

Trustees' Report

and Financial Statements for the
year ended 31 December 2022

“

Whether you're a server or
sous chef, bartender or
brewer, we're always here
when you need a little
TLC.

With over 200 years'
experience serving drinks
people, the LTC can help
you get back to your best,
whatever you're going
through.”



BECAUSE
EVERYONE
NEEDS A LITTLE *tlc*

Our 2023 Awareness campaign

”



Working together



LICENSED
TRADE
CHARITY



ROYAL
PATRONAGE

LVS

Ascot

A Co-educational Day & Boarding School
for young people aged 4-18



ROYAL
PATRONAGE

LVS

Hassocks

Learning without limits



ROYAL
PATRONAGE

LVS

Oxford

Learning without limits

Reference and administrative details of the Charity, its Trustees and advisors for the year ended 31 December 2022

Trustees

Anita Adams (Chair – Ascot Governing Body)
Tracy Bird
Roy Boulter (Immediate Past Chairman)
Toby Brett (Chair – Membership)
Gerry Cleary
Mike Clist (Chair of Governors – Hassocks Governing Body)
Pat Duddy (Vice Chair – Charity Services)
Ludovick Halik (Vice Chair – Oxford Governing Body)
Mike Hill (Chairman)
Ian Inder (resigned 21 April 2022)
Ajith Jayawickrema (resigned 30 November 2022)
Annette King (Chair – Charity Services)
Jeremy Phillips KC
Peter Raynsford (Chair – Pension Committee)
Pauline Ross (Chair – Oxford Governing Body and Vice Chair – Ascot Governing Body)
Trevor Sparks
Paul Wigham (Chair – Investment Committee)
George Wishart

Chief Executive Officer

James Brewster

Charity Registered Number

230011

Registered Office

Heatherley, London Road, Ascot, Berkshire
SL5 8DR

Auditors

James Cowper Kreston Audit, Reading Bridge House,
George Street, Reading, Berkshire RG1 8LS

Bankers

Lloyds Bank Plc, 10 High Street,
Bracknell, RG12 1BT

Solicitors

Hunters, 9 New Square, Lincolns Inn,
London WC2A 3QN



Contents

- 1** Message from the Chairman
- 3** Chief Executive's Report
- 5** Trustees' Report
- 34** Independent Auditor's Report
- 37** Consolidated Statement of Financial Activities
- 38** Consolidated Balance Sheet
- 39** Charity Balance Sheet
- 40** Consolidated Cash Flow Statement
- 41** Notes to the Financial Statements



Message from the Chairman



Mike Hill
Chairman of Trustees

Each year I have been optimistic that the economy, health of the nation and world events would stabilise. How wrong I have been.

The licensed trade has been particularly affected with rising costs, train strikes, staff shortages, many customers now working from home for at least two days a week and pressure on their finances. In some areas, we do see a small improvement for business with turnover increasing but not always resulting in an increase in profits.

Those who are either still working in, or have previously worked in, the licensed trade have been severely impacted during the last year by the cost of living crisis and pressure on fuel prices. The escalation of costs, general health and in particular mental health support have all been at the forefront of the services required from the Charity.

Our strategy of extending our services over the last few years has really enabled us to provide an increased range of help, giving advice and to those in need far beyond simply awarding financial grants to individuals. Our partnerships with support organisations such as Shelter, Relate, Turn to Us and our helpline providers extend our support offer and have delivered some truly professional services that have been life changing to many, including critical incident and family support. I have to pay tribute to our staff members and partnership organisations who have dealt with so many cases that are increasingly complex in nature.

Considering the financial pressures on our parents at LVS Ascot, the numbers on roll have remained particularly positive on the day pupil front. Boarding numbers, especially those from overseas, have not yet recovered to pre-pandemic levels. Every effort is being made to attend international recruitment fairs by both our Principal, Christine Cunniffe, and Executive Director of Education and Operations, Ian Mullins. It will take at least two years for any real benefits to be felt.

Our specialist schools, LVS Hassocks and LVS Oxford have performed well, although Local Authority funding is becoming particularly challenging. Our reputation and excellent educational and pastoral provision is certainly well acknowledged.

All three schools have delivered exceptional education and pastoral care to our pupils and a number of awards have been gained – my congratulations to everyone involved. Visiting all three of our schools over the past year, I am heartened by the positive outcomes but, above all, the happy pupils.

During the last year, our operating performance has remained especially positive, not only due to the income from our schools and trade donations, but also from controlling our costs. Investments

have been a challenge however, with the surplus gained in 2021 more than wiped out during 2022 as a result of international and UK events and market conditions far beyond our control. I am confident, however, that they will eventually improve and as an organisation, we are able to take a long-term view as we are fortunate to have truly diverse income streams and a healthy balance sheet.

The senior executives of the organisation and their teams continue to outperform my expectations, and I congratulate them for all their efforts and the outstanding results we can see within our annual accounts and reports. I also pass on my sincere thanks to the Chief Executive, my fellow Trustees and committee members who give an enormous amount of their time to the organisation, for attending many meetings and for their wise commitment to our governance.

What of the future?

I will continue to remain positive – whilst there are always going to be challenges, such as the potential VAT levy on school fees, staff recruitment and retention, there will also be opportunities to expand our services, develop some of our assets and review our investment portfolio. We will continue to invest in our teams and enhance areas that need more resource.

The sad passing of Her Late Majesty Queen Elizabeth II, who was patron of our schools since ascending to the throne in 1952, has been felt by all our communities. We send His Royal Highness King Charles III and his Queen our warmest wishes and our continued loyalty and service.



Chief Executive's Report



James Brewster
Chief Executive

Another challenging year for licensed trade individuals and organisations has been endured, increasing the need for the support our Charity offers.

We also remain mindful of the on-going human suffering in Ukraine, as a result of the Russian invasion.

I am particularly proud of all our teams who are continuing to deliver exceptional service to our customers, beneficiaries and partners. The levels of resilience needed to cope with all that is affecting us and the attitude and aptitude of adapting to each challenge that we face is humbling.

Clearly the financial results within our annual accounts speak for themselves, with extremely robust operational income generated whilst being able to withstand the impact of the poor financial markets. This is largely due to our strong balance sheet, cash flow and long term investment strategy. We are particularly grateful for all the donations made by individuals and corporate organisations, which has helped us to support a large number of people requiring help and increase the range of services we are able to offer.

The impact of the COVID-19 pandemic has been far greater than anyone could have imagined, with both able-bodied and those more vulnerable people still affected.

Whilst we continue to support many with mental health issues, we are in the process of creating some new resource modules with a focus on building resilience, in order to help individuals and teams become more robust. These issues are not unique to the licensed trade, as we have found an increasing number of our own staff using the services of our employee assistance programme which, I am pleased to say, has had some very positive outcomes.

What has been very clear, post-pandemic, is that face-to-face interaction has been welcomed and our Volunteer visitors have now started to undertake visits to potential beneficiaries again, which has been well received. There has certainly been a feeling of isolation and fear amongst many who are facing difficulties, with more people making use of our 24-hour helpline. I pay tribute to our Volunteers, committee members and staff who have had to deal with some harrowing cases.

There is a similar pattern within our schools, where both parents and pupils have had a difficult few years. It is a joy to see our schools fully open and vibrant again, but we remain ever mindful of those who are most vulnerable. The outcomes from each school have been quite exceptional and both staff and pupils should be extremely proud of their achievements.



Academic results have been excellent, particularly when we consider the disruption that has occurred over the last few years. I think the whole organisation has gained from the experience and now has the ability to adapt at very short notice, with an increased use and confidence in the technology to support both learning and working.

The teams from Marketing and Charity Services have done an excellent job in increasing the awareness of the Charity to over 26% within the industry, and we need to continue to build upon this. The success of the “Pedalling for Pubs” campaign to raise funds and awareness for us and Only A Pavement Away raised almost £300,000 with 27 riders taking on the cycling challenge across Jordan. This was so successful and so well supported by the industry that two further events were planned for 2023.

