. Its directors also make up the board of governors.

The Foundation's activities are controlled by the board of governors who meet once a year.

The current governors and those who served throughout the year are set out on page 2.

Recruitment and Appointment of Governors

The governors' aim is to recruit responsible people with appropriate knowledge, experience and skills, who are actively interested in the Foundation and can give the necessary time commitment.

An induction procedure is in place for new governors as and when appointed and all governors are made aware of the training opportunities available to them.

Objectives and Activities

The objectives of the Foundation are, for the benefit of the public, to advance education through:

- the provision of a site in Batley for an educational institution; and
- the support of the school in such a manner as the trustee thinks fit; and
- furthering the education of pupils by the award of prizes; and
- giving grants, bursaries or other payments or forms of support to:
 - (a) pupils who need financial assistance to attend school or to take part in extra-curricular activities; and
 - (b) former pupils under the age of 25 who are in need of financial assistance to assist their entry into further education, a profession, trade, occupation or services or to enable them to travel abroad to pursue their education.

In order to further its objectives, the Foundation's main activities during the year were:

- The leasing of a large proportion of its land and buildings to Batley Academy Trust for 125 years by a lease dated 25 May 2011. The lease is at a peppercorn rent.
- Supporting Batley Academy Trust by donating assets and cash.

Batley Grammar School Foundation

Trustee's Report

Review of the Year

Over the past few years, the governors focused on consolidating funds after large amounts were spent upgrading the facilities and equipment of Batley Grammar School prior to its opening as a Free School in September 2011.

The governors have reviewed and found satisfactory their investment policy and strategies and the performance of the investment managers.

Financial Review

A summary of the income and expenditure of the Foundation is set out in detail on page 10. The Foundation's unrestricted funds show a surplus for the year of £13,208 (2019 deficit: £32,363) before transfers and investment gains/(losses). There were net losses on unrestricted investments of £21,439 (2019: £9,257).

The net decrease in total funds for the year was £14,594 (2019: £2,024). The movements on the various restricted and unrestricted fund, including the deficit on the pension fund reserve, are shown in notes 13 and 14. The governors are satisfied that the funds of the Foundation are available and adequate to fulfil its future obligations.

Reserves Policy

In line with the Charity Commission's guidelines, the Foundation has formulated a reserves policy to ensure that a level of reserves is maintained so that it can continue to meet its day-to-day obligations and to continue providing support to Batley Academy Trust.

The Foundation's unrestricted funds at 31 August 2020 were £599,778 (2019: £609,107) and its restricted funds were £715,510 (2019: £720,775). The bulk of these funds can only be realised by the disposal of tangible fixed assets or fixed asset investments.

The Foundation is taking advice in respect of the restricted funds being re-classified and made available for it to support the work of Batley Academy Trust, a Free School, as there is no longer any need for bursary support.

Investment Powers and Policy

The governors have the power to invest any part of the funds of the Foundation in such manner as they consider being most beneficial for the achievement of the objects of the Foundation. The governors aim to maximise investment returns while continuing to preserve the capital value of investments.

Risk Management

The governors have examined the major risks that the Foundation faces each financial year when preparing and updating the strategic plan. The Foundation has developed systems to monitor and control these risks to mitigate any impact that they may have on the Foundation in the future.

Public Benefit

The governors have had regard to the Charity Commission's guidance on public benefit and confirm that the guidance forms the basis of planning at both strategic and operational level. The principal public benefit delivered by the Foundation is the support given to Batley Academy Trust.

Batley Grammar School Foundation

Trustee's Report

Audit Enquiries

So far as the governors are aware there is no information relevant to the audit of which the Foundation's auditors are unaware. The governors have taken the necessary steps to ensure they themselves are aware of all relevant audit information and made sure that the Foundation's auditors are also aware of that information.

Signed on behalf of the Trustee



Mr R Ghosh
Chair of Governors

19/4/2022

The trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law regulations.

Charity law requires the trustee to prepare financial statements for each financial year. Under that law the trustee has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the trustee 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 Foundation and of the income and expenditure of the Foundation for that period. In preparing these financial statements, the trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Foundation will continue in operation.

The trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the Foundation's transactions and disclose with reasonable accuracy at any time the financial position of the Foundation and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the charity scheme. The trustee is also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Opinion

We have audited the financial statements of Batley Grammar School Foundation (the "charity") for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet and 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 charity's affairs as at 31 August 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis of 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

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

- the trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charity'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.

Continued on next page

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Other information

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

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the trustee's report.

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

- the information given in the financial statements is inconsistent in any material respect with the trustee's report; or
- sufficient accounting records have not been kept; or
- certain disclosures of trustee's remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustee

As explained more fully in the trustee's responsibilities statement set out on page 6, the trustee is 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 trustee determines 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 trustee is 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 trustee either intends to liquidate the charity or cease operations, or have no realistic alternative but to do so.

Continued on next page

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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.

Use of our report

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



Brown Butler
Chartered Accountants and Statutory Auditor
Leigh House
28-32 St Paul's Street
Leeds
LS1 2JT

20 April 2022

Batley Grammar School Foundation

Statement of Financial Activities
(incorporating an income and expenditure account)
Year ended 31 August 2020

	Note	Unrestricted funds £	Restricted funds £	2020 Total £	2019 Total £
Incoming resources:					
Donations and legacies					
Donations received		34,996	1,171	36,167	40,513
Investment income	3	14,972	14,891	29,863	36,349
Total income		49,968	16,062	66,030	76,862
Expenditure on:					
Raising funds		4,017	-	4,017	4,883
Charitable activities		32,743	-	32,743	52,144
Total expenditure	4	36,760	-	36,760	57,027
Other recognised gains and losses:					
Net realised losses on investments	10	(15,482)	(15,402)	(30,884)	(23,783)
Net unrealised (losses)/gains on investments	10	(5,957)	(5,925)	(11,882)	6,447
Remeasurement loss on defined benefit pension scheme liability	16	(1,098)	-	(1,098)	(4,523)
Net expenditure	7	(9,329)	(5,265)	(14,594)	(2,024)
Reconciliation of funds:					
Fund balances brought forward		609,107	720,775	1,329,882	1,331,906
Fund balances carried forward		599,778	715,510	1,315,288	1,329,882

The notes on pages 12 to 22 form part of these financial statements.

Batley Grammar School Foundation

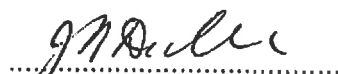
Balance Sheet
31 August 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	8	536,126	551,575
Heritage assets	9	38,600	38,600
Investments	10	779,104	816,931
		<u>1,353,830</u>	<u>1,407,106</u>
Current assets			
Debtors	11	54,019	17,819
Cash at bank and broker		25,409	34,498
		<u>79,428</u>	<u>52,317</u>
Creditors: amounts falling due within one year	12	<u>11,850</u>	<u>14,090</u>
Net current assets		<u>67,578</u>	<u>38,227</u>
Net assets excluding pension liability		1,421,408	1,445,333
Defined benefit pension scheme liability	16	<u>(106,120)</u>	<u>(115,451)</u>
Net assets		<u>1,315,288</u>	<u>1,329,882</u>
Funds of the Foundation			
Restricted funds	13	715,510	720,775
Unrestricted funds	14		
Revenue fund		705,898	724,558
Pension reserve		<u>(106,120)</u>	<u>(115,451)</u>
		<u>599,778</u>	<u>609,107</u>
Total charity funds		<u>1,315,288</u>	<u>1,329,882</u>

These financial statements were approved and authorised for issue by the trustee on 19/4/2022 and signed on its behalf by:



Mr R Ghosh
Chair of Governors



Prof John Double
Governor

The notes on pages 12 to 22 form part of the financial statements.

1. General information

Batley Grammar School Foundation is a registered charity and is governed by a charity scheme approved by the Charity Commission on 2 November 2007 and as amended on 21 March 2011. The charity scheme replaced the former trust deed of the Foundation.

