

**The Lytham Schools Foundation**  
**Report of the Trustee and**  
**Audited Financial Statements**  
**for the Year Ended 31 December 2021**

McMillan & Co LLP  
Chartered Accountants and  
Statutory Auditor  
28 Eaton Avenue  
Matrix Office Park  
Buckshaw Village  
Chorley  
Lancashire  
PR7 7NA

# **The Lytham Schools Foundation**

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# **The Lytham Schools Foundation**

## **Report of the Corporate Trustee for the year ended 31 December 2021**

The corporate trustee presents its report with the financial statements of the charity for the year ended 31 December 2021. The trustee has adopted the provisions of the Charities Statement of Recommended Practice (SORP) FRS 102 'Accounting and Reporting by Charities' effective 1 January 2019.

### **OBJECTIVES AND ACTIVITIES**

#### **Objectives and aims**

The objects of the charity are for the public benefit to advance education in or near Lytham St Anne's including by, but not limited to, the provision of land, buildings and other facilities for the purposes of a school or schools and the provision of means-tested bursaries and other financial awards to children and young people residing in or near Lytham St Anne's in need of financial assistance for the purpose of assisting with the costs of their education (including extra-curricular activities undertaken for educational purposes).

#### **Public benefit**

The main activities undertaken to further the Charity's purposes for the public benefit are financial support for groups and projects that advance the education of children and young people in the area of operation.

The corporate trustee confirms that it has referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives.

#### **Grantmaking**

The grant making policy is to make grants to local schools and educational groups.

A grant is made to AKS Lytham - Independent School to support bursaries.

Grants are made to certain primary schools to meet the Governors 10% liability, currently only applied to capital or large repairs (over £2,000).

Grants to local schools and educational groups are considered on their merit, having received a duly completed application. The aim is to provide facilities giving the widest possible benefit where other funding cannot be sought or found.

Individuals also apply using a prescribed application form, and support would be given where there is obvious benefit which the family cannot themselves provide - music and the arts are likely to be such candidates. The Charity also considers where a young person is eligible for a bursary at AKS, and would benefit particularly from the opportunities available there and not readily obtainable elsewhere, and United Learning Trust do not have the resources to fully fund them themselves.

### **ACHIEVEMENT AND PERFORMANCE**

#### **Charitable activities**

As the Foundation is no longer responsible for the running of the old KEQMS school the corporate trustee is able to focus on a wider use of its resources. However at AKS the corporate trustee has negotiated that the school will provide bursarial support, i.e. subject to a means test, that will provide that at least 10% of all pupils can be educated at no cost. This fee support will probably total over £600,000 pa, which will include our donation to AKS for this year of £122,985 (2020: £187,710).

With reference to the primary schools, the Foundation do have some commitments by which it meets a proportion of quasi capital repair bills on behalf of the Governors based on the Department for Education criteria for voluntary aided schools, and in the past have also insured all the buildings. Whilst the Foundation do not have a commitment to any major capital expenditure, it may support projects if considered in line with our objectives.

Turning to the Foundations new wider support opportunities, in addition to the above, £366,265 (2020: £277,970) of grants have been allocated for educational projects in the Lytham St. Anne's area over the last twelve months.

#### **Investment performance**

The Foundation has property investments, including the schools, valued in these accounts at £11.5 million (2020: £9.7 million) and substantial shareholding investments, valued at £6.5 million (2020: £5.3 million) in these accounts. The income from these investments can be used to meet the Foundation's objectives.

# The Lytham Schools Foundation

## Report of the Corporate Trustee for the year ended 31 December 2021

### FINANCIAL REVIEW

#### Investment policy and objectives

The Charity holds investments of £18,381,000 (2020: £15,372,000) which is split as £6,498,000 (2020: £5,251,000) in tradable securities, a loan balance of £350,000 (2020: £375,000) and £11,533,000 (2020: £9,747,000) in investment properties. The corporate trustee has the power to invest in such stocks, shares, investments and property in the UK as its directors see fit and in accordance with the Charities' legislation. In addition to the investments there is also cash held by investment managers of £390,000 (2020: £15,000).

