

**Charity number: 528770**

**LAWRENCE SHERIFF SCHOOL FOUNDATION**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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## LAWRENCE SHERIFF SCHOOL FOUNDATION

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**LAWRENCE SHERIFF SCHOOL FOUNDATION**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Principal Address**      Lawrence Sheriff School  
Clifton Road  
Rugby  
Warwickshire  
CV21 3AG

**Bankers**                Barclays Bank PLC  
11 North Street  
Rugby  
Warwickshire  
CV21 2AN

**Solicitors**            Browne Jacobson LLP  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

**Auditors**             Crowe U.K. LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

**Clerk to Trustees**    Gillian Beardshaw

**Charity registered  
number**                528770

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**LAWRENCE SHERIFF SCHOOL FOUNDATION**

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**TRUSTEES  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**Trustees**

Dennis Barnett  
Stuart Baran (appointed 18 September 2019)  
Matthew Canale-Parola  
Janet Eastwood  
Jeffery Glenn  
David Howe (resigned 31 August 2019)  
Peter Kent  
Kevin Mahon  
Carol Moor (appointed 1 September 2018)  
Justin Muston (appointed 1 September 2018)  
Ian Nichol  
Sue Peach  
Rebecca Rees  
Bal Singh (appointed 18 September 2019)  
Gwen Temple  
Paula Whitfield

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## **LAWRENCE SHERIFF SCHOOL FOUNDATION**

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### **TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditor's report of the charity for the year ended 31st August 2019. The Trustees have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS 102) in preparing the annual report and financial statements of the Charity.

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

All governors of Lawrence Sheriff School Academy Trust act as Trustees of the charity. Thus the charity is governed by Trustees who are all the members of the Governing Body of Lawrence Sheriff School Academy Trust.

The Trustees are responsible for running the charity and this is distinct from their responsibility as School Governors to oversee the running of the school itself.

The Academy Trust is an exempt charity and governed by its own Memorandum and Articles of Association.

The Foundation owns the land and buildings from which the Academy Trust operates and is governed by a Charity Commission Scheme dated 16th October 2010.

New trustees receive a copy of the Charity Scheme and founding Act. They are invited to attend a training session covering governance and strategic vision. They receive copies of the accounts and charity and governors' newsletters. They are also invited to take part in internal and external training as appropriate.

The Trustees regularly review the risks faced by the charity, and implement systems for mitigation of any risks that are identified.

#### **OBJECTIVES AND ACTIVITIES**

The object of the Charity is for the public benefit, to advance the education of boys through the provision of a site for a school known as Lawrence Sheriff School.

In setting the Charity's objectives and planning its activities the Trustees have given consideration to the Charity Commission's general guidance on public benefit.

The Charity strives to ensure that the provision of facilities is up to date, thus enabling the school to provide the appropriate curriculum and education of students from Rugby and its environs to endeavour to maximise the students' potential. The Trustees are alert to changes in government policy and seek to develop the facilities to accommodate such changes.

#### **ACHIEVEMENTS AND PERFORMANCE**

2018 - 19 has been another highly successful year for Lawrence Sheriff School. Examination results remained high, with 99% of students achieving 5 or more GCSEs at grade 4 or above including English and Mathematics and 65% achieving grades 7-9. Our Progress 8 score of 0.57 demonstrates the schools continuing maintenance of very high attainment and very high progress. It is worth dwelling on the fact that despite the very high predictions made by the DFE on the basis of each pupil's Key Stage 2 results, on average the school adds over half a grade to each student's anticipated progress during their first five years of study with us. Despite the non selective nature of the sixth form, A level results were also encouraging with 67% of students gaining A\* B grades and over 90% of students progressing on to higher education.

The first two years of co-education have been a great success with girls making up 20% of Years 12 and 13. Demand for places at age 11 has remained high and in response to this, 120 pupils were admitted to Year 7.

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## LAWRENCE SHERIFF SCHOOL FOUNDATION

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

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2018 - 19 was Lawrence Sheriff School's fifth year as a National Teaching School, a status which was gained in recognition of the high standards of teaching within Lawrence Sheriff School. The school works closely with approximately 100 schools and universities across the West Midlands on a range of projects as diverse as training the next generation of Executive leaders, courses on outstanding teaching and offering consultancy advice on school improvement.