In April 2023 a team of 26 hospitality professionals rode the 450km, coast to coast, across Sri Lanka raising, at the time of writing, £320,000 and invaluable awareness for the Charity. Our congratulations and thanks go to all the riders who

took part and to all those who donated. A second ride, Pedalling 2 Pubs, took place in June 2023 with 46 hospitality people riding 240km in the Yorkshire Wolds, raising over £75,000. Our thanks goes to everyone involved involved.

My sincere thanks go to all our Trustees, Co-opted Committee Members, Volunteers, Members and staff for the support and dedication they give to the Charity. I was particularly pleased with the staff conference held at the beginning of September, with over 300 attendees across our organisation. The event was very well received and included a wide range of speakers, including Chris Packham, Sir Ranulph Fiennes and Nic Hamilton. This event certainly gave us the platform to showcase our expertise, professionalism and the wide range of services we provide.

I would like to close by paying my respects to the Royal Family following the passing of Her Late Majesty Queen Elizabeth II. As patron of our schools we were deeply saddened, but pledge our continued support and service to King Charles III and his Queen.



Trustees' Report for 2022

The Trustees are pleased to present their Report and Financial Statements for the Licensed Trade Charity, its associate company and trading subsidiary for the year ended 31 December 2022.

Objectives and activities

The Charity continues to be committed to helping those who have previously worked in, or are currently working in the licensed drinks industry, to alleviate poverty and distress. Its key objectives during the year were:

- helping those who are sick, infirm or distressed;
- aiding those experiencing financial hardship;
- offering relief to those suffering from the ills, consequent of old age; and
- helping those impacted by the COVID-19 pandemic either financially or by offering other support services.

The Charity educates children of the general public, but with preference to those working in the licensed trade, through its schools.

In setting its objectives and planning its activities, the Trustees have given careful consideration to the Charity Commissioners' general guidance on public benefit and, in particular, to its guidance on advancing education and fee charging in accordance with Section 4 of the Charities Act 2006.

The Trustees apply the funds of the Charity at their discretion and in accordance with the charitable purposes and objectives of the Charity to provide financial assistance, support and advice to those who are currently working in, have previously worked in, or are retired from the licensed drinks trade.

All applications for help are means-tested and vetted by the Charity Services Committee, which

has delegated powers from the Trustee Body to administer the grant-making policy.

During 2022, the Charity committed £931k to provide:

- regular financial assistance to help with essential living costs;
- grants to provide one-off assistance, such as deposits for housing, disability aids or convalescent breaks;
- bursaries at LVS Ascot; and
- grants to help with education and training.

The Charity also:

- assists people to claim benefits and grants that are available from Government and other agencies;
- co-funds with other charities to make grants that a single charity would not be able to fund;
- provides information via its website and telephone helpline on a range of issues including housing, debt, employment support and relationship breakdown;
- trains regional Volunteers who visit new applicants and existing beneficiaries to consider their position; and
- trains telephone befrienders to call people from the trade who are isolated, to offer support and companionship on a regular basis.

The aim of the schools is to inspire independence.

The Charity delivers a high level of education and care for children through its co-educational schools; LVS Ascot, LVS Hassocks and LVS Oxford.

Thanks to the addition of LVS Hassocks and LVS Oxford, for children with a diagnosis of autism, the Charity is able to offer education to children with a broad range of educational abilities.

LVS Hassocks and LVS Oxford are predominantly supported via Local Authority funding for learners with Education, Health and Care Plans (EHCP's).

During 2022, bursaries of £301k were awarded to children from the licensed trade, who have an educational or emotional need that cannot be met through their existing state provision, compared to £362k in 2021. To apply for a bursary, parents must have worked in the licensed trade for at least five years. Awards are also means-tested and therefore are dependent on parental income.

LVS Ascot also offers scholarships to recognise academic, sport, music, art and drama potential. These are advertised to parents and prospective parents and awarded in the above categories, or according to the specific requirements of the external bodies that gave the funding. The value of these awards was £465k during 2022, compared to £420k in 2021.

Further details of the Charity's bursary and scholarship policies and how to apply for both are available on the LVS Ascot website.

At LVS Ascot, fee discounts of up to 20% are available for fee payers who have been working in the trade for at least five years; discounts are also available to members of the Armed Forces, Diplomatic Services and for local senior academic staff. In 2022, the value of these discounts amounted to £597k, compared to £549k in 2021.

As part of the emphasis placed on attracting and retaining high-calibre staff, a discount which increases with length of tenure is offered to staff members who educate their children at LVS Ascot. Also, to reinforce the value placed on continuity for families, a discount is offered where a family has more than two children at the Ascot school.

Structure, governance and management

Constitution

The Licensed Trade Charity was established in 1793 by publicans who wanted to provide support and a safety net for fellow publicans and their families. For more than two centuries, the Charity has worked to improve people's lives by providing a range of support, from setting up schools to educate children, providing houses for the elderly, to awarding financial grants for people in need and continues to run independent schools today.

The Charity operates under the Royal Charter of the Society of Licensed Victuallers, dated 3rd May 1836, and a Supplemental Charter dated 5th February 1999.

Following the merger of the Society of Licensed Victuallers and the Licensed Victuallers National Homes in 2004, a further Supplemental Charter, dated 29th June 2012, was approved by the Privy Council.

During 2017, the Charity applied to the Charity Commission and the Privy Council to widen its objects in order that it could provide education for all ages (previously this was restricted to children) and to provide increased care to the elderly with both these provisions maintaining preference to those from the licensed trade. Both these requests were agreed by The Queen's Most Excellent Majesty in Council on February 8th, 2018 and the objects of the Charity amended accordingly.

Charitable status

The Charity helps all those in the licensed trade and operates under the Charity registration number 230011.

Governing body

The Trustee Body consists of between 12 and 18 Trustees (the number being at the discretion of the Trustees), two thirds of whom must be licensed victuallers, with the remainder members of the Charity.

Trustees must be a member of the Charity before they can stand for election. Each term of office is three years, although Trustees who are aged 70 or older must seek re-election every year. Two general meetings (or courts) are held each year, one in April and one in October, to which all members are invited.

The Trustees are responsible for overall governance and strategic direction. The Trustee Body delegates power within agreed budgets and responsibilities to committees that oversee the delivery of its Charity Services policy, Education policy, Investments policy, Fundraising activities and Membership.

The Trustees consider the Trustee Body along with the Executive team, which includes the Chief Executive and five senior staff members, comprises the key management personnel of the Charity, in charge of directing and controlling the Charity and running the operations on a day to day basis.

The Chief Executive regularly meets with the Chief Operating Officers of a number of occupational charities to discuss issues faced, share initiatives and best working practices.

The Charity also liaises closely with a number of other occupational-based charities to share grant awards in order that funding is awarded that could otherwise not be made.

Following the return to normal life post-Covid, the Charity's regional fundraisers have once again been able to raise funds for the Charity, raising £22k in 2022.

Induction and training of Trustees

As part of its strategic planning process, the Charity conducts a skills audit of the Trustees on a regular basis and has compared it to the skills required by the Charity now and in the future. In addition, the Charity actively co-opts people with the desired skills to the Trustee Body and subcommittees, as well as actively recruiting new Trustees.

On joining the Charity, all Trustees follow a general induction programme with specific training, either provided in-house or externally, to prepare them for whichever committee they are appointed to. There is also an on-going training programme for all Trustees.

Key management personnel remuneration

The pay of the Charity's Chief Executive is reviewed annually by the Trustee Body. The pay of the Executive Team is reviewed annually by the Chief Executive. Pay for teaching staff is generally aligned to national pay scales and pay for non-teaching staff is normally increased in accordance with average earnings. Remuneration is also benchmarked with charities of a similar size and

activity, to ensure that the remuneration set is fair and not out of line with that generally paid for similar roles.

All Trustees give of their time freely and no Trustee remuneration was paid in the year. Details of Trustee expenses are disclosed in note 13 to the accounts. There were no related party transactions in the year.

Trustees are required to disclose all relevant interests, register them with the Chief Executive and, in accordance with the Charity's policy, withdraw from decisions where a conflict of interest arises.

Group structure

The Licensed Trade Charity has a wholly-owned non-charitable trading subsidiary, Elvian Limited, which makes available the facilities of the schools to various organisations for events, educational and leisure purposes. The Charity also holds 25% of the equity of The Morning Advertiser Limited which is treated as an associate company in line with the Charities SORP (FRS102).