Canaccord Genuity manage the investment portfolio which is to be managed on a bespoke basis, but broadly in line with the WMA Balanced Index. Depending upon market conditions and the relative attractiveness of different asset classes the weightings may deviate from WMA if deemed to be in the best interests of the Charity. The portfolio will generally be invested in direct holdings via a mix of blue chip equities (although permitted to invest in FTSE250 as medium risk), preference shares and bonds.

Given that there will be a bias towards large-cap companies which by definition are usually multi-national in nature, thus providing exposure to most major global economies, specific direct overseas investments are unlikely to be considered.

Canaccord Genuity select investments using their own internal research, together with third party research from Investment Banks and other similar institutions. Collectives may be used if deemed in the best interests in the circumstances. When selecting collectives, this will be done taking into account past performance, any discounts to NAV, along with investment strategy. Where possible these will be selected from the central Canaccord Genuity approved list, although we may choose investments from outside the list if appropriate.

Given that the WMA Balanced Index includes alternative investments such as commercial property and hedge funds, these will be included in the portfolio through REITS and hedge fund managers if deemed appropriate. As such, property and hedge fund elements are to be included within the equity element of the portfolio so that the long term asset allocation in normal circumstances is defined above.

The investment objective is to provide sufficient growth to protect the fund against the effects of inflation in the medium to long term. This is subject to change should there be any requirement for large capital outlay. The Trustee accept that to achieve the long term capital growth and a real return over inflation the fund must be subjected to the risks associated with asset backed investments and investing in business through loans and equity holdings. The corporate trustee is not averse to the concept of an element of investment risk but wish the fund to be balanced to reduce the overall effect of that risk.

The assets held by the investment managers were invested at the year end in accordance with the following profile;

- 52.5% - 72.5% UK and international fixed interest
- 7.5% - 27.5% UK and international equities
- 0% - 20% Structured Return, Property, Hedge Funds and other
- 0% - 20% Cash

It should be noted that in arriving at the above, the corporate trustee and investment managers are aware that The Lytham Schools Foundation holds further cash for its short term needs and investment properties.

The investment properties are held both to provide income through the rents and also for their long term capital growth.

# The Lytham Schools Foundation

## Report of the Corporate Trustee for the year ended 31 December 2021

### FINANCIAL REVIEW

#### Reserves policy

The aim is to keep sufficient reserves to generate an income sufficient to allow future charitable grant making activities. It is anticipated that the level of grant making expenditure will increase as the aims of the Charity become more widely known.

The funds in the financial statements are defined as:-

#### General Fund and Investment Asset Fund

These funds are unrestricted and are used for all charitable purposes without restriction in accordance with the governing documents. Amounts held in these funds as at 31 December 2021 were £5,264,146 and £11,533,310 (2020: £4,988,200 and £9,746,648) respectively.

#### Restricted Fund - AKS

This fund is for provision of support for the seven funds and trusts for the specific benefit of AKS Independent School. The amount held in this fund as at 31 December 2021 was £1,166,120 (2020: £108,169).

#### Endowment Fund - AKS

This fund is for the capital amounts from which the income is allocated to the Restricted Fund above. The amount held in this fund as at 31 December 2021 was £297,705 (2020: £271,936).

Further details of restricted funds are included in note 14.

#### Review of the year

The Charity had net income after realised and unrealised gains on investment assets of £3,146,328 (2020: net expenditure £210,222).

#### Investment performance

The listed investments have increased in value by 23.8% (2020: 3.5% increase). This includes a one of addition in the year of £1,047,000 from the legacy donation received.

### FUTURE PLANS

Further grant applications for educational projects in the Lytham St. Anne's area have been approved but not yet paid. The trustee is excited at the future prospects for supporting education.