#### FINANCIAL REVIEW

##### Reserves Policy

As at 31 August 2019 the value of unrestricted funds was £623,299 (2018- £779,568). The Trustees believe that for the coming financial year the balance on this fund is sufficient for anticipated essential expenditure to maintain and insure the land and buildings, service the bank loans and provide other support to the Academy Trust to enable the school to continue to provide a high standard of education. The Trustees reserve policy is to maintain unrestricted reserves of at least £600,000.

As at 31 August 2019 the value of restricted funds was £8,669,100 (2018 - £8,771,467).

The governing body of the Academy Trust continue to invest prudently in the development of the school.

An amount of £120,092 (2018 - £100,207) has been transferred from the General Fund to the Permanent Endowment Fund this year to cover the loan repayments during the year. The balance on the Permanent Endowment Fund represents the cost of valuation of existing buildings and those under construction and refurbishment costs less than outstanding balances on the loans after depreciation.

##### Investment Policy

The investments relate to the prize fund and any income generated will be used for student prizes. As investments are restricted, in line with the Charities Act, it is not envisaged that any major realisation of assets will take place in the foreseeable future.

The Charity's main source of income is from Rugby School which has specific investments held in trust for the charity. The income from these investments is paid in quarterly instalments to the foundation with a balancing final payment made with the final instalment.

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## LAWRENCE SHERIFF SCHOOL FOUNDATION

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### TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2019

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#### FUNDRAISING

Fundraising activities of the Foundation are restricted to school based activities such as summer fetes and dress down days, and are not bound by any voluntary scheme. These activities do not involve the use of professional fund-raisers or commercial participants.

#### PLANS FOR FUTURE PERIODS

The charity will continue to support the provision of facilities and services in keeping with the nature of the school. Having spent significant sums on the provision of new facilities over recent years, our focus over the coming years will be on the maintenance of existing resources.

The governors will continue to support members of staff through allowances for higher education courses and, where appropriate, students will benefit from Governor awards.

#### STATEMENT OF TRUSTEES' RESPONSIBILITIES

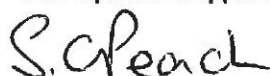
The Trustees are responsible for preparing the Trustees' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law 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 charitable company and of the incoming resources and application of resources of the charitable company for that period. In preparing these financial statements, the Trustees are required to:

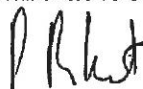
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

This report was approved by the Trustees, on 11 December 2019 and signed on their behalf by:



**Sue Peach**  
Chair of Trustees



**Peter Kent**  
Trustee and Headmaster

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## **LAWRENCE SHERIFF SCHOOL FOUNDATION**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAWRENCE SHERIFF SCHOOL FOUNDATION**

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#### **Opinion**

We have audited the financial statements of Lawrence Sheriff School Foundation (the 'charity') for the year ended 31 August 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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



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## **LAWRENCE SHERIFF SCHOOL FOUNDATION**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAWRENCE SHERIFF SCHOOL FOUNDATION**

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#### **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 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**

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

- the information given in the Trustees' report is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; 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, the Trustees (who are also the directors of the Charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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.

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## LAWRENCE SHERIFF SCHOOL FOUNDATION

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LAWRENCE SHERIFF SCHOOL FOUNDATION

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#### Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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](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 members, 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 members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Crowe U.K. LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: 19/12/19

Crowe U.K. LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**LAWRENCE SHERIFF SCHOOL FOUNDATION**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income and endowments from:</b>						
Donations and legacies	2	811,068	-	-	811,068	721,147
Investments	3	1,035	585	-	1,620	1,082
<b>Total income and endowments</b>		<b>812,103</b>	<b>585</b>	<b>-</b>	<b>812,688</b>	<b>722,229</b>
<b>Expenditure on:</b>						
Charitable activities	4	849,610	-	222,267	1,071,877	921,993
<b>Total expenditure</b>		<b>849,610</b>	<b>-</b>	<b>222,267</b>	<b>1,071,877</b>	<b>921,993</b>
<b>Net income / (expenditure) before investment gains/(losses)</b>		<b>(37,507)</b>	<b>585</b>	<b>(222,267)</b>	<b>(259,189)</b>	<b>(199,764)</b>
Net gains/(losses) on investments		745	(192)	-	553	1,244
<b>Net income / (expenditure) before transfers</b>		<b>(36,762)</b>	<b>393</b>	<b>(222,267)</b>	<b>(258,636)</b>	<b>(198,520)</b>
Transfers between Funds	12	(119,507)	(585)	120,092	-	-
<b>Net expenditure before other recognised gains and losses</b>		<b>(156,269)</b>	<b>(192)</b>	<b>(102,175)</b>	<b>(258,636)</b>	<b>(198,520)</b>
<b>Net movement in funds</b>		<b>(156,269)</b>	<b>(192)</b>	<b>(102,175)</b>	<b>(258,636)</b>	<b>(198,520)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		779,568	8,373	8,763,094	9,551,035	9,749,555
<b>Total funds carried forward</b>		<b>623,299</b>	<b>8,181</b>	<b>8,660,919</b>	<b>9,292,399</b>	<b>9,551,035</b>

The notes on pages 16 to 27 form part of these financial statements.