Sector achievement in 2022

Charity Services

At the start of 2022 there was relief that the pandemic was over and the hospitality trade felt they were able to start afresh. This was certainly needed.

Sadly the war in Ukraine, along with the cost of living crisis, gave the sector a whole new set of challenges with staff shortages and rising business and personal costs.

We responded by directing licensed trade people to the support through our website, social media and helpline.

In 2021 we had 2,061 calls to our helpline. **This increased to 3,173 in 2022.** During 2022 we adapted our helpline promotions to encourage users to call us before they reach crisis point. We believe that this, alongside the high cost of living and increased awareness of the Charity has driven the increased number of calls.

Our partnerships with Shelter and Relate remained fruitful and referrals for both services increased

during 2022 with some excellent feedback on outcomes.

We are also able to offer **children's counselling** via Relate which has been well received because it is taking up to 2 years on the waiting list to access NHS counselling whereas our counselling is available in a matter of weeks.

Another factor affecting morale within the trade is **lack of resilience**. It was reported that, with staff shortages and increasing pressure on those that are working, resilience took a back seat.

We held three round table events in Bath, Birmingham, and London to which we invited a cross section of people from independent pubs, larger chains, in Business Relationship Manager and HR roles, inviting them to share the highs and lows of working in hospitality and their top worries.

Their main concern was a lack of resilience in younger members of the team and experienced

staff feeling burnt out, both of which risked more people leaving the industry.

In response to their insights we are creating new resilience resources, supported by funding from the Worshipful Company of Innholders.

We continued to work with pub companies to raise awareness of the Charity and were delighted to record an increase to 26% from 3.5% in 2017.

Most of the large pub companies now promote us at grassroots level and we are making presentations to their new licensees as part of their induction training.



Our support is split into six areas. Below is an outline of the figures for 2022:

Money

667 people were helped via one-off grants, short-term hardship grants, and registration to the financial well-being platform provided by Nudge.

£180,527 was awarded in grants to help people deal with financial hardship.

Mental Well-being

3,616 people were supported to address mental well-being issues via our helpline, Relate counselling, mental well-being training, and befriending.

Housing

338 people were helped with housing issues.

£165,166 was awarded in grants to address housing issues.

Health

28 people were helped with health issues and **£16,160** was awarded in grants.

Employment

We helped **174** people with **£4,352** in grants.

Education

105 children of parents in the licensed trade were supported via grants for school trips, laptops, school uniform or places at our school, LVS Ascot, with a 20% trade discount and **15** pupils were partially or fully funded by us to attend LVS Ascot.

In total during 2022 we spent **£522,761** in awards and educational grants and places at our school for trade discount and bursaries.

In total via our website, App, helpline, partnerships and grants we helped 36,606 people in 2022.

Sector achievement in 2022

Fundraising

During 2022 the Charity benefited from the generosity of individuals and organisations across licensed hospitality. In addition to donating their time, experience and contacts, many raised funds to support our work.

Our Regional Supporters, Licensed Victuallers Associations and Ladies Auxiliaries raised over £20,000.

As we grow the number of partners we work with and strengthen those relationships, the number of fundraising opportunities offered to us continues to grow. These include invitations to raise awareness and funds at partner and awards dinners, invitations to induction days and training sessions.

Ever cognisant of the challenges facing the licensed hospitality sector we are especially appreciative for the opportunities given to us to use those fundraising events to raise awareness of our work and reach more people who could benefit from our help.

We are grateful to The Worshipful Company of Innholders and to The William Brake Charitable Trust for their donations to Sixth Form Scholarships at LVS Ascot, and supporting the education of future generations.

During 2022 we were grateful to receive invitations and donations from:

- AB InBev, and The Budweiser Brewing Group
- Mitchells & Butlers
- Livelyhood Pubs
- Fullers
- Heineken
- Greene King
- Sodexo
- J D Wetherspoon
- Stonegate





National Hospitality Day had its second year, bringing together five hospitality charities to promote a day ‘celebrating the places we love’ and raise funds for the charities. Our thanks goes to everyone involved.

2022 also saw our first **Pedalling for Pubs** ride where 27 influential professionals from across hospitality rode 335km across Jordan raising awareness and funds for the Licensed Trade Charity and Only A Pavement Away. The challenge exceeded the expectations of everyone involved. Support from operators, suppliers and our trade associations through shared social media, sponsorship, donations and participation was exceptional. Feedback from the riders included “a life changing experience” and “it’s brought the industry together like nothing before it”. The final total raised was £276,000, which we believe is the largest amount raised in a single event for hospitality charities.

During April 2023, following the success of the 2022 ride, 26 riders took on a 450km cycle challenge, coast to coast, across Sri Lanka. At the time of writing fundraising stands at £320,000.

A second ride, **Pedalling 2 Pubs**, took place in June 2023, covering 240km in the Yorkshire Wolds with 46 hospitality people taking on the challenge.

Our thanks goes to everyone involved; riders, sponsors and especially to Katy Moses and the team from KAM, the driving force behind this initiative and to Steve Alton, BII, for organising **Pedalling 2 Pubs**.

We are also proud to have continued our relationship with Greene King delivering their ongoing **Team Member Support Fund** for Greene King staff members who need help with the ordinary, everyday problems that life throws at us.

We are always grateful for invitations to events that allow us to raise awareness and fundraise for the Charity. Those invitations continue to grow and we will pursue those opportunities.

Sector achievement in 2022

Volunteering in 2022



2022 was a far more positive year for all our Volunteers. The Charity Services Team were able to get back out visiting applicants in their homes, and events started taking place again for our Charity Ambassadors to attend and help us promote the Charity. Our Telephone Befrienders had carried on calling people throughout the pandemic. Trustees were able to attend meetings in person and our Regional Fundraising Committees started planning and holding events again.

Our Volunteers play an important part in supporting and promoting the Licensed Trade Charity's work, guiding the direction of the Charity, raising funds and reaching out to the community to help deliver a holistic service for the people we support. The majority of our Volunteers have a history in the licensed hospitality trade in various guises, from Licensee to Owner/Director, giving them valuable insight into the rewards and challenges a career in the licensed trade offers.

We have six categories of Volunteers:

- Trustees
- School Governors
- Charity Services Volunteers
- Telephone Befrienders
- Charity Ambassadors
- Regional Fundraisers

Our Charity's Trustees play a vital role in the decisions that shape the future direction of the Charity, donating their time to Trustee and Committee meetings and sharing their skills and experience. Our Trustee Board consists of up to 18 Trustees. The full Board meets at least six times a year, with most Trustees also sitting on either the Charity Services, Membership, Governing, Pensions, Investments or Elvian Committees.

Each of our schools, LVS Ascot, LVS Hassocks and LVS Oxford, has a Board of Governors who work to ensure that their school leaders are delivering the best education possible. They regularly visit their respective school, speaking to staff and students to make sure they are achieving educational excellence and, as such, have to have an understanding of school dynamics.

Our Charity Services Volunteers started going back out to visit people in their homes during the year, collecting the background stories of our more complex cases to help the Committee fully understand the issues the applicants were facing and the impact it was having on them. We did lose a few Volunteers during the year; some chose not to return after COVID-19 and sadly Barbara Williams passed away in the February after a long illness.

We also lost some of our Telephone Befrienders – Marge Francis sadly passed away in October having fought a long, hard battle with cancer and others asked for a break for personal reasons. Everyone else continued to call their befriended each week, fortnight or month, helping and encouraging people to start getting out and about again.

Exhibitions and events returned and during the year our team of Charity Ambassadors expanded with more people currently working in the trade becoming passionate about the services the Charity provides and wanting to help promote our services. Our Volunteers were able to attend a total of 42 events throughout the year.

Our Regional Committees were at last able to start holding various fundraising events throughout the year, from golf days and Burns lunches to annual banquets. The North West Regional Committee's Treasurer, May Bennett, sadly passed away suddenly in August which was a real shock to everyone and with Marge Francis's passing, the London and Home Counties Committee lost their Secretary and Treasurer. Both were ardent supporters of the Charity and had given years and years of time and energy in raising money for us.