The Charity has current grant commitments to Department for Education, Lytham St. Anne's High School Sports Hall (£200,000), AKS Supplementary Bursaries (£77,139), Fairhaven Lake (£5,000) and Heyhouses Endowed CE Primary (£38,578), Homestart BFW Infant Mental Health Project (£15,000), Lytham St Anne's High School Coronavirus (£30,000), St Bede's RC High School Coronavirus (£13,250), The Karate Kid (£10,000), CN Sports Primary School Football Kit and Equipment (£3,000), Lytham C of E Nursery (£123,121), and Clerking Office (£900). All such commitments have been provided for in these financial statements.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

The charity is governed by a Scheme dated 11 November 2011 (as amended by an order of the First Tier Tribunal (Charity) dated 31 August 2012 and a resolution of the Trustee dated 4 October 2012).

#### Recruitment and appointment of new directors of the corporate trustee

The Lytham Schools Trustee Limited is the corporate trustee for The Lytham Schools Foundation and the directors of that company must ensure that the corporate trustee follows the best practice of a charity trustee for the Foundation. Marjorie Towers is the chairman of the company and Clive Barnes is the vice chairman.

The directors of The Lytham Schools Trustee Limited are appointed in accordance with the Memorandum and Articles of Association of that company.

The Charity continues to look for appropriate people with relevant experience to be directors of The Lytham Schools Trustee Limited.

# **The Lytham Schools Foundation**

## **Report of the Corporate Trustee for the year ended 31 December 2021**

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

#### **Organisational structure**

The Lytham Schools Foundation, which was founded over 300 years ago, has as its primary objective the provision of education for those in the Lytham St. Anne's area (based on the ancient parish of Lytham). It owns three schools - AKS (the old KEQMS school) which in 2011 it leased to United Learning Trust, and two primary schools - Lytham C of E and Heyhouses, which are run by the Blackburn Diocesan Board of Education and Lancashire Education Committee. The Foundation now therefore has no involvement in the day to day running of these schools.

### **REFERENCE AND ADMINISTRATIVE DETAILS**

#### **Registered Charity number**

526315

#### **Principal address**

Bank House  
9 Dicconson Terrace  
Lytham  
Lytham St Anne's  
Lancashire  
FY8 5JY

#### **Trustee**

The Lytham Schools Trustee Limited

#### **Auditors**

McMillan & Co LLP  
Chartered Accountants and  
Statutory Auditor  
28 Eaton Avenue  
Matrix Office Park  
Buckshaw Village  
Chorley  
Lancashire  
PR7 7NA

#### **Solicitors**

Dickinsons Solicitors  
24 Park Road  
St. Anne's-on-the-Sea  
Lytham St. Anne's  
Lancashire  
FY8 1PA

Veale Wasborough Vizards  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

# The Lytham Schools Foundation

## Report of the Corporate Trustee for the year ended 31 December 2021

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Bankers

HSBC Bank plc  
1 Newhouse Road  
Oxford Square  
Blackpool  
Lancashire  
FY4 4YH

#### Investment managers

Canaccord Genuity  
Talisman House  
Boardmans Way  
Blackpool  
Lancashire  
FY4 5FY

CCLA  
Senator House  
One Angel Lane  
London  
EC4R 3AB

### STATEMENT OF TRUSTEE'S RESPONSIBILITIES

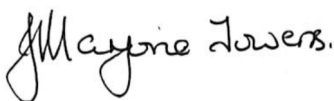
The corporate trustee is responsible for preparing the Report of the Corporate Trustee and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the corporate trustee is required to

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

The corporate trustee is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to 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 trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the Board of Directors of the Corporate Trustee on 21 September 2022 and signed on its behalf by:



J Marjorie Towers - Director  
On behalf of The Lytham Schools Trustee Limited - Trustee

# **Report of the Independent Auditors to the Trustee of The Lytham Schools Foundation**

## **Opinion**

We have audited the financial statements of The Lytham Schools Foundation (the 'charity') for the year ended 31 December 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement 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 (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 December 2021 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## **Conclusions relating to going concern**

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

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

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

## **Other information**

The corporate trustee is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Report of the Corporate Trustee 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.



