

LAWRENCE SHERIFF SCHOOL FOUNDATION

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

LAWRENCE SHERIFF SCHOOL FOUNDATION

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LAWRENCE SHERIFF SCHOOL FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2020

Trustees	Dennis Barnett Stuart Baran Matthew Canale-Parola Janet Eastwood Jeffery Glenn Peter Kent Kevin Mahon Carol Moor Justin Muston Kalonga Musukuma (appointed 1 September 2020) Ian Nichol (resigned 12 July 2020) Sue Peach Rebecca Rees Balvinder Singh Gwen Temple Paula Whitfield
Charity registered number	528770
Principal Address	Lawrence Sheriff School Clifton Road Rugby Warwickshire CV21 3AG
Clerk to Trustees	Gillian Beardshaw
Auditors	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Bankers	Barclays Bank PLC 11 North Street Rugby Warwickshire CV21 2AN
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

LAWRENCE SHERIFF SCHOOL FOUNDATION

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Trustees present their annual report together with the audited financial statements of the Lawrence Sheriff School Foundation for the year 1 September 2019 to 31 August 2020. 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.

Objectives and activities

a. Policies and objectives

The objective 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 objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

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

a. Main achievements of the Charity

2019-20 has been another highly successful year for Lawrence Sheriff School. Examination results, awarded through a nationally agreed process of centre assessed grades, remained high, with 100% of students achieving 5 or more GCSEs at grade 4 or above including English and Mathematics and 75% achieving grades 7-9. Progress data from FFT indicates that results are around a grade above predictions and highlighted both high attainment and very high progress. Post 16 results were similarly high, with 79% of students gaining A* B grades at A level and over 90% of students progressing on to higher education. Our BTec results for Engineering continue to be impressively high. The first three years of co-education have been a great success with girls continuing to make up 20% of Years 12 and 13. In accordance with the first part of the government's Grammar School Expansion scheme, places in Year 7 were increased to 150 (facilitated through five forms of entry and the creation of a new house) and we look forward to the continuing growth of the school over the coming years. Work continues on the new teaching block and wider refurbishment which will facilitate this expansion.

2019 20 was our sixth 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. The government is creating a new network of Teaching School hubs and Lawrence Sheriff plans to apply for this status during 2020-21.

LAWRENCE SHERIFF SCHOOL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Achievements and performance (continued)

b. Investment policy and performance

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

The Charity's main source of income is from Rugby School which has specific investments held in trusts 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.

Financial Review

a. Going concern

After making appropriate enquiries, the Trustees have a reasonable expectation that the Charity has adequate resources to continue in operational existence for the foreseeable future. Whilst the pandemic has led to a projection of marginally reduced income from Rugby School for 2020-21, we are confident that the small reduction will not impact upon the running of the school, owing to the Governor's reserves policy and growing pupil numbers over the coming years. For these reasons, the Trustees continue to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the accounting policies.

b. Reserves policy

As at 31 August 2020 the value of unrestricted funds was £649,401 (2019 - £623,299). 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 2020 the value of restricted funds was £8,570,053 (2019 - £ 8,669,100).

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

An amount of £124,809 (2019 - £120,092) 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.

c. 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.

LAWRENCE SHERIFF SCHOOL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management

a. Constitution

Lawrence Sheriff School Foundation is a registered charity, number 528770, and is constituted under a Memorandum of Association.

All governors of Lawrence Sheriff School Academy Trust act as Trustees of the charity. Thus the charity is governed by Trustees who are all 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 14th October 2010. An amendment was made to update the charitable objects as of 24th September 2020.

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 mitigating of any risks that are identified.

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 expansion project for future periods.

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

LAWRENCE SHERIFF SCHOOL FOUNDATION

TRUSTEES' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

Statement of Trustees' responsibilities

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

The law applicable to charities in England & Wales requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of its incoming resources and application of resources, including its income and expenditure, 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 of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 Charity will continue in business.

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

Disclosure of information to auditors

Each of the persons who are Trustees at the time when this Trustees' report is approved has confirmed that:

- so far as that Trustee is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Trustee has taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.


Auditors

The auditors, Crowe U.K. LLP, have indicated their willingness to continue in office. The designated Trustees will propose a motion reappointing the auditors at a meeting of the Trustees.