The Foundation is registered in England and the address of its registered office and place of business is:

Batley Grammar School
Carlinghow Hill
Batley
WF17 0AD

The Foundation is a public benefit entity as defined by FRS 102.

2. Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared in accordance with the charities Statement of Recommended Practice (SORP (FRS 102) (October 2019)): Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 1A) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102 1A) and the Charities Act 2011 and UK Generally Accepted Practice.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their financial statements in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102 1A) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Going concern

The financial statements have been prepared on a going concern basis under the historic cost convention, modified to include certain items at fair value, as the trustee believes that no material uncertainties exist. The trustee has considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The presentation currency is £ sterling and the financial statements have been rounded to the nearest £1.

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

2. Summary of significant accounting policies - continued

Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the Foundation is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised, the Foundation will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and these require a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Foundation and it is probable that they will be fulfilled.

For assets donated to the Foundation, the assets are recognised at their fair value.

For legacies, entitlement is the earlier of the Foundation 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 Foundation 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.

Investment income

Dividends and interest receivable on listed investments are recognised on an accruals basis.

Income from short term cash deposits is accounted for on an accruals basis.

Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Support costs allocation

Support costs are those costs that assist the work of the Foundation but do not directly represent charitable activities and comprise mainly of governance costs.

The analysis of these costs is included in note 5.

Taxation

The Foundation considers that it meets definition of a charity for UK corporation tax purposes and is accordingly potentially exempt from tax in respect of its income and gains.

Pensions

Since the closure of Little Batelian's Nursery, the Foundation no longer makes regular contributions to a pension scheme. However, the Foundation has an agreed deficit funding arrangement in place and has recognised this obligation in the balance sheet. Any changes in measurement of the obligation and the unwinding of the discount factor are charged to the SoFA.

2. Summary of significant accounting policies - continued

Net gains and losses on investments

Net realised gains/(losses) on investments are calculated as the difference between the net sales proceeds and their valuation at the last balance sheet date or, where purchased during the year, the purchase price.

Net unrealised gains/(losses) on investments represent the difference between the valuation of fair value assets at the balance sheet date and their valuation at the previous balance sheet date or, where purchased during the year, the purchase price.

Fixed assets and depreciation

Expenditure on freehold land and buildings, fixtures, fittings and equipment incurred prior to 1975 has been written off and no value is incorporated in the financial statements in respect of these assets.

Expenditure prior to 31 August 2001 on subsequent major school extensions, including fixtures, fittings and equipment, has been written off against the appropriate fund when incurred, and expenditure on minor building alterations and fixtures, fittings and equipment was charged to the revenue fund when incurred.

Depreciation is provided to write off the cost of the assets in equal annual instalments over the estimated useful economic lives of the assets as follows:

Building improvements	50 years straight line basis
Sixth form block	10 - 50 years straight line basis
Fixtures, fittings and equipment	20% and 25% straight line basis

Heritage assets

Heritage assets are brought into account at either cost or fair value, if donated.

No depreciation is charged on heritage assets which have an indefinite useful life.

Investments

Investments are stated at fair value.

Pooled investment vehicles are stated at bid prices for funds with bid/offer spreads, or single price where no bid/offer spreads exists as provided by the fund manager.

Impairment of fixed assets

Fixed assets are assessed to each reporting date to determine whether there is any indication that the assets are impaired. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared to its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised in the SoFA. The reversal of an impairment loss is recognised immediately in the SoFA.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are subsequently measured at amortised cost using the effective interest method, less any impairment.

2. Summary of significant accounting policies - continued

Creditors

Short term creditors are measured at transaction price, less any impairment. Other financial liabilities are measured initially at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

Funds

Unrestricted funds are available for use at the discretion of the trustee in furtherance of the general objectives of the Foundation and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Foundation for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Cash flow statement

The Foundation qualifies as a small entity and has taken advantage of the exemption under FRS 102 not to prepare a cash flow statement.

Critical accounting estimates and assumptions

The preparation of the financial statements requires the trustee to make estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The main area of estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year relate to the estimates used in valuing the CARE pension scheme deficit funding liability.