## **Report of the Independent Auditors to the Trustee of The Lytham Schools Foundation**

### **Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities, the corporate trustee is responsible for the preparation of the financial statements which 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 corporate 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 corporate trustee either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

# **Report of the Independent Auditors to the Trustee of The Lytham Schools Foundation**

## **Our responsibilities for the audit of the financial statements**

We have been appointed as auditors 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 a Report of the Independent Auditors 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships; and
- tested journal entries to identify unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

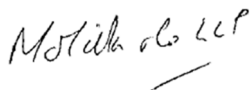
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

## **Report of the Independent Auditors to the Trustee of The Lytham Schools Foundation**

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 Report of the Independent Auditors.

### **Use of our report**

This report is made solely to the charity's corporate trustee, 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 corporate trustee 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 the charity's corporate trustee, for our audit work, for this report, or for the opinions we have formed.



McMillan & Co LLP  
Chartered Accountants and  
Statutory Auditor

Date: 21 September 2022

# The Lytham Schools Foundation

## Statement of Financial Activities for the year ended 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>						
Donations and legacies	2	-	1,047,000	-	1,047,000	-
Investment income	3	472,655	8,860	-	481,515	347,035
<b>Total</b>		472,655	1,055,860	-	1,528,515	347,035
<b>EXPENDITURE ON</b>						
Raising funds	4	12,392	3,367	-	15,759	13,771
<b>Charitable activities</b>	5					
Education		536,367	12,823	-	549,190	502,080
Other		3,156	-	-	3,156	3,156
<b>Total</b>		551,915	16,190	-	568,105	519,007
Net gains/(losses) on investments		2,141,868	18,281	25,769	2,185,918	(38,250)
<b>NET INCOME/(EXPENDITURE)</b>		2,062,608	1,057,951	25,769	3,146,328	(210,222)
<b>RECONCILIATION OF FUNDS</b>						
<b>Total funds brought forward</b>		14,734,848	108,169	271,936	15,114,953	15,325,175
<b>TOTAL FUNDS CARRIED FORWARD</b>		16,797,456	1,166,120	297,705	18,261,281	15,114,953

The notes form part of these financial statements

# The Lytham Schools Foundation

## Balance Sheet 31 December 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	2021 Total funds £	2020 Total funds £
<b>FIXED ASSETS</b>						
<b>Investments</b>						
Investments	10	5,510,551	1,063,821	273,627	6,847,999	5,625,335
Investment property	11	<u>11,533,310</u>	<u>-</u>	<u>-</u>	<u>11,533,310</u>	<u>9,746,648</u>
		17,043,861	1,063,821	273,627	18,381,309	15,371,983
<b>CURRENT ASSETS</b>						
Debtors	12	7,686	-	-	7,686	7,842
Cash at bank		<u>268,053</u>	<u>102,299</u>	<u>24,078</u>	<u>394,430</u>	<u>57,955</u>
		275,739	102,299	24,078	402,116	65,797
<b>CREDITORS</b>						
Amounts falling due within one year	13	<u>(522,144)</u>	<u>-</u>	<u>-</u>	<u>(522,144)</u>	<u>(322,827)</u>
<b>NET CURRENT ASSETS</b>		<u>(246,405)</u>	<u>102,299</u>	<u>24,078</u>	<u>(120,028)</u>	<u>(257,030)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>16,797,456</u>	<u>1,166,120</u>	<u>297,705</u>	<u>18,261,281</u>	<u>15,114,953</u>
<b>NET ASSETS</b>		<u>16,797,456</u>	<u>1,166,120</u>	<u>297,705</u>	<u>18,261,281</u>	<u>15,114,953</u>
<b>FUNDS</b>						
Unrestricted funds	14				16,797,456	14,734,848
Restricted funds					1,166,120	108,169
Endowment funds					<u>297,705</u>	<u>271,936</u>
<b>TOTAL FUNDS</b>					<u>18,261,281</u>	<u>15,114,953</u>

The financial statements were approved by the Board of Directors' of the Corporate Trustee and authorised for issue on 21 September 2022 and were signed on its behalf by:



J Marjorie Towers - Director  
On behalf of The Lytham Schools Trustee Limited - Trustee

# The Lytham Schools Foundation

## Notes to the Financial Statements for the year ended 31 December 2021

### 1. ACCOUNTING POLICIES

#### **Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, 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)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value, as modified by the revaluation of certain assets.