**LAWRENCE SHERIFF SCHOOL FOUNDATION**

**BALANCE SHEET  
AS AT 31 AUGUST 2019**

	Note	£	2019 £	£	2018 £
<b>Fixed assets</b>					
Tangible assets	6		10,963,665		11,185,932
Investments	7		17,575		17,022
			<u>10,981,240</u>		<u>11,202,954</u>
<b>Current assets</b>					
Debtors	8	226,751		777,182	
Cash at bank and in hand		429,038		44,718	
		<u>655,789</u>		<u>821,900</u>	
<b>Creditors: amounts falling due within one year</b>	10	(168,056)		(170,555)	
<b>Net current assets</b>			<u>487,733</u>		<u>651,345</u>
<b>Total assets less current liabilities</b>			<u>11,468,973</u>		<u>11,854,299</u>
<b>Creditors: amounts falling due after more than one year</b>	11		(2,176,574)		(2,303,264)
<b>Net assets</b>			<u>9,292,399</u>		<u>9,551,035</u>
<b>Charity Funds</b>					
Endowment funds	12		8,660,919		8,763,094
Restricted funds	12		8,181		8,373
Unrestricted funds	12		623,299		779,568
<b>Total funds</b>			<u>9,292,399</u>		<u>9,551,035</u>

The financial statements were approved and authorised for issue by the Trustees on 11 December 2019 and signed on their behalf, by:

Sue Peach  
Chair of Trustees

*S. Peach*

Peter Kent  
Trustee and Headmaster

*P.R. Kent*

The notes on pages 16 to 27 form part of these financial statements.

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**LAWRENCE SHERIFF SCHOOL FOUNDATION**

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**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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	<b>Note</b>	<b>2019 £</b>	<b>2018 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	14	<b>610,820</b>	<b>(448,536)</b>
<b>Cash flows from investing activities:</b>			
Dividends and interest from investments		<b>1,620</b>	<b>1,082</b>
<b>Net cash provided by investing activities</b>		<b>1,620</b>	<b>1,082</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		<b>(120,092)</b>	<b>(114,390)</b>
Interest paid		<b>(108,028)</b>	<b>(110,486)</b>
<b>Net cash used in financing activities</b>		<b>(228,120)</b>	<b>(224,876)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>384,320</b>	<b>(672,330)</b>
Cash and cash equivalents brought forward		<b>44,718</b>	<b>717,048</b>
<b>Cash and cash equivalents carried forward</b>	15	<b>429,038</b>	<b>44,718</b>

The notes on pages 16 to 27 form part of these financial statements.

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## **LAWRENCE SHERIFF SCHOOL FOUNDATION**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **1. Accounting Policies**

A summary of the principal accounting policies adopted (which have been applied consistently), including judgements and key sources of estimation and uncertainty, have been set out below:

##### **1.1 Basis of preparation of financial statements**

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

Lawrence Sheriff School Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

##### **1.2 Charity status**

The Lawrence Sheriff School Foundation is a charity. The Charity number is 528770. The nature of the Charity's operations and principal activity is a public benefit to advance the education of boys through the provision of a site for a school known as Lawrence Sheriff School.

##### **1.3 Going concern**

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of free reserves and the expected level of income and expenditure for a period of twelve months from the signing of these financial statements and consider the charity to have sufficient means by which to continue as a going concern.

##### **1.4 Basis of accounting with the Lawrence Sheriff School Academy Trust**

As detailed in accounting policy 1.1, the two entities of the Lawrence Sheriff School Foundation and the Lawrence Sheriff School Academy Trust are under common control. However, the Lawrence Sheriff School Foundation remains a separate entity.

The Lawrence Sheriff School Foundation is included in the accounts of the Academy Trust by the method of branch accounting. The funds associated with the Foundation are shown within separate and clearly identifiable funds. This ensures that the legal position between the two entities is accurately reflected, whilst giving a true and fair view of the financial position of the Academy Trust.