We are extremely grateful for the huge amount of time, energy, skills and experience all our Volunteers kindly donate to ensure the Charity and its family of schools continue to go from strength to strength.

Sector achievement in 2022

Educational performance Academic Year 2021-22

LVS Ascot

Infant and Junior School

Academic

The academic achievements of the Infant and Junior students remain above the national average in the core subjects of Maths, English and Science.

At the end of their time in Key Stage 1, the children in Year 2 undertake assessments in these 3 areas. Highlights this year include 100% of children meeting age-related expectations (ARE) in Maths and Science, and only one child was below ARE in reading and writing. In 2023, areas for development will be to ensure the very able students in Year 2 are pushed to exceed their age-related expectations by the end of KS1.

In Key Stage 2 (Years 3-6), there were some excellent results in the end of year assessments

across the core subjects. With 24% of the children in KS2 having English as an additional language (EAL) and 27% of students having SEND needs, it was pleasing to see the majority of children meeting or exceeding their age-related expectations in Maths, English and Science. Across the total of 162 children, only 9 were working towards their ARE in reading, and at the end of KS2 (Year 6), before transition to Senior School, a significant number of children were exceeding expectations across the subjects.

Next year there will be emphasis placed on ensuring the current Year 5 cohort are pushed further to bring more students to exceed their current levels in Maths and writing where there are more children still working towards expectations.





Sport

As well as the usual weekly inter-school sporting fixtures, and house competitions in netball, football, cricket, hockey, rugby and swimming, students in the Junior School took part in some key ISA (Independent Schools Association) tournaments this year: ISA U11 Football tournament, ISA Girls' football tournament, ISA Athletics (National finals in Manchester), ISA Swimming. Some children also attended the Boys' and Girls' Berkshire County Hockey tournament, and there were two sport-related trips – a sports tour to St. George's Park, home to all 23 of England's national football teams, and a day trip to watch Spurs vs Burnley.

Performing Arts

There were in-house productions and performances for nearly all our students this year, including 'Camelot', 'We Will Rock You' and 'Baubles'. There were also many competitions including Young Singer of the Year, House Performing Arts, House Music, LVS Ascot Performing Arts Festival and a House Poetry Competition. Students took part in local and national competitions against other schools and this included the ISA Drama competition, Young Dancer of the Year, Young Musician of the Year and the ISA Dance competition. Our students who have peripatetic lessons also had LAMDA exams and ABRSM music exams.

Trips

Students in every year group enjoyed a wide range of trips that reflected the curriculum topics for that term. Those trips included: Winkfield recycling plant, The Museum of Water and Steam, and the Brecon Beacons to name a few.

Other fundraising events, competitions, enrichment activities and celebrations

The children in the Infant and Junior School have many opportunities during the year to enjoy extra-curricular activities and themed days/weeks which serve to enrich their learning, as well as help to nurture their sense of empathy and understanding of the world around them. Some of these have included: Y3 Ancient Egypt Day, National Pride Day, International Day, EDI Week, Mental Health Champions training, Mayor's Jubilee party at the Guildhall in Windsor, and many more.



LVS Ascot Senior School

Academic

Students are, at the time of writing, preparing for the summer series of public exams. Our Year 13 A Level cohort did not sit GCSEs during the pandemic, so emphasis has been put on building exam stamina and practice with two sets of mocks, focused tutoring and exam support.

The school has undergone a complete transformation in the way its curriculum is delivered. The 4C's 21st Century Skills (collaboration, critical thinking, communication and creativity) and the use of digital technology are completely embedded in teaching, raising outcomes and improving the learning experience for all our students. In early 2023 LVS Ascot was awarded Microsoft Showcase School status, a huge achievement and reflection of the digital transformation within the school.

LVS Ascot has recently been awarded centre approval to run the NCUK International Foundation Year programme. A highly regarded, accredited qualification equivalent to A Levels designed exclusively for international students, this pathway allows students direct entry to over 200 universities.

2022 saw a return to the exam halls and students sat the summer series without disruption. Advance information and reduced content in exams ensured that the exam cohorts were compensated for loss of learning over the preceding years, due to the pandemic. We were delighted with our results, with a notable increase in overall pass rates for both GCSE and A Levels when compared to results pre-pandemic in 2019.



GCSE results 2022

Overall pass rates for GCSE (grades 9-4) were up by 6% in comparison to 2019, the last year students sat exams. Performance at GCSEs in 2022 was the highest ever for LVS Ascot. Notable successes were 100% pass rate for English Language and Triple Science.

A Level results 2022

Results at A Level exceeded expectations with a notable increase in top grades in comparison to pre-pandemic results in 2019. There was an increase of nearly 5% in the number of passes at grades A* to A and an increase of over 12% at grades A to B. The overall pass rate at A Level was up too compared to 2019, at 92.89%.

Level 3 BTEC
pass rate 2022

100%

University destinations

We are proud to celebrate our students' successes. All students who applied to university or specialist colleges were placed. Nationally there was a shortage on university places due to the significant number of students deferring in the previous year, so this was a particular achievement for our 2022 cohort. Students are also supported if they choose alternative career pathways such as apprenticeships, with students in 2022 going into accounting, engineering, media, finance and law.





Sport

We hosted the annual ISA U11, U13 and U15 National Football Tournament, with over 200 girls on site. We also hosted the boys ISA U11, U13 and U15 National Football Tournament, with both the U11 and U13 teams becoming National Champions on a hugely successful day of football for the school.

Some sporting highlights of the year include: the U14 boys winning the Berkshire Go Perform League, success in hockey for both the U12 boys and U12 girls, where both qualified to represent Berkshire at the South Central Regional Tournaments where they performed superbly finishing 4th and 5th in the region. The U12 boys football team had a stellar season – they were EBSFA East League Winners and were part of the U13 team that won the ISA National Tournament. The U12 boys were runners up in the final of the Cricket County Cup.

Performing Arts

In 2022 we hosted our first ever **Performing Arts Festival** with instrumental, vocal, drama and dance performances from our own Junior & Senior students, who were joined by students from local schools. Performers competed all week in each discipline.

Other Performing Arts Events

Some performing arts highlights of the year include:

- Young Dancer (internal competition) – from KS1-KS5 – 35 dancers taking part
- Young Musician (internal competition) – from KS2-KS5 – 22 musicians taking part
- ISA Dance Competition – performances from KS2 and KS3 groups
- GCSE/A Level Music concert – showcasing these students and giving them performance practice
- Year 10-13 production of two performances in one - 'Class' and 'Six' the musical

Finally LVS Ascot was awarded first place in the **ISA National Debating Competition** in January 2022.



Other fundraising events, competitions, enrichment activities and celebrations

The school reached the finals of the Edtech National Awards for Innovation in the Use of Technology. We attended the House of Lords for the final in November 2022 where we were one of three finalists and the only independent school in this category.

LVS Perspectives has grown from strength to strength. Our series of online discussion talks are regularly watched outside of our community and are well known in our sector.

We are proud to have introduced the **Leith's Introductory Course** and from September 2022 offer the Leith's Level 3 Course to our Sixth Form students.

At LVS Ascot, we are always looking for creative ways to support our local and national charities and our students and school community always rise to the challenge. Fundraising throughout the year included events for Children in Need, Petworth Ukraine Relief, LGBTQ Mind Out Charity Rainbow Day and Macmillan Cancer Support to name a few.



Sector achievement in 2022

Specialist education

LVS Hassocks

2022 saw another positive year for LVS Hassocks as it continues to go from strength to strength. A successful unannounced ISI short inspection was followed by a successful CCRAAG inspection carried out by West Sussex on behalf of all local authorities who send students to the school.

Academically, four students gained A Levels in Art and the EPQ (Extended Project Qualification), with students in Year 9 and 10 sitting their Art GCSE early with a 100% pass rate (grades 9-4).

16 students in Year 9 and 10 achieved Bronze in the Duke of Edinburgh Award and four students in the Sixth Form gained their Silver Duke of Edinburgh Award, continuing to demonstrate the skill range and independence our students have developed.

LVS Hassocks is proud to have achieved the Inclusion Quality Mark and be recognised as a Centre of Excellence, along with being recognised for its approach to supporting mental health by achieving the National College Mental Health and

Wellbeing Accreditation for 2021-22. The whole school community celebrated when Principal Jen Weeks was one of eight finalists for the TES Headteacher of the Year Award 2022.