The present value of the liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the liability include the discount rate. Any change in these assumptions will impact the carrying amount of the pension liability. The carrying value of the pension liability is £106,120 (2019: £115,451).

3. Investment income

	Unrestricted funds £	Restricted funds £	2020 £	2019 £
Income from UK investments	14,961	14,882	29,843	36,318
Bank interest	4	3	7	11
Ground rents	7	6	13	20
	<u>14,972</u>	<u>14,891</u>	<u>29,863</u>	<u>36,349</u>

Income from investments in the year ended 31 August 2019 was £36,349 of which £19,409 was attributable to unrestricted funds and £16,940 was attributable to restricted funds.

Batley Grammar School Foundation

Notes to the Financial Statements
Year ended 31 August 2020

4. Total resources expended

	Unrestricted funds £	Restricted funds £	2020 £	2019 £
Raising funds				
Investment management	4,017	-	4,017	4,883
Charitable activities				
Prizes and gifts	-	-	-	5,005
Staff costs – pension	1,581	-	1,581	1,525
Bad debts	658	-	658	21,488
Depreciation	15,449	-	15,449	15,449
Bank charges and interest	85	-	85	104
Management fees	-	-	-	2,000
Finance cost re pension deficit	1,147	-	1,147	2,167
Support costs	13,823	-	13,823	4,406
	<u>32,743</u>	<u>-</u>	<u>32,743</u>	<u>52,144</u>
	<u>36,760</u>	<u>-</u>	<u>36,760</u>	<u>57,027</u>

Expenditure for the year ended 31 August 2019 was £57,027, of which £52,022 was attributable to unrestricted funds and £5,005 was attributable to restricted funds.

5. Support costs

Support costs comprise of:

	2020 £	2019 £
Audit fees	3,000	3,000
Trustee expenses	240	133
Pension scheme expenses	1,272	1,273
Legal and professional fees	9,311	-
	<u>13,823</u>	<u>4,406</u>

6. Information regarding employees and governors

There were no employees during the year (2019: £nil).

Staff costs during the year:

	2020 £	2019 £
West Yorkshire pension fund	1,581	1,525
Remeasurement of pension deficit funding	1,098	4,523
	<u>2,679</u>	<u>6,048</u>

No governor or person related or connected by business to them has received any remuneration or reimbursement for expenses from the Foundation during the current or prior year.

Batley Grammar School Foundation

Notes to the Financial Statements
Year ended 31 August 2020

7. Net expenditure is after (crediting)/charging:

	2020 £	2019 £
Operating leases – rents receivable	(13)	(20)
Auditor's remuneration	3,000	3,000
Depreciation	15,449	15,449
	<u>15,449</u>	<u>15,449</u>

8. Tangible fixed assets

	Building improvements £	Sixth form block £	1975 school extensions £	Fixtures, fittings and equipment £	Total £
Cost					
At 1 September 2019 and at 31 August 2020	<u>512,148</u>	<u>437,974</u>	<u>25,000</u>	<u>61,131</u>	<u>1,036,253</u>
Depreciation					
At 1 September 2019	297,526	101,021	25,000	61,131	484,678
Charge for the year	<u>6,534</u>	<u>8,915</u>	<u>-</u>	<u>-</u>	<u>15,449</u>
At 31 August 2020	<u>304,060</u>	<u>109,936</u>	<u>25,000</u>	<u>61,131</u>	<u>500,127</u>
Net book value					
At 31 August 2019	<u>214,622</u>	<u>336,953</u>	<u>-</u>	<u>-</u>	<u>551,575</u>
At 31 August 2020	<u>208,088</u>	<u>328,038</u>	<u>-</u>	<u>-</u>	<u>536,126</u>

On 1 September 2011, the Foundation granted a 125-year lease over its freehold properties to Batley Academy Trust at a peppercorn rent.

9. Heritage fixed assets

	Paintings collection £	Total £
Cost		
At 1 September 2019 and 31 August 2020	<u>38,600</u>	<u>38,600</u>

The heritage assets are shown at deemed cost being their fair value at donation. The fair value donation valuation was ascertained from a suitably qualified person, external to the Foundation.