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## LAWRENCE SHERIFF SCHOOL FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. Accounting Policies (continued)

##### 1.5 Income

All incoming resources are included in the Statement of Financial Activities (SoFA) once the charity has legal entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

For legacies, entitlement is taken as when a distribution is received from the estate.

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

The charity may receive government grants in respect of capital expenditure on the properties it owns. Income from such grants will be recognised at fair value when the charity has entitlement after any performance conditions have been met. It is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, then these amounts are deferred.

The unrestricted fund includes the income from the Rugby School Estate, which is payable to the Trustees of the Lawrence Sheriff School Foundation under the Rugby Lower School (Transfer) Act 1906. It is payable to the Governors of Lawrence Sheriff School rather than the Lawrence Sheriff School Foundation. However, to ensure complete transparency as to the amount of income, its application for the sole benefit of Lawrence Sheriff School and to be consistent with previous years it continues to be disclosed as part of the income of Lawrence Sheriff School Foundation. It is recognised on an accruals basis.

##### 1.6 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Costs of charitable activities are costs incurred in the Foundation's charitable objects. This includes all expenditure funded by the Rugby Lower School (Transfer) Act 1906 income which is included in the accounts. Some of the income is being used to pay capital and interest on bank loans taken out to fund property improvements.

##### 1.7 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	-	over the expected useful life of the asset
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## LAWRENCE SHERIFF SCHOOL FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. Accounting Policies (continued)

##### 1.8 Investments

Quoted investments are measured at fair value with any subsequent gain or loss recognised through the Statement of Financial Activities.

Current asset deposits represent cash held in short term, highly liquid bank accounts and are recognised at their notional value.

##### 1.9 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

##### 1.10 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### 1.11 Financial instruments

Except for quoted investments, 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.

Unrestricted funds represent those resources which may be used towards the meeting of the charitable objects of the Foundation at the discretion of the Trustees.

Restricted funds incorporate all of the individual prize funds. By order of the Charity Commission all individual prize funds have been combined into one fund in the accounts. These are:

Lawrence Sheriff School Foundation  
Lawrence Sheriff School Prize Fund  
Lawrence Sheriff Scholarship Fund  
Lawrence Sheriff Leaving Exhibition Fund

The investments held represent the Prize Fund.

The permanent endowment fund represents the value of the property including additions less the outstanding capital on the loans used to pay for additions to the property. A transfer is made each year to reflect the capital repayments made on the loans during the year.



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**LAWRENCE SHERIFF SCHOOL FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**2. Income from donations and legacies**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rugby Lower School donations (note 1.5)	726,618	-	-	726,618	721,137
Legacies (note 1.5)	84,450	-	-	84,450	-
Donations	-	-	-	-	10
	<u>811,068</u>	<u>-</u>	<u>-</u>	<u>811,068</u>	<u>721,147</u>
<i>Total 2018</i>	<u>721,147</u>	<u>-</u>	<u>-</u>	<u>721,147</u>	

**3. Investment income**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Other interest received	1,035	-	-	1,035	927
Investment income - prize fund	-	585	-	585	155
	<u>1,035</u>	<u>585</u>	<u>-</u>	<u>1,620</u>	<u>1,082</u>
<i>Total 2018</i>	<u>927</u>	<u>155</u>	<u>-</u>	<u>1,082</u>	

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**LAWRENCE SHERIFF SCHOOL FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**4. Charitable Activities**

	Unrestricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £	Total funds 2018 £
Repairs and maintenance	1,500	-	1,500	2,805
Insurance	68,480	-	68,480	64,400
Rugby Bid Levy	9,137	-	9,137	7,614
School budget allowance	479,223	-	479,223	366,628
Prizes	2,939	-	2,939	5,603
Professional fees	33,114	-	33,114	6,835
Capital projects	147,189	-	147,189	135,355
Finance charges	108,028	-	108,028	110,486
Depreciation	-	222,267	222,267	222,267
	<u>849,610</u>	<u>222,267</u>	<u>1,071,877</u>	<u>921,993</u>
<i>Total 2018</i>	<u>699,726</u>	<u>222,267</u>	<u>921,993</u>	

**5. Net income/(expenditure)**

This is stated after charging:

	2019 £	2018 £
Depreciation of tangible fixed assets: - owned by the charity	222,267	222,267
Auditor's remuneration - statutory audit	<u>3,100</u>	<u>3,000</u>

During the current and previous year, no Trustee received any form of remuneration or reimbursement of any expenses. The charity has taken out insurance to cover trustees' liabilities.