Approved by order of the members of the board of Trustees and signed on their behalf by:



Sue Peach
Chair of Trustees



Peter Kent
Trustee and Headmaster

Date: 9 December 2020

LAWRENCE SHERIFF SCHOOL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAWRENCE SHERIFF SCHOOL FOUNDATION

Opinion

We have audited the financial statements of Lawrence Sheriff School Foundation (the 'charity') for the year ended 31 August 2020 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statement of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

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 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 Auditors' 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 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.

LAWRENCE SHERIFF SCHOOL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAWRENCE SHERIFF SCHOOL FOUNDATION (CONTINUED)

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 Auditors' 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 are responsible for the preparation of the financial statements which 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.

LAWRENCE SHERIFF SCHOOL FOUNDATION

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LAWRENCE SHERIFF SCHOOL FOUNDATION (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

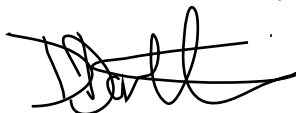
We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Auditors' report.

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an Auditors' 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 trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Dave Darlaston (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House

Rounds Green Road

Oldbury

West Midlands

B69 2DG

Date: 11 December 2020

Crowe U.K. LLP are eligible to act as auditors in terms of section 1212 of the Companies Act 2006.

LAWRENCE SHERIFF SCHOOL FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income and endowments from:						
Donations and legacies	3	797,287	-	-	797,287	811,068
Investments	4	825	415	-	1,240	1,620
Total income and endowments		798,112	415	-	798,527	812,688
Expenditure on:						
Charitable activities	5	647,881	-	222,267	870,148	1,071,877
Total expenditure		647,881	-	222,267	870,148	1,071,877
Net gains/(losses) on investments	9	265	(1,589)	-	(1,324)	553
Net income/(expenditure)		150,496	(1,174)	(222,267)	(72,945)	(258,636)
Transfers between funds	13	(124,394)	(415)	124,809	-	-
Net movement in funds		26,102	(1,589)	(97,458)	(72,945)	(258,636)
Reconciliation of funds:						
Total funds brought forward		623,299	8,181	8,660,919	9,292,399	9,551,035
Net movement in funds		26,102	(1,589)	(97,458)	(72,945)	(258,636)
Total funds carried forward		649,401	6,592	8,563,461	9,219,454	9,292,399

The notes on pages 12 to 25 form part of these financial statements.

LAWRENCE SHERIFF SCHOOL FOUNDATION

**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	8	10,741,398	10,963,665
Investments	9	16,251	17,575
		<u>10,757,649</u>	<u>10,981,240</u>
Current assets			
Debtors	10	276,423	226,751
Cash at bank and in hand		404,889	429,038
		<u>681,312</u>	<u>655,789</u>
Creditors: amounts falling due within one year	11	(174,578)	(168,056)
Net current assets		<u>506,734</u>	<u>487,733</u>
Total assets less current liabilities		<u>11,264,383</u>	<u>11,468,973</u>
Creditors: amounts falling due after more than one year	12	(2,044,929)	(2,176,574)
Total net assets		<u><u>9,219,454</u></u>	<u><u>9,292,399</u></u>
Charity funds			
Endowment funds	13	8,563,461	8,660,919
Restricted funds	13	6,592	8,181
Unrestricted funds	13	649,401	623,299
Total funds		<u><u>9,219,454</u></u>	<u><u>9,292,399</u></u>

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



Sue Peach
Chair of Trustees



Peter Kent
Trustee and Headmaster

Date: 9 December 2020

The notes on pages 12 to 25 form part of these financial statements.

LAWRENCE SHERIFF SCHOOL FOUNDATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	202,977	610,820
Cash flows from investing activities		
Dividends, interests and rents from investments	1,240	1,620
Net cash provided by investing activities	1,240	1,620
Cash flows from financing activities		
Repayments of borrowing	(124,809)	(120,092)
Interest paid	(103,557)	(108,028)
Net cash used in financing activities	(228,366)	(228,120)
Change in cash and cash equivalents in the year	(24,149)	384,320
Cash and cash equivalents at the beginning of the year	429,038	44,718
Cash and cash equivalents at the end of the year	404,889	429,038

The notes on pages 12 to 25 form part of these financial statements

LAWRENCE SHERIFF SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

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.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - 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 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

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 the Charities SORP (FRS 102) published in October 2019 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

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.