The five-year financial summary of heritage fixed asset transactions is:

	2020 £	2019 £	2018 £	2017 £	2016 £
Additions:					
Donations	<u>-</u>	<u>38,600</u>	<u>-</u>	<u>-</u>	<u>-</u>

10. Fixed asset investments

	2020 £	2019 £
Valuation		
At 1 September 2019	816,931	805,223
Additions at cost	133,670	45,539
Disposal proceeds	(128,731)	(16,495)
Net realised losses	(30,884)	(23,783)
Net unrealised (losses)/gains	<u>(11,882)</u>	<u>6,447</u>
At 31 August 2020	<u>779,104</u>	<u>816,931</u>

The change in market value of listed investments during the year comprises all increases and decreases in the market value of listed investments held at any time during the year, including profits and losses realised on disposals during the year.

The portfolio comprises of securities which are listed on a UK recognised stock exchange.

The historical cost of the securities is £746,676 (2019: £733,654).

Net losses on investments in the year ended 31 August 2019 were £17,336 of which £9,257 was attributable to unrestricted funds and £8,079 was attributable to restricted funds.

11. Debtors

	2020 £	2019 £
School fees	10,489	12,172
Other debtors	35,941	24
Accrued income	<u>7,589</u>	<u>5,623</u>
	<u>54,019</u>	<u>17,819</u>

12. Creditors: amounts falling due within one year

	2020 £	2019 £
Other creditors	-	5,310
Accruals	11,850	8,780
	<u>11,850</u>	<u>14,090</u>

13. Restricted funds

Restricted funds comprise unexpended balances of donations, grants and legacies given for specific purposes on the following funds:

Prize and scholarship fund – used for prizes and scholarships

Jean Naylor Gaunt Legacy Fund – used for the provision of bursary assistance

Batley Lads Roll of Honour Fund – used for the research of the First World War history of Batley Grammar School

Peter Brook Fund – used to further historic and artistic knowledge and cultural enrichment

Movements on the restricted funds are as follows:

	At 01.09.19 £	Incoming resources £	Resources expended £	Realised & unrealised losses £	At 31.08.20 £
Prize and scholarship fund	219,590	5,982	-	(6,889)	218,683
Jean Naylor Gaunt legacy fund	460,200	10,080	-	(14,438)	455,842
Batley Lads roll of honour fund	2,385	-	-	-	2,385
Peter Brook Fund	38,600	-	-	-	38,600
	<u>720,775</u>	<u>16,062</u>	<u>-</u>	<u>(21,327)</u>	<u>715,510</u>

	At 01.09.18 £	Incoming resources £	Resources expended £	Realised & unrealised losses £	At 31.08.19 £
Prize and scholarship fund	220,041	7,191	5,005	(2,637)	219,590
Jean Naylor Gaunt legacy fund	454,230	11,412	-	(5,442)	460,200
Batley Lads roll of honour fund	2,385	-	-	-	2,385
Peter Brook Fund	-	38,600	-	-	38,600
	<u>676,656</u>	<u>57,203</u>	<u>5,005</u>	<u>(8,079)</u>	<u>720,775</u>

14. Unrestricted funds

Movements on the unrestricted funds are as follows:

	At 01.09.19 £	Incoming resources £	Resources expended £	Transfer between funds £	Realised & unrealised losses £	Remeasurement of pension deficit funding £	At 31.08.20 £
Revenue fund	724,558	49,968	36,760	(10,429)	(21,439)	-	705,898
Pension reserve	(115,451)	-	-	10,429	-	(1,098)	(106,120)
	<u>609,107</u>	<u>49,968</u>	<u>36,760</u>	<u>-</u>	<u>(21,439)</u>	<u>(1,098)</u>	<u>599,778</u>
	At 01.09.18 £	Incoming resources £	Resources expended £	Transfer between funds £	Realised & unrealised losses £	Remeasurement of pension deficit funding £	At 31.08.19 £
Revenue fund	775,250	19,659	52,022	(9,072)	(9,257)	-	724,558
Pension reserve	(120,000)	-	-	9,072	-	(4,523)	(115,451)
	<u>655,250</u>	<u>19,659</u>	<u>52,022</u>	<u>-</u>	<u>(9,257)</u>	<u>(4,523)</u>	<u>609,107</u>