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LAWRENCE SHERIFF SCHOOL FOUNDATION

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019

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6. Tangible fixed assets

	Freehold property £
<b>Cost or valuation</b>	
At 1 September 2018 and 31 August 2019	12,075,000
<b>Depreciation</b>	
At 1 September 2018	889,068
Charge for the year	222,267
At 31 August 2019	1,111,335
<b>Net book value</b>	
At 31 August 2019	10,963,665
At 31 August 2018	11,185,932

Included in land and buildings includes freehold land at valuation of £1,545,000 (2018 - £1,545,000) which is not depreciated. Tangible fixed assets with a net book value of £10,282,500 (2018 - £10,486,000) have been pledged as security for liabilities of the charity. These assets have a restricted title.

Prior to the adoption of FRS102 the freehold property was included at the 1914 valuation of £24,345 with all subsequent additions being stated at cost. On transition to FRS102 (1 September 2014) the freehold property was revalued to its estimated fair value and this was taken to be deemed cost. At transition date, the freehold land and buildings were subject to independent, professional valuation which was undertaken by Towler Shaw Roberts Chartered Surveyors. The main school complex was valued on a Depreciated Replacement Cost Basis and the sports field was valued on an existing use basis.

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**LAWRENCE SHERIFF SCHOOL FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**7. Investments**

	Listed securities £
<b>Market value</b>	
At 1 September 2018	17,022
Change in market value	553
	<hr/>
At 31 August 2019	17,575
	<hr/> <hr/>

All investments are based in the UK.

**Material investments**

	31 August 2019 £	31 August 2018 £
£515 Equities Investment Fund for Charities Income Units	8,181	8,373
£577.30 Charities Official Investment Fund Income Shares	9,394	8,649
	<hr/>	<hr/>
	17,575	17,022
	<hr/> <hr/>	<hr/> <hr/>

The historic cost of the above investments is £822 and £642 for the £515 Equities Investment Fund and £577.30 Charities Official Investment Fund respectively.

**8. Debtors**

	2019 £	2018 £
Amounts owed by Lawrence Sheriff School Academy Trust	-	600,000
Accrued income from Rugby Lower School	226,751	177,182
	<hr/>	<hr/>
	226,751	777,182
	<hr/> <hr/>	<hr/> <hr/>

**9. Cash at Bank and Building Society**

	2019 £	2018 £
Lloyds Bank plc	429,038	-
Barclays Bank plc	-	44,718
	<hr/>	<hr/>
	-	-
	<hr/> <hr/>	<hr/> <hr/>

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**LAWRENCE SHERIFF SCHOOL FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**10. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Bank loans	126,172	119,574
Amounts owed to Lawrence Sheriff School Academy Trust	320	12,675
Accruals and deferred income	41,564	38,306
	<u>168,056</u>	<u>170,555</u>

**11. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Bank loans	<u>2,176,574</u>	<u>2,303,264</u>

Included within the above are amounts falling due as follows:

	2019 £	2018 £
<b>Between two and five years</b>		
Bank loans	<u>536,025</u>	<u>532,939</u>
<b>Over five years</b>		
Bank loans	<u>1,640,549</u>	<u>1,770,325</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2019 £	2018 £
Repayable by instalments	<u>1,640,549</u>	<u>1,770,325</u>

A term loan facility of £3m was taken out with Barclays Bank in 2009. The loan capital is repayable in monthly instalments and is secured on the main school property at Clifton Road. £2m of the facility is at a fixed rate of 6.2557% repayable by September 2033 and £1m of the facility is on a variable rate of 0.8557% over base repayable by March 2023. The term loan is secured on the land and buildings of the endowment fund.

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**LAWRENCE SHERIFF SCHOOL FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**12. Statement of funds**

**Statement of funds - current year**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
Unrestricted general funds	779,568	812,103	(849,610)	(119,507)	745	623,299
<b>Endowment funds</b>						
Permanent endowment fund	8,763,094	-	(222,267)	120,092	-	8,660,919
<b>Restricted funds</b>						
Prize fund	8,373	585	-	(585)	(192)	8,181
<b>Total of funds</b>	<b>9,551,035</b>	<b>812,688</b>	<b>(1,071,877)</b>	<b>-</b>	<b>553</b>	<b>9,292,399</b>

The specific purposes for which for which funds are to be applied are as follows:

**Unrestricted funds** are available for use at the discretion of the governors for the furtherance of the charity's objects.