Growing partnerships with other schools and businesses resulted in the first ISA London South SEN football tournament hosted at LVS Hassocks, supported by Brighton and Hove Albion Football Club's charity arm, Albion in the Community.

Members from the Senior Leadership Team have provided training to businesses and other educational establishments on autism strategies as well as hosting sessions for the Department of Education's National Professional Qualification in Leading Behaviour and Change for the South Region.

Students have participated in a range of trips and activities to increase their understanding of the wider world, including undertaking blacksmith training at a local college, art exhibitions, theatre productions and sporting fixtures.



Sector achievement in 2022

Specialist education

LVS Oxford

LVS Oxford had a very successful year. A higher than usual proportion of Sixth Form and Year 11 students moved on to mainstream placements which is a testament to the work done at the school, but resulted in lower than anticipated student numbers for the latter part of 2022.

Exam results for the year were very positive with:

- 100% pass rate in GCSEs;
- 78% of these were at grades 4-9 or above; and
- 65% of students exceeded their predicted grades.

In December, some of the students who graduated in July came back to talk to their peers about the courses that they were undertaking at college. Many of them had spent time producing PowerPoint presentations detailing the positives about their courses, the things that they had initially found challenging and the strategies they had used to overcome these challenges.

Year 11 and Year 13 students moved on to a range of destinations including Derwent College (a special needs college), SOFEA (an organisation that sends out food parcels), City of Oxford College, Abingdon and Witney College, Berkshire

College of Agriculture (all mainstream colleges), and one student moved straight into work.

Close working relationships have been established with Blenheim Palace resulting in work experience placements for four students every Friday from October half term to Christmas. This involved students undertaking a variety of roles across the site, including in the gardens, the collections museum and with the livestock and grounds teams.

Students visited the Begbroke village community coffee morning on a regular basis to talk to some of the elderly residents, and in the summer the residents came into the school so that students could host a coffee morning for them in the dining hall.

The catering team introduced a Special Events menu, with the highlight being during the World Cup, where food from each country participating in the competition was served on a different day, giving the students an opportunity to experience food from countries that they otherwise may not encounter.





Sector achievement in 2022

Our People and Human Resources

The Licensed Trade Charity has, like employers across the country, been affected by significant changes in employment trends.

Following the pandemic, employees have had to adapt the way they work and interact with other organisations. Technology has contributed greatly to this changed way of working and the Charity was well equipped to embrace and adapt to that. The Charity is a digital workplace in all areas and upgrading our people's technology skills has been a priority. These new digital skills have helped us operate new systems within education, finance, human resources and payroll.

One of the trends has been a global shortage of staff and we have also faced recruitment challenges. With forward-thinking workforce planning, the Charity has launched recruitment initiatives to ensure the Charity's interests are met.

We operate a HR business partner method to support our business units giving our leaders and employees direct support, advice and HR presence in their workplace. We have supported our specialist schools with career guidance for their students attending career fairs.

HR has now fully embedded the digital HR and payroll system (CIPHR) which has operated successfully for over a year. As promised, more modules have been added and built during 2022. Our processes have been reviewed and streamlined to ensure the digital solution improved, not just replaced the administration process. The self-service module has been built and has been rolled out, enabling employees to access some of their personal records, manage timesheets, notify and see absence records, thus reducing administrative costs long term.

While digital progress has made a big difference, the HR responsibilities have not diminished. The team manage the four areas of human resources: employment relations, learning and development, recruitment and strategy.

We had 367 employees plus our catering and IT support services working with us across all our units.

Employee relations and employee well-being has been a priority post pandemic.

Supporting personnel through mental, emotional, developmental, career, financial and general wellness has been important to enable them to look after our students, their work and our teams. Our Employee Assistance Programme in conjunction with the charity HSF Assist has provided an amazing service 24/7/365 for our employees, from a Virtual Doctor service and if required prescription services, counselling (online and face-to-face), and legal support services.

Recruiting and attracting skilled talent has been streamlined by the new HR system, CIPHR. Candidates can access the recruitment portal anytime from anywhere in the world to submit their details. Candidates can see our Charity and schools before they apply and understand the progress of their application. We have introduced online recruitment packs for each site showing candidates the benefits and a virtual tour. This has enriched the experience for the candidate.



To encourage talent to apply we can send a job alert and description to candidates within our library, attracting a wider talent pool. Existing employees are offered a 'recommend a professional' reward scheme so that we optimise our recruitment.

One of our initiatives is extending our working with new talent and apprenticeships. We work with a broad network of apprentice suppliers now, currently employing eight apprentices in conjunction with the Government apprenticeship funding programme. These include horticulture, maintenance and education apprenticeships.

We delivered 3,811 **learning and development units** that supported employees during 2022 which does not include all the digital training platforms and courses. We have supported our team members to attain numerous qualifications including a Doctorate, Masters and graduate degrees, apprenticeships and teacher training. Bespoke training for our employees' line of work is always available, whether they are teaching a subject or working on the Estates team, specialised training is provided.

Leadership and management development is key and we retain our Institute of Leadership and Management centre accreditation, enabling us to offer ILM Levels 2 to 7. All personnel can take part in the different levels of training – from developing people to understand effective teamwork, training middle and senior managers, together with coaching and mentoring teams.



Values

Our core values remain Pride, Passion, Care, Honesty and Responsibility and are delivered from our recruitment standards through to professional requirements. Equality and diversity is evident across all our sites and is incorporated throughout. We reinforce that it is the responsibility of all our teams and we run educational programmes on unconscious bias, equality and diversity.

Our staff population ages range from 17 to 80 and we offer numerous types of contracts from three hours to full time.

Our people are the life blood of our organisation. They are flexible, multi-functional, intelligent risk-takers, who are honest and able to embrace change with a 'can-do' attitude.

Our people drive all our interests – the combination of advancing technology, development of people's skills and supporting their personal well-being enable us to drive ahead. This gives us the competitive advantage within a challenging and changeable market place.

THE LTC WAY: Our core values





Sector achievement in 2022

Estates and the environmental impact of our schools

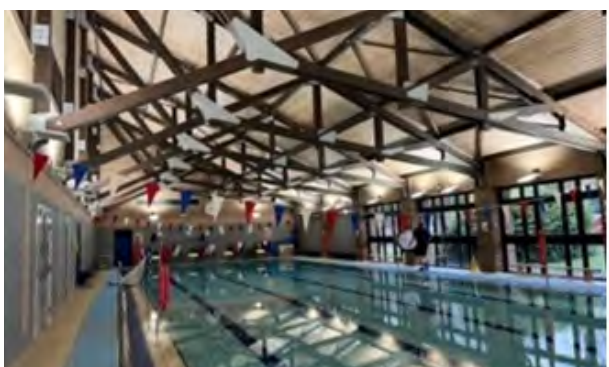
2022 Estates Report

During 2022, the Estates teams successfully delivered various capital and operational projects to enhance the functionality and appearance of the LVS Schools. While the degree of expenditure was lower compared to pre-pandemic levels,

the LVS Schools continue to be maintained to a high standard to meet the needs of the school communities. The following is a summary of some of the projects that were successfully delivered.

LVS Ascot

- The Key Stage 2 communal area was remodelled to provide an enriched learning area with better facilities and furniture.
- The Sports and Ancillary Halls have been modernised with a vibrant colour scheme, meeting Sport England guidance.
- Kew House was converted to provide high quality accommodation for Sixth Form girls.
- The lighting in the swimming pool area has been replaced with smart sensor-controlled LED lights to meet current standards.