15. Analysis of net assets, excluding the pension liability, between funds

	Revenue fund £	Price and Scholarship fund £	Jean Naylor Gaunt legacy fund £	Batley Lads roll of honour fund £	Peter Brook fund £	2020 Total £	2019 Total £
Tangible fixed assets	274,156	84,931	177,039	-	-	536,126	551,575
Heritage fixed assets	-	-	-	-	38,600	38,600	38,600
Fixed asset investments	398,405	123,424	257,275	-	-	779,104	816,931
Current assets	45,187	10,328	21,528	2,385	-	79,428	52,317
Current liabilities	(11,850)	-	-	-	-	(11,850)	(14,090)
	<u>705,898</u>	<u>218,683</u>	<u>455,842</u>	<u>2,385</u>	<u>38,600</u>	<u>1,421,408</u>	<u>1,445,333</u>

16. Pension costs

The Foundation participates in the Career Average Revalued Earnings (CARE) Pension Scheme administered by the Pensions Trust for non-teaching staff. Since the closure of the nursery there have been no regular pension contributions and the cost to the Foundation for the year was £nil (2019: £nil). However, the Foundation has an agreed deficit funding arrangement in place and has recognised this obligation in the balance sheet. Any changes in measurement of the obligation and the unwinding of the discount factor, are charged to the SoFA.

The CARE scheme is a multi-employer scheme which provides benefits to some 37 non-associated employers. The scheme is a defined benefit scheme in the UK.

It is not possible for the Foundation to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2019. This valuation showed assets of £79m, liabilities of £93.9m and a deficit of £14.9m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme from 1 April 2021 to 30 September 2027 of £1.53m PA, payable monthly and increasing by 3% each year on 1 April.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities. During the year the Foundation paid contributions totalling £12,848 (2019: £12,512) to the CARE pension scheme.

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

Pension scheme legislation provides that in the event of the employer ceasing to participate in the CARE scheme, or the CARE scheme winding up, the scheme's trustees can levy a "buy-out" debt on the employer. Whilst there is no current intention to cease membership of the scheme, the governors feel that the disclosure set out below will aid the understanding of the Foundations affairs.

The estimate of the buyout debt was calculated to 30 September 2020 as being £303,690 (2019: £322,375).

16. Pension costs - continued

The key assumption used by the actuary in calculating the defined benefit pension scheme liability was:

	2020	2019
Discount rate	0.80%	1.05%

The opening and closing balances of the defined benefit pension scheme liability are reconciled as follows:

	2020 £	2019 £
At 1 September 2019	115,451	120,000
Finance cost	1,147	2,167
Employer deficit contributions	(11,576)	(11,239)
Remeasurement	1,098	4,523
At 31 August 2020	<u>106,120</u>	<u>115,451</u>

In addition, the Foundation makes payments to the West Yorkshire Pension Fund, a defined benefit scheme in respect of non-teaching staff, to cover unfunded pension costs relating to ex-staff. The cost to the Foundation for the year £1,581 (2019: £1,525).

17. Related party transactions

Batley Grammar School Trustees Limited had expenses paid on its behalf by the Foundation totalling £240 (2019: £133).

18. Contingent asset

As at 31 August 2020 the Foundation had been notified of a residuary legacy.

The legacy had been subject to challenge and the value of the legacy is still uncertain. Legal costs associated with the challenge are subject to review and as of April 2022, the value of the legacy and associated costs can not be reasonably estimated and therefore not brought into these financial statements.

19. Non adjusting events after the financial period

Following the year end, the government lockdowns to combat Covid-19 have eased. The investment value maintained to support the going concern of the Foundation fell at the year-end as the stock market reacted to the Covid-19 pandemic. Since the year end the fair value of the investments has recovered.