The presentational currency of the charity is pound sterling (£).

The amounts in the financial statements have been rounded to the nearest £1.

There are no material uncertainties about the charity's ability to continue.

The charity has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland':

- the requirements of Section 7 Statement of Cash Flows.

#### **Financial instruments**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

#### **Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

#### **Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

#### **Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the Statement of Financial Activities.

#### **Taxation**

The charity is exempt from tax on its charitable activities.

#### **Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustee.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

# The Lytham Schools Foundation

## Notes to the Financial Statements - continued for the year ended 31 December 2021

### 1. ACCOUNTING POLICIES - continued

#### Fund accounting

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

#### Realised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and their opening carrying value or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

#### Investments

The investments are included at closing mid-market value at the balance sheet date. The cost of investments includes commission paid to the investment managers. Any gain or loss or revaluation is taken to the Statement of Financial Activities.

### 2. DONATIONS AND LEGACIES

	2021 £	2020 £
Restricted legacy donation	<u>1,047,000</u>	<u>-</u>

### 3. INVESTMENT INCOME

	2021 £	2020 £
Rents receivable	128,217	115,803
Investment income	<u>353,298</u>	<u>231,232</u>
	<u>481,515</u>	<u>347,035</u>

### 4. RAISING FUNDS

#### Investment management costs

	2021 £	2020 £
Investment manager's fees	<u>15,759</u>	<u>13,771</u>

# The Lytham Schools Foundation

## Notes to the Financial Statements - continued for the year ended 31 December 2021

### 5. CHARITABLE ACTIVITIES COSTS

	Direct Costs £	Grant funding of activities (see note 6) £	Totals £
Education	<b><u>59,940</u></b>	<b><u>489,250</u></b>	<b><u>549,190</u></b>

### 6. GRANTS PAYABLE

	2021 £	2020 £
Education	<b><u>489,250</u></b>	<b><u>465,580</u></b>

The total grants paid to institutions during the year was as follows:

	2021 £	2020 £
Fylde Borough Council - Fairhaven Lake Project	-	5,000
Aspired Futures - Happy 2 Learn	<b>(24,960)</b>	24,960
Heyhouses CE Nursery	<b>8,000</b>	-
Heyhouses Ecopod	<b>23,420</b>	-
Scouts Kayak Trailer	-	950
BDBE Governors 10% of roof	<b>1,064</b>	-
Lytham School Hall	<b>3,383</b>	-
Post Graduate Bursaries	-	3,500
Church Schools Event	-	1,000
Homestart Grant	-	5,000
The Karate Kid	-	15,000
Lytham CE Primary School - Governors Share	<b>1,737</b>	17,906
Lytham CE Primary School - Essential building repairs	<b>29,000</b>	-
Lytham CE Nursery	<b>123,121</b>	-
St Bede's - Coronavirus	<b>500</b>	39,000
Lytham St Anne's High - Coronavirus	-	30,000
Heyhouses Endowed CE Primary School - Governors share	-	77,597
AKS Lytham Independent School - Supplementary Bursaries	-	77,139
AKS Lytham Independent School - Bursaries (Contra Rent)	<b>122,985</b>	110,571
Homestart BFW Infant Mental Health Project	-	15,000
Pandemic Support	-	38,057
CN Sports - Primary School Football Kit and Equipment	<b>1,000</b>	5,000
Lytham St. Anne's High School Sports Hall	<b><u>200,000</u></b>	-
	<b><u>489,250</u></b>	<b><u>465,680</u></b>

The charity has opted to use the available disclosure exemption provided by Charity law to charitable trusts registered in England and Wales from providing the names of grant recipients and the amounts of such grants during the lifetime of the settlor who donated the funds from which the grants are paid or during the lifetime of any spouse or civil partner of the settlor.