LVS Oxford

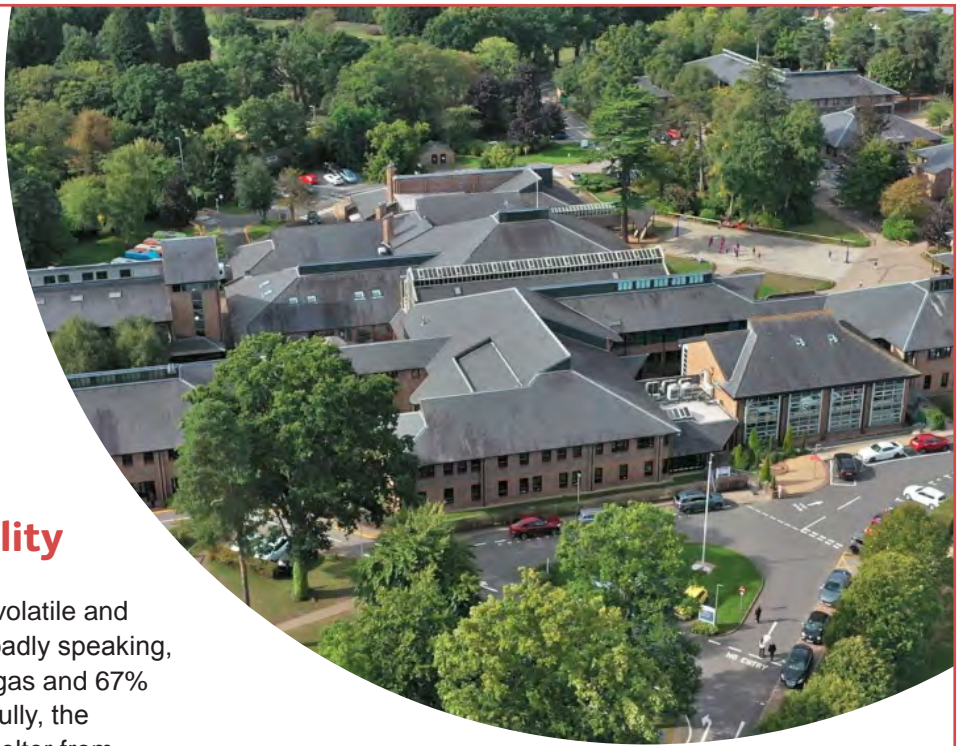
- Priory House, a detached 7-bedroom property adjacent to the school has been converted to provide additional residential accommodation for d'Overbroeck's (an independent school that leases LVS Oxford during evenings, nights and weekends).
- The Dining Hall Annex roof has been replaced with new Code 5 lead, giving it a life expectancy of 60+ years.



LVS Hassocks

- The flooring in the dining hall has been replaced with a modern vinyl safety floor and wet central-heating radiators replaced with electric ones to avoid the risk of leaks.





Energy and sustainability

The energy markets continue to be volatile and 2022 saw significant price rises. Broadly speaking, commercial rates rose by 130% for gas and 67% for electricity (source: ONS). Thankfully, the Charity is currently well placed to shelter from this volatility. We successfully secured long term contracts in September 2020 on low rates that are locked-in until April 2026 (electricity) and April 2027 (gas). We are also focusing on how to reduce our consumption at source, so that we are less susceptible to market instability, while helping us meet our sustainability and environmental objectives.

A summary of the initiatives we are already implementing, and those that may form part of the Charity's sustainability strategy follows:

LED lighting

Over the past few years we have replaced circa 75% of old candescent and fluorescent fittings with LED fittings and where possible the upgrade has included occupancy sensors.

Building Management Systems (BMS)

We are systematically introducing smart monitoring and control systems across LVS Ascot to ensure that heating and hot/cold water services operate more efficiently and in turn reduce energy consumption.

Boiler replacement and heating, ventilation and air-conditioning equipment (LVS Ascot)

We are implementing a programme of boiler replacements, which will finish in 2024. The original boilers are 34 years old and spare parts are sometimes difficult to source. The new condensing boilers meet current standards and are typically 25% more energy efficient.

Thermal insulation

Surveys have been carried out to determine existing levels of roof insulation, notably at LVS Oxford and Ascot, and we have found scope for further insulation.

Electric car charging

To encourage more sustainable forms of transport, the Charity has installed electric car charging stations at each LVS School and plans more for 2023.

Solar energy (LVS Ascot)

We have obtained proposals for solar panels to limit the impact of energy price rises and promote the school's green credentials.

Water conservation

During refurbishment work we introduced technology such as sensor taps, dual-flush toilets and restrictors, which proved to be a cost effective way of reducing water consumption.

Recycling (LVS Ascot)

In partnership with our waste contractors, 99% of the waste generated is diverted from landfill and recycled.

Sodexo Site Services Report 2022

Sodexo deliver facilities management, catering and food services at all of our sites.

LVS Ascot

Despite starting the year with some challenges when colleagues tested positive with COVID-19 and Government regulations recommended isolation for five days, we have a very resilient team who are proficient in multi-tasking and we were able to continue to provide seamless services to our customers.

The food service industry faces big challenges around sustainability, and the Licensed Trade Charity in partnership with Sodexo are aiming to excite more people about eating plant-based, sustainable dishes to lower the carbon footprint of daily menus as well as provide more nutrient-rich and flavourful dishes. Sodexo are now implementing initiatives to meet their bold mission: to reduce carbon emissions by 34%, reduce food waste by 50% and source 100% sustainable seafood by 2025. Sodexo's commitments to sustainable practices are not just ground-breaking, they are of the utmost importance, as food and agriculture are key tools for mitigating the climate crisis.

Towards the end of May, we all celebrated our patron the late HM Queen Elizabeth II Platinum Jubilee with all the razzmatazz it deserved, providing special lunches and afternoon tea to students and staff. Only 100 days later we all took time to reflect on her passing and glorious reign.

Nurturing talent always delivers rewards and we are proud that Lea Eastman-Thompson, our Executive Chef, was the winner of the Sodexo UK & Ireland Nurturing Talent Award. Lea is an outstanding role model, leading by example through his hard work and an unwavering commitment to his role. He remains cheerful with a can-do attitude, maintaining a high standard of delivery with high expectations of his team. The low turnover of staff in his department shows that he is the manager of a happy team.

Health and Safety is always at the top of the agenda, and never more so with the school's sizeable minibus fleet transporting very precious loads each day. In November, the whole transport team got involved in National Road Safety Week and Tom Farrell, our transport team leader, and Jim Gavin, the Group Manager, delivered a road safety

presentation to both Infant and Junior School and Senior School students in their assemblies.

We also catered for numerous events throughout the year, including International Women's Day, Pride Day, and in June we provided services and catering for a host of end of year celebratory events. Needless to say, all thoroughly deserved after the hard work and challenges that 2022 delivered.

LVS Oxford

Never to miss an opportunity to get involved in an international event, the FIFA World Cup was no exception. To celebrate all the nations in the World Cup, we offered two weeks of specially designed menus and each day the menu reflected the exciting cuisines of the teams playing. This included foods such as Brazilian feijoada, Polish andrut, American quarter pounders with all the toppings, and Australian lamingtons.

As we embrace international cuisine, and with the rise in popularity of sushi, a sushi demonstration class was delivered for the whole school, where the students and teachers took great delight in creating their own bespoke sushi for lunch. Other popular events during 2022 were World Book Day, Smoothie Week and Disney Day.

LVS Hassocks

A key meeting with the Well-being Committee this year brought about an ADHD-friendly menu, which has been introduced on Wednesday each week. We are conscious of the importance of reducing simple sugars and featuring wholewheat and omega-3 rich foods, for a regulated release of energy throughout the afternoon and to boost and sustain concentration and focus.

Small steps for some but big steps for LVS Hassocks, they hosted the Independent Schools Association (ISA) London South Area meeting as well as hosting the ISA South London 5-a-side football tournament. Our students were all very proud of the buffet Sodexo laid on and one of the visiting teams asked Jen if they could buy our chef Laurence – "not for sale" was her reply!

Other popular events we catered for during the year were Valentine's Day, Christmas lunch and everyone's favourite – the arrival of Mr Whippy at the end of year BBQ.



Financial review

The full financial results for the year are dealt with in the Statement of Financial Activities on page 37.

Financial performance compared with the previous year

The results for 2022 are very positive in many regards, but in other aspects they bear out some of the challenges that the UK and much of the rest of the world have experienced.

The Charity's operations performed well in often challenging circumstances, however the Charity's investments suffered a significant fall in value, leading ultimately to a Net Deficit for the year of £3,499k. This compares to a Net Surplus of £6,526k in 2021, a swing of over £10m.