Our ref: NMT/JF/B424/M

Date: 13 April 2022



The Trustees
Batley Grammar School Foundation
Carlinghow Hill
BATLEY
WF17 0AD

Dear Sirs

BATLEY GRAMMAR SCHOOL FOUNDATION
LETTER OF COMMENT TO THOSE CHARGED WITH GOVERNANCE

As part of the audit process, we are required to advise you in writing of any significant deficiencies in your internal controls, if any, and communicate other matters of interest to you, as trustees, arising from our audit.

1. Accounting and internal control systems

As part of our normal audit work, we carry out tests which are designed to assist us in forming our opinion on the financial statements. Our tests may not necessarily disclose all errors or irregularities and should not be relied upon to do so.

No matters have come to our attention as a result of our normal audit work which indicate any significant deficiencies in your accounting and internal control systems.

2. Qualitative aspects of the foundation's accounting practices and financial reporting

During the audit we consider the foundation's accounting policies to ascertain if they are appropriate for the foundation and are in accordance with UK Generally Accepted Accounting Practice. We confirm that we have identified no concerns in relation to the accounting policies used.

We have no other comments to make concerning the qualitative aspects of the foundation's accounting practices and financial reporting.

3. Material misstatements

We are required to bring to your attention details of all material misstatements, whether caused by fraud or error, and ensure these are corrected in the final financial statements. We confirm that no material misstatements were identified during the course of our audit work.

4. Uncorrected misstatement

We are required to bring to your attention details of all uncorrected errors, other than those considered as clearly trivial, and obtain your explanations for not adjusting for these items within the financial statements. We confirm that there were no uncorrected errors, other than those considered as clearly trivial.

5. Expected modifications to the audit report

We are required to bring to your attention details of any proposed modifications to the audit report on the financial statements. We confirm that there are no proposed modifications to the report.

6. Changes to the letter of representation

There are no expected modifications to our standard letter of representation.

7. Significant difficulties encountered during the audit

We confirm that there were no significant difficulties encountered during the audit.

8. Significant matters discussed or subject to correspondence with management

There were no matters of significance discussed with or subject to correspondence with management.

9. Independence and objectivity

The following issues are potential threats to our independence.

9.1 Non audit services

Our firm undertakes non audit services which may create perceived threats to our objectivity or a perceived loss of independence. Such services do not involve initiating transactions or taking management decisions and are of a technical, mechanical or informative nature. In order to address such threats, we apply safeguards appropriate to the audit. These are outlined below.

9.2 Safeguards

We have introduced the following safeguards to counter the potential threats outlined above.

- The Quality Assurance Directorate (QAD) of the Institute of Chartered Accountants in England and Wales, who are our audit regulator, visit us from time to time to carry out, amongst other things, independent reviews of our audit files.
- We have appointed an external firm of Chartered Accountants to carry out similar but more frequent reviews to those carried out by the QAD.
- Where appropriate, an engagement quality control review will be carried out before our audit work is complete by an audit director not otherwise associated with the audit.
- Any possible adjustments to the financial statements arising from our work are discussed and agreed with Paul Bevington who meets the definition of informed management.
- We use an independently produced accounts disclosure checklist.
- Taxation services are either provided by teams separate to the audit team or were purely computational and reviewed by someone outside the audit team.
- All audit directors and staff are subject to regular training that maintains and enhances their technical knowledge.

We confirm that, in our professional judgement and having regard to the safeguards in place, the firm is independent within the meaning of the Financial Reporting Council's Ethical Standard and the objectivity of the audit engagement director and staff is not impaired.

10. Other matters

There are no other matters which arose during the course of the audit which we feel should be brought to your attention.

We would like to take this opportunity to thank Paul for the assistance and co-operation we have received during the course of our work.

This letter is for your sole use and must not be disclosed to third parties, quoted or referred to, without prior written consent. No responsibility is accepted by us towards any party acting or refraining from action as a result of this letter.

Yours faithfully

Brown Butler