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 giving a true and fair view of the financial position of the Academy Trust.

2.2 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.

2.3 Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. Whilst the pandemic has led to a projection of marginally reduced income from Rugby School for 2020-21, we are confident that the small reduction will not impact upon the running of the school, owing to the Governor's reserves policy and growing pupil numbers over the coming years. For this reason, it continues to adopt the going concern basis in preparing the financial statements.

LAWRENCE SHERIFF SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 Basis of accounting with the Lawrence Sheriff School Academy Trust

As detailed in accounting policy 2.1, 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.

2.5 Income

All incoming resources are included in the Statement of Financial Position (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 these 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 income of Lawrence Sheriff School Foundation. It is recognised on the accruals basis.

LAWRENCE SHERIFF SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.6 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.

2.7 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.

2.8 Tangible fixed assets and depreciation

Tangible fixed assets are recognised at cost, net of depreciation and any provision for impairment. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

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, .

Depreciation is provided on the following basis:

Freehold buildings	- over the expected useful life of the asset
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2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

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.

LAWRENCE SHERIFF SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.10 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.

2.11 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.

2.12 Fund accounting

Restricted funds represent those resources which may be used towards the meeting of the charitable objectives 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 permanent endowment fund represents the value of the property including additions less the outstanding capital on 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.

3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £
Rugby Lower School donations	797,287	797,287
	<u>797,287</u>	<u>797,287</u>

LAWRENCE SHERIFF SCHOOL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Income from donations and legacies (continued)

	<i>Unrestricted funds 2019 £</i>	<i>Total funds 2019 £</i>
Rugby Lower School donations	726,618	726,618
Legacies	84,450	84,450
	<u>811,068</u>	<u>811,068</u>

4. Investment income

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Investment income - prize fund	-	415	415
Other interest received	825	-	825
	<u>825</u>	<u>415</u>	<u>1,240</u>

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

LAWRENCE SHERIFF SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

5. Expenditure on charitable activities

	Unrestricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Insurance	64,482	-	64,482
Rugby Bid Levy	9,180	-	9,180
School budget allowance	370,845	-	370,845
Prizes	2,299	-	2,299
Professional fees	5,195	-	5,195
Capital projects	92,323	-	92,323
Finance charges	103,557	-	103,557
Depreciation	-	222,267	222,267
	<hr/> 647,881 <hr/>	<hr/> 222,267 <hr/>	<hr/> 870,148 <hr/>

LAWRENCE SHERIFF SCHOOL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Expenditure on charitable activities (continued)

(continued)

	<i>Unrestricted funds 2019 £</i>	<i>Endowment funds 2019 £</i>	<i>Total funds 2019 £</i>
Repairs and maintenance	1,500	-	1,500
Insurance	68,480	-	68,480
Rugby Bid Levy	9,137	-	9,137
School budget allowance	479,223	-	479,223
Prizes	2,939	-	2,939
Professional fees	33,114	-	33,114
Capital projects	147,189	-	147,189
Finance charges	108,028	-	108,028
Depreciation	-	222,267	222,267
	<u>849,610</u>	<u>222,267</u>	<u>1,071,877</u>

6. Net income/(expenditure)

	2020 £	2019 £
Auditor's remuneration - statutory audit	3,200	3,100
Depreciation of tangible fixed assets: - owned by the Charity	222,267	222,267

7. Trustees' remuneration and expenses

During the year, no Trustees received any remuneration or other benefits (2019 - £NIL).

No Trustee expenses have been incurred (2019 - £NIL).

LAWRENCE SHERIFF SCHOOL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

8. Tangible fixed assets

	Freehold property £
Cost or valuation	
At 1 September 2019	12,075,000
At 31 August 2020	12,075,000
Depreciation	
At 1 September 2019	1,111,335
Charge for the year	222,267
At 31 August 2020	1,333,602
Net book value	
At 31 August 2020	10,741,398
At 31 August 2019	10,963,665

Included in land and buildings includes freehold land at valuation of £1,545,000 (2019 - £1,545,000) which is not depreciated. Tangible fixed assets with a net book value of £10,282,500 (2019 - £10,282,500) 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 £23,345 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.

9. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2019	17,575
Revaluations	(1,324)
At 31 August 2020	16,251

LAWRENCE SHERIFF SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Fixed asset investments (continued)

All investments are based in the UK.

Material Investments

	2020 £	2019 £
£515 Equities Investment Fund for Charities Income Units	8,181	8,181
£577.30 Charities Official Investment Income Shares	9,394	9,394
	<u>17,575</u>	<u>17,575</u>

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

10. Debtors

	2020 £	2019 £
Due within one year		
Accrued income from Rugby Lower School	276,423	226,751
	<u>276,423</u>	<u>226,751</u>

LAWRENCE SHERIFF SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank loans	133,008	126,172
Amounts owed to Lawrence Sheriff School Academy Trust	320	320
Accruals and deferred income	41,250	41,564
	<u>174,578</u>	<u>168,056</u>

12. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	<u>2,044,929</u>	<u>2,176,574</u>

Included within the above are amounts falling due as follows:

Between two and five years

Bank loans	<u>543,139</u>	<u>536,025</u>
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Over five years

Bank loans	<u>1,501,790</u>	<u>1,640,549</u>
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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.

LAWRENCE SHERIFF SCHOOL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Unrestricted general funds	<u>623,299</u>	<u>798,112</u>	<u>(647,881)</u>	<u>(124,394)</u>	<u>265</u>	<u>649,401</u>
Endowment funds						
Permanent endowment fund	<u>8,660,919</u>	<u>-</u>	<u>(222,267)</u>	<u>124,809</u>	<u>-</u>	<u>8,563,461</u>
Restricted funds						
Prize fund	<u>8,181</u>	<u>415</u>	<u>-</u>	<u>(415)</u>	<u>(1,589)</u>	<u>6,592</u>
Total of funds	<u><u>9,292,399</u></u>	<u><u>798,527</u></u>	<u><u>(870,148)</u></u>	<u><u>-</u></u>	<u><u>(1,324)</u></u>	<u><u>9,219,454</u></u>

The specific purposes 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.

LAWRENCE SHERIFF SCHOOL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Statement of funds (continued)

Statement of funds - prior year

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

14. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	-	-	10,741,398	10,741,398
Fixed asset investments	9,659	6,592	-	16,251
Current assets	681,312	-	-	681,312
Creditors due within one year	(41,570)	-	(133,008)	(174,578)
Creditors due in more than one year	-	-	(2,044,929)	(2,044,929)
Total	<u>649,401</u>	<u>6,592</u>	<u>8,563,461</u>	<u>9,219,454</u>

LAWRENCE SHERIFF SCHOOL FOUNDATION

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>Endowment funds 2019 £</i>	<i>Total funds 2019 £</i>
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)
Total	623,299	8,181	8,660,919	9,292,399

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(72,945)	(258,636)
Adjustments for:		
Depreciation charges	222,267	222,267
Gains/(losses) on investments	1,324	(553)
Dividends, interests and rents from investments	(1,240)	(1,620)
Interest payable	103,557	108,028
Decrease/(increase) in debtors	(49,672)	550,431
Decrease in creditors	(314)	(9,097)
Net cash provided by operating activities	202,977	610,820

16. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	404,889	429,038
Total cash and cash equivalents	404,889	429,038

LAWRENCE SHERIFF SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

17. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non- cash changes £	At 31 August 2020 £
Cash at bank and in hand	429,038	(24,149)	-	404,889
Debt due within 1 year	(126,172)	124,809	(131,645)	(133,008)
Debt due after 1 year	(2,176,574)	-	131,645	(2,044,929)
	<u>(1,873,708)</u>	<u>100,660</u>	<u>-</u>	<u>(1,773,048)</u>

18. Controlling party

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 £544,322 (2019 - £741,584) to Lawrence Sheriff School Academy Trust. The expenditure is accounted for within Costs of Charitable activities.

At the year-end £320 was owed to Lawrence Sheriff School Academy Trust (2019: £320 owed to Lawrence Sheriff School Academy Trust).