The value of investments fell by £5,700k (2021: gain of £3,268k), impacted by factors such as political turmoil in the UK, high inflation and rising interest rates.

Net Income before Net Gains / Losses on Investments, which is commonly referred to as Operating Surplus was £1,437k for the year, some £580k higher than the Operating Surplus of £857k in 2021.

Net income from the schools grew again in 2022, rising to £2,252k from £2,083k in 2021. This increase was driven by average pupil numbers across all three sites rising from 919 last year to 934 this year, coupled with continued focus on costs.

Net investment income increased by 20% to £641k, due to a combination of higher returns and lower

fund management costs, which are usually charged as a fixed percentage of the fund value.

Elvian Limited was able to host international students at LVS Ascot in Summer 2022, for the first time since the COVID-19 pandemic. This, together with a new licence agreement for one of our properties in Oxford enabled Elvian to generate a net profit £374k in 2022, up from £161k in 2021.

Fundraising was lower this year at £314k, down from £636k in 2021. This reduction was not unexpected, given that 2021 still contained some very significant COVID-19 related donations. 2022 nevertheless contained some very generous corporate donations, and was further bolstered by our share of the proceeds from the amazingly successful Pedalling for Pubs initiative.

The Charity's investments had a torrid time in 2022, with all classes of asset within the portfolio suffering falls in value, recording net losses of £5,700k compared to net gains of £3,268k in 2021. This was comprised of losses of £3,435k on our general investment funds and £2,265k on property funds. The valuation of our residential property holdings remains unchanged from 2021.

The valuation of the defined benefit pension scheme liability was affected by many of the same factors which influenced the valuation of our investments. Whilst higher interest rates have significantly reduced the present value of the future liabilities, the valuations of the assets held to meet those future liabilities as they arise have also reduced considerably. The net effect is a small reduction in the value of the net liability, resulting in an

actuarial gain of £643k in the Statement of Financial Activities. In 2021, a gain of £2,358k was recorded.

Financial performance compared with expectations for the year

The result for the year was a deficit of £3,499k. This is £4,083k lower than the budgeted surplus of £584k.

No gain nor loss was budgeted for Investment or Pension Liability revaluations. Investments fell in value by £5,700k in total, reflecting market challenges brought about by the war in Ukraine and the cost of living crisis amongst other factors. The liability in respect of the LTC 1967 Pension and Life Assurance scheme reduced by £183k. This was a result of the underlying assets and the future liabilities both falling in value, the former as a result of the same factors affecting the Charity's investments and the latter due to rising interest rates reducing the present value of the Scheme's future liabilities.

At an operating surplus level, the result was £1,313k better than budget.

Net income from the schools overall was £105k lower than budget. It had been budgeted that LVS Ascot would re-build its community of boarders back to near pre-COVID-19 levels for the 2022-23 academic year. However, this effort was stymied somewhat by ongoing COVID-19 travel restrictions in some countries and travel difficulties posed by the war in Ukraine. This contributed to an underperformance against budget at LVS Ascot, which was only partly mitigated by the strong financial performance at LVS Hassocks and LVS Oxford.

Central costs were £501k lower than planned due to careful cost control and the deferral of a small number of projects into 2023 and 2024.

Fundraising income was £59k higher than budget due in part to the Pedalling for Pubs initiative raising more than had been budgeted, and in part due to the ongoing support from our corporate partners.

Charity Services' costs include financial grants awarded to beneficiaries, the costs of providing our helpline and other services to beneficiaries, and education bursaries and trade discounts awarded primarily to pupils at LVS Ascot. In total these costs were £602k lower than budgeted for 2022, however the Charity has continued to help a significant number of people in our industry, and is well placed to continue to do so through the current cost of living crisis and beyond.

Reserves policy

The financial statements show that at 31 December 2022, the unrestricted funds totalled £65,478k and restricted funds £310k. The unrestricted reserves include a liability of £1,360k calculated under FRS102 in respect of the notional funding deficit on the defined benefit pension plan for Charity staff. The Trustees believe that this notional funding calculation, which can vary between surplus and deficit depending upon the assumptions used at year end, will have no material effect on the Charity's cash flows in the short-term and that in the longer term its effects are manageable out of future income.

The Charity is an operational organisation and needs to hold sufficient reserves to fund its current operations, to provide for unforeseen events and to invest for the future. It also needs to sustain sufficient reserves to provide long-term support for its beneficiaries. The Trustees have developed the Reserves Policy with regard to the Charity Commission's guidelines. In the short-term, the Charity expects to fund any excess of charitable expenditure over income out of reserves. In the long-term, the Charity will aim to hold a level of general reserves equivalent to the number of months' operating costs relevant to each of its operating units. Currently this equates to approximately £18m.

The Reserves Policy is reviewed with the Strategic Plan to ensure they are consistent. In order to make a judgement on the reserves which should be held by the Charity, the Trustees have considered the risks in respect of expenditure, unrestricted income and where funds can only be released by the disposal of investments. The Trustees have also considered external identified potential risks to income and expenditure. The policy is monitored and reviewed annually.

During 2022 the Charity's investments fell sharply in value, leading to a net deficit for the year. Consequently the Charity's general reserves, defined as unrestricted reserves excluding fixed assets, directly owned investment property and the equity investment in the Morning Advertiser, have decreased from £32m to £29m. Despite this fall, general reserves are at a level significantly above the minimum level required by our Reserves Policy, and the Charity remains in a strong financial position.

The Charity reviews the finances of beneficiaries before approving the payment of grants to individuals. Historically, once a beneficiary reached 80 years of age, the Charity no longer performed

an annual review of the beneficiary's finances and continued to pay the awarded grant until the beneficiary died. This practice has now stopped and the finances of all beneficiaries are reviewed annually. Where the annual means testing has previously ceased, the Trustees have accepted that payment will be made until the death of the beneficiary and have, therefore, designated funds equivalent to the estimated value of these future payments in the financial statements. At 31 December 2022 the value of this designated fund was £137,779.

Investment policy and objectives

The Charity seeks to have a constructive and positive engagement with the corporate world and requires that Investment Managers, together with all underlying collective holdings, have signed up, or are in the process of signing up to the United Nations-supported Principles for Responsible Investment (PRI) Initiative.

No changes have been made to the structure of the Charity's investments during 2022.

Property investments were 45% of the Charity's total investment portfolio at the end of the year (2021: 44%).

The performance for 2022 resulted in an overall loss of £5,700k, with losses on both commercial paper and property funds. The value of directly owned investment properties remains unchanged from 31 December 2021.

Property fund investments total 33% (2021: 33%) of the portfolio, comprising investments in Mayfair Capital, Schroders, CCLA and Savills.

All funds fell in value during 2022, with declines in value between 6% and 15% from December 2021.

Directly owned property amounts to 12% (2021: 11%) of the portfolio, including land and residential properties. The portfolio was professionally valued during 2020 and continues to be held at those values.

Commercial paper investments, including equity, gilts and alternative investments are actively managed for the Charity by SG Kleinwort Hambros Bank and CCLA. These make up 55% (2021: 56%) of the total portfolio, and fell in value by £3,435k during 2022.

The Trustee Body has delegated oversight of the Charity's investment portfolio to the Investments Committee.



Pensions

The Charity contributes to two defined benefit schemes, one, a national Government-operated scheme for teaching staff, and the other, its own scheme, for non-teaching staff.

The Charity has no control over the national scheme but has continued to pay increased contributions into its own scheme. The Government increased employer contributions for the teachers' pension scheme from 16.48% to 23.68% in September 2019.

The Charity is subject to the automatic enrolment legislation introduced by the Government to encourage staff to save for their retirement.

All new employees have the option to join the appropriate final salary scheme. If they fail to do so, they are automatically enrolled into the group pension scheme, if eligible. All employees who subsequently opt out of the scheme are automatically re-enrolled at three-yearly intervals, the latest re-enrolment taking place in April 2023.

Tax status

The Trustees are of the opinion that the Charity is not liable for taxation on its charitable activities.

Plans for the future

Expectations for 2023

The Charity expects that 2023 will be a year of continued solid operational performance, but one of increased demand from its beneficiaries and the licensed trade more widely. As the world continued to move on from the COVID-19 pandemic during 2022, a new set of challenges presented themselves which are likely to have a significant impact throughout 2023 and beyond.