**Restricted funds** represents a prize fund that is held for the provision of prizes.

The **Endowment fund** represents freehold land and buildings that are permanently endowed. They can be used for educational purposes at the discretion of the Trustees. There is also a mortgage attached to the assets which has been shown within endowment funds.

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**LAWRENCE SHERIFF SCHOOL FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**12. Statement of funds (continued)**

**Statement of funds - prior year**

	<i>Balance at 1 September 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers in/out</i>	<i>Gains/ (Losses)</i>	<i>Balance at 31 August 2018</i>
	£	£	£	£	£	£
<b>Unrestricted funds</b>						
Unrestricted general funds	856,145	722,087	(699,726)	(100,207)	1,269	779,568
<b>Endowment funds</b>						
Permanent endowment fund	8,870,971	-	(222,267)	114,390	-	8,763,094
<b>Restricted funds</b>						
Prize fund	22,439	142	-	(14,183)	(25)	8,373
<b>Total of funds</b>	<b>9,749,555</b>	<b>722,229</b>	<b>(921,993)</b>	<b>-</b>	<b>1,244</b>	<b>9,551,035</b>

**13. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	<b>Unrestricted funds 2019</b>	<b>Restricted funds 2019</b>	<b>Endowment funds 2019</b>	<b>Total funds 2019</b>
	£	£	£	£
Tangible fixed assets	-	-	10,963,665	10,963,665
Fixed asset investments	9,394	8,181	-	17,575
Current assets	655,789	-	-	655,789
Creditors due within one year	(41,884)	-	(126,172)	(168,056)
Creditors due in more than one year	-	-	(2,176,574)	(2,176,574)
	<b>623,299</b>	<b>8,181</b>	<b>8,660,919</b>	<b>9,292,399</b>

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**LAWRENCE SHERIFF SCHOOL FOUNDATION**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2019**

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**13. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Endowment funds 2018 £</i>	<i>Total funds 2018 £</i>
Tangible fixed assets	-	-	11,185,932	11,185,932
Fixed asset investments	8,649	8,373	-	17,022
Current assets	821,900	-	-	821,900
Creditors due within one year	(50,981)	-	(119,574)	(170,555)
Creditors due in more than one year	-	-	(2,303,264)	(2,303,264)
	<u>779,568</u>	<u>8,373</u>	<u>8,763,094</u>	<u>9,551,035</u>

**14. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>2019 £</b>	<b>2018 £</b>
Net expenditure for the year (as per Statement of Financial Activities)	<b>(258,636)</b>	<b>(198,520)</b>
<b>Adjustment for:</b>		
Depreciation charges	<b>222,267</b>	<b>222,267</b>
Investment gains	<b>(553)</b>	<b>(1,244)</b>
Dividends and interest receivable	<b>(1,620)</b>	<b>(1,082)</b>
Interest payable	<b>108,028</b>	<b>110,486</b>
Decrease/(increase) in debtors	<b>550,431</b>	<b>(537,182)</b>
Decrease in creditors	<b>(9,097)</b>	<b>(43,261)</b>
<b>Net cash provided by/(used in) operating activities</b>	<b><u>610,820</u></b>	<b><u>(448,536)</u></b>

**15. Analysis of cash and cash equivalents**

	<b>2019 £</b>	<b>2018 £</b>
Barclays Bank plc	-	44,718
Lloyds Bank plc	<b>429,038</b>	-
<b>Total</b>	<b><u>429,038</u></b>	<b><u>44,718</u></b>



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## LAWRENCE SHERIFF SCHOOL FOUNDATION

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

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#### **16. Controlling interest**

The Charity is controlled by the Governing Body of Lawrence Sheriff School Academy Trust - all of whom are all of the Trustees of the charity.

During the year, the Lawrence Sheriff School Foundation paid various recharges totalling £741,584 (2018 - £589,240) to Lawrence Sheriff School Academy Trust. The expenditure is accounted for within Costs of Charitable activities. During 2018 an amount of £600,000 was also transferred to Lawrence Sheriff School Academy Trust on a short term basis to assist with cash flow. At the year-end £320 was owed to Lawrence Sheriff School Academy Trust (2018: £587,325 owed from Lawrence Sheriff School Academy Trust).