# The Lytham Schools Foundation

## Notes to the Financial Statements - continued for the year ended 31 December 2021

### 7. SUPPORT COSTS

	Governance costs £
Other resources expended	<u><u>3,156</u></u>

Auditors remuneration for the year was £3,156 (2020: £3,156).

### 8. TRUSTEE REMUNERATION AND BENEFITS

There were no trustee remuneration or other benefits for the year ended 31 December 2021 nor for the year ended 31 December 2020.

During the year £39,600 (2020: £32,400) was paid to Mr ME Gunson as clerk to the Foundation, covering all administrative services provided. Mr ME Gunson is also a director and company secretary of The Lytham Schools Trustee Limited.

#### Trustee expenses

There were no trustee expenses paid for the year ended 31 December 2021 nor for the year ended 31 December 2020.

### 9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>				
Investment income	339,097	7,938	-	347,035
<b>EXPENDITURE ON</b>				
Raising funds	11,714	2,057	-	13,771
<b>Charitable activities</b>				
Education	517,678	(15,598)	-	502,080
Other	<u>3,156</u>	<u>-</u>	<u>-</u>	<u>3,156</u>
<b>Total</b>	532,548	(13,541)	-	519,007
Net gains/(losses) on investments	<u>(30,452)</u>	<u>(1,885)</u>	<u>(5,913)</u>	<u>(38,250)</u>
<b>NET INCOME/(EXPENDITURE)</b>	(223,903)	19,594	(5,913)	(210,222)
<b>RECONCILIATION OF FUNDS</b>				
<b>Total funds brought forward</b>	14,958,751	88,575	277,849	15,325,175
<b>TOTAL FUNDS CARRIED FORWARD</b>	<u><u>14,734,848</u></u>	<u><u>108,169</u></u>	<u><u>271,936</u></u>	<u><u>15,114,953</u></u>

# The Lytham Schools Foundation

## Notes to the Financial Statements - continued for the year ended 31 December 2021

### 10. FIXED ASSET INVESTMENTS

	2021 £	2020 £
Shares	6,497,999	5,250,835
Loans	350,000	374,500
	<u>6,847,999</u>	<u>5,625,335</u>
		Listed investments £
<b>MARKET VALUE</b>		
At 1 January 2021		5,250,835
Additions		1,111,174
Disposals		(536,707)
Change in value		<u>672,697</u>
At 31 December 2021		<u>6,497,999</u>
<b>NET BOOK VALUE</b>		
At 31 December 2021		<u>6,497,999</u>
At 31 December 2020		<u>5,250,835</u>
		Other loans £
At 1 January 2021		374,500
Repayments in year		<u>(24,500)</u>
At 31 December 2021		<u>350,000</u>

There were no investment assets outside the UK.

The historical cost of listed investments at the year end is £3,671,940 (2020: £3,203,008).

# The Lytham Schools Foundation

## Notes to the Financial Statements - continued for the year ended 31 December 2021

### 11. INVESTMENT PROPERTY

	£
<b>FAIR VALUE</b>	
At 1 January 2021	9,746,648
Revaluation	<u>1,786,662</u>
At 31 December 2021	<u>11,533,310</u>
<b>NET BOOK VALUE</b>	
At 31 December 2021	<u>11,533,310</u>
At 31 December 2020	<u>9,746,648</u>

The investment properties have been valued by Robert Pinkus & Co LLP Chartered Surveyors at market value at 18 October 2021. The corporate trustee believes that the market value has not materially changed since this valuation.

### 12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other debtors	<u>7,686</u>	<u>7,842</u>

### 13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Other creditors	<u>522,144</u>	<u>322,827</u>

# The Lytham Schools Foundation

## Notes to the Financial Statements - continued for the year ended 31 December 2021

### 14. MOVEMENT IN FUNDS

	At 1/1/21 £	Net movement in funds £	At 31/12/21 £
<b>Unrestricted funds</b>			
General fund	14,734,848	2,062,608	16,797,456
<b>Restricted funds</b>			
Funds designated exclusively for AKS	108,169	1,057,951	1,166,120
<b>Endowment funds</b>			
Capital accumulation fund	271,936	25,769	297,705
<b>TOTAL FUNDS</b>	<b>15,114,953</b>	<b>3,146,328</b>	<b>18,261,281</b>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	472,655	(551,915)	2,141,868	2,062,608
<b>Restricted funds</b>				
Funds designated exclusively for AKS	1,055,860	(16,190)	18,281	1,057,951
<b>Endowment funds</b>				
Capital accumulation fund	-	-	25,769	25,769
<b>TOTAL FUNDS</b>	<b>1,528,515</b>	<b>(568,105)</b>	<b>2,185,918</b>	<b>3,146,328</b>

### Comparatives for movement in funds

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
<b>Unrestricted funds</b>			
General fund	14,958,751	(223,903)	14,734,848
<b>Restricted funds</b>			
Funds designated exclusively for AKS	88,575	19,594	108,169
<b>Endowment funds</b>			
Capital accumulation fund	277,849	(5,913)	271,936
<b>TOTAL FUNDS</b>	<b>15,325,175</b>	<b>(210,222)</b>	<b>15,114,953</b>

# The Lytham Schools Foundation

## Notes to the Financial Statements - continued for the year ended 31 December 2021

### 14. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
<b>Unrestricted funds</b>				
General fund	339,097	(532,548)	(30,452)	(223,903)
<b>Restricted funds</b>				
Funds designated exclusively for AKS	7,938	13,541	(1,885)	19,594
<b>Endowment funds</b>				
Capital accumulation fund	-	-	(5,913)	(5,913)
<b>TOTAL FUNDS</b>	<u>347,035</u>	<u>(519,007)</u>	<u>(38,250)</u>	<u>(210,222)</u>

Funds designated exclusively for AKS are made up as follows:

	2021 Endowment £	2021 Restricted £	2020 Endowment £	2020 Restricted £
Mellor Lecture Trust	1,913	18,039	1,748	16,399
Mellor Scholarship	4,544	31,395	4,151	28,558
Wolfson Scholarship	141,515	22,678	129,268	21,016
Wolfson Sixth Form	133,332	11,223	121,793	10,403
Donovan Travel Fund	1,170	757	1,069	684
Fred H Hill Fund	891	1,932	814	1,759
Denys Ingham Travel Fund	6,058	5,041	5,534	4,579
Tom Bleasdale Memorial Fund	8,282	702	7,560	633
Prize Funds	-	26,516	-	24,137
Jean Mary Robinson Memorial Fund	-	1,047,837	-	-
	<u>297,705</u>	<u>1,166,120</u>	<u>271,937</u>	<u>108,168</u>

### 15. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 31 December 2021 or for the year ended 31 December 2020.

### 16. RESTRICTED FUNDS

Restricted funds are to be applied as follows:

#### Mellor Lecture Trust and Mellor Scholarship

Financial assistance to pupils undertaking extra-curricular activities.

#### Wolfson Scholarship and Wolfson Sixth Form Fund

Assistance towards school fees in special circumstances.

#### Donovan Travel Fund

#### Fred H Hill Fund

#### Denys Ingham Travel Fund

Assistance towards expenses of educational visits.

# **The Lytham Schools Foundation**

## **Notes to the Financial Statements - continued** **for the year ended 31 December 2021**

### **16. RESTRICTED FUNDS - continued**

#### **Tom Bleasdale Memorial Fund**

Funds to support and develop the game of Rugby.

#### **Prize Funds**

Prizes and awards.

#### **Investment Asset Fund**

Funds invested in land, buildings and equipment.

#### **The Jean Mary Robinson Memorial Fund**

During the year the charity received a substantial legacy donation £1,047,000 from the estate of the late Jean Mary Robinson, who was a former pupil of Queen Mary's School and became a lifelong History teacher. Her wishes in granting the donation were for the funds to be placed into a restricted fund for the sole use of AKS Lytham. She requested that the funds be used to increase the number of bursaries or other educational projects to benefit the school and its students in attaining places and enriching their learning experiences, including a focus on History.