The Bank of England has raised interest rates to levels not seen since before the global financial crisis of 2008, and annual inflation remains stubbornly high. This has put significant strain on the budgets of many households and businesses across the UK.

These factors are expected to have an impact on the Charity's finances in a number of ways. Firstly, the impact on both businesses and individuals within the licensed trade is likely to lead to a significant increase in demand from beneficiaries for emotional, practical and financial support. Secondly, constraints on household budgets may adversely affect recruitment and retention of pupils, particularly at LVS Ascot. And finally, whilst mitigated where possible, many of the organisation's costs have been impacted by high levels of inflation.

The Charity's budget for 2023 was finalised in November 2022 and shows a small operating surplus. This may be adversely affected by the factors set out above impacting on the financial performance of its three schools and further increasing the need to support its beneficiaries.

No gain or loss is budgeted for changes in valuations of the Charity's investments and the LTC 1967 pension scheme deficit. Therefore any changes in these valuations will affect the net surplus or deficit recorded by the Charity.

The strategic plan

The Charity's Strategic Plan originally covered the period 2017-2021 and was subsequently extended for a further two years to incorporate a Covid-19 recovery plan. The Trustees and Executive management are currently developing the next Strategic Plan alongside how the current economic circumstances will impact upon the trade, our beneficiaries and our organisation. This new plan will be produced involving executive

management, senior staff and Trustees and against relevant external benchmarks, in order to determine the direction of travel of the Charity for a further five years.

The Charity's existing five-year Strategic Plan commenced in 2017. When setting the plan, the Charity was very clear in reviewing the potential areas for expansion and a quest to deliver more services in line with the recent changes in the organisation's objects. This allows for the provision of education to a wider population, to the general public but with preference to those having worked or still working in the licensed trade and now to any age group. Whilst the Charity can provide residential care to the general public but with preference to the trade, it was decided not to pursue this.

The Charity set a target to assist in a number of ways and aimed to help around 13,000 individuals by the year 2021. The number of individuals helped during 2022 was 36,000, considerably above this target.

The organisation continues to invest in the recruitment and development of staff, as well as in its material assets. Our staff are at the forefront of what we do, ensuring that the growing demands placed on the organisation by beneficiaries and customers can continue to be met effectively.

The Charity continues to build on the work done during the COVID-19 pandemic to accelerate automation, to improve efficiency and to optimise ways of working which will allow the organisation to evolve to meet the changing needs of its beneficiaries and pupils.

Risk management

The Trustees are responsible for the management of the risks faced by the Charity and have examined the major strategic, business and operational risks to which the organisation is and may potentially be exposed. The Trustees are satisfied that the systems, controls and policies are in place to mitigate and manage exposure to such major risks.

The Charity's comprehensive risk register is reviewed and updated annually, or more regularly if necessary, prior to review and discussion by the Trustees. In assessing the risks, the impact on Charity activity disruption, injury or property damage, loss of income, reputation, management focus, missed opportunity and strategic direction change are all considered.

There are five principal areas of risk which have the potential to significantly affect the operations of the Charity:

- **Government policy** – Independent schools have been the subject of ongoing discussions by Government. There is a risk that changes to Government policy (such as amendments to VAT legislation on educational supplies, business rates relief, levy charges, and Teachers Pension contribution levels) would have a significant impact on the Charity's ability to operate. The Charity seeks to mitigate this by reviewing the Reserves Policy, preparing long-term forecasts and contingency planning.
- **Affordability** – LVS Ascot operates in a very competitive market with many fee payers' disposable incomes coming under pressure from cost of living increases. Places at LVS Hassocks and LVS Oxford are primarily funded by local authorities which are under financial pressure with reduced budgets and increasing demands for services. This is causing local authorities to consider alternative means of fulfilling services such as the development of specialist hubs attached to mainstream secondary schools. The Schools all look to ensure that they offer value for money whilst providing an excellent well-balanced education to mitigate this risk as far as possible.
- **Economic environment** – The Charity has investments across commercial paper and property which have been exposed to increasing volatility over recent times. The Charity aims to operate a long-term diversified investment strategy at low to medium risk and regularly reviews the performance of investments.
- **Safety and security of pupils, staff, volunteers and vulnerable grantees** – The Charity aims to provide a safe and secure environment by having in place policies and procedures including in the areas of safeguarding children, anti-bullying, health and safety, physical security, cyber security, data protection, well-being and critical incident management.
- **Pandemic** – Whilst the impact of the COVID-19 pandemic has passed, the risk of another global pandemic remains. The risks of a pandemic may include increased support needed by beneficiaries, volatile performance of investments, reduced ability for Elvian Limited to hire out school facilities, fee remissions given at LVS Ascot and lower pupil numbers due to

international travel restrictions and pressure on fee payers' finances. The Charity may receive additional donations from licensed trade participants to cover increased demand from beneficiaries. The Charity's assessment of this risk is that whilst it cannot be totally mitigated, the Charity has learned from its experiences during the COVID-19 pandemic and continues to hold strong levels of liquid reserves which would be available for it to draw upon in the event of another pandemic.

Trustees' responsibility statement

The Trustees are responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Charity. These records also allow the Trustees to make sure the financial statements comply with the requirements of the Charities Act 2011.

Charity law also requires the Trustees to prepare financial statements for each financial year that give a true and fair view of the state of affairs of the Charity and of the results for that period.

In preparing those financial statements, the Trustees are required to:

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

The Trustees are also responsible for safeguarding the assets of the Charity and for taking reasonable steps for the prevention and detection of fraud.

Auditor

James Cowper Kreston Audit offers itself for re-appointment as auditor for the year beginning 1 January 2023.

Approval of the financial statements

The Trustees confirm this report and accounts comply with the requirements of the Charities Act 2011 and the Charities SORP (FRS102).

The Trustee Body approves the financial statements.

BY ORDER OF THE TRUSTEE BODY

A handwritten signature in blue ink, appearing to read 'M Hill', with a horizontal line underneath.

Mr Michael Hill

Chairman of Trustees

Dated: 13th July 2023

LICENSED TRADE CHARITY

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LICENSED TRADE CHARITY

Opinion

We have audited the financial statements of Licensed Trade Charity (the 'parent charity') and its subsidiary (the 'Group') for the year ended 31 December 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, the Charity Balance Sheet, the Consolidated 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 Group's and of the parent charity's affairs as at 31 December 2022 and of the Group's 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 Group 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

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 Group's or the parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LICENSED TRADE CHARITY

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Part 4 of the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- adequate and sufficient accounting records have not been kept by the parent charity, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity's 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 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 Group's and the parent 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 Group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF LICENSED TRADE CHARITY

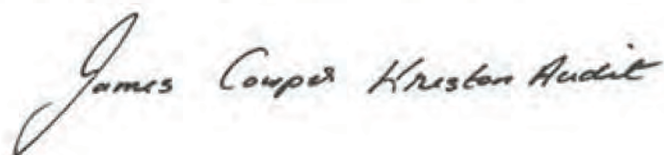
The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

Use of our report

This report is made solely to the charity's 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 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.
this report, or for the opinions we have formed.



James Cowper Kreston Audit

Chartered Accountants and Statutory Auditor

Reading Bridge House, George Street, Reading, Berkshire, RG1 8LS

Date: 13th July, 2023

James Cowper Kreston Audit is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	Restricted funds 2022 £	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
INCOME FROM:					
Donations and legacies	4	192,384	100,321	292,705	629,439
Charitable activities:					
School fees		-	22,662,871	22,662,871	20,918,153
Grants		-	83,377	83,377	21,104
Other trading activities:					
Fundraising and events income	5	-	21,594	21,594	7,031
Gross income trading subsidiaries	2	-	675,535	675,535	400,320
Investments	6	-	1,140,112	1,140,112	1,089,769
Other income	7	-	200,759	200,759	306,018
TOTAL		192,384	24,884,569	25,076,953	23,371,834
EXPENDITURE ON:					
Raising funds:					
Costs of generating voluntary income	8	-	124,770	124,770	158,285
Expenditure trading subsidiaries	2	-	301,432	301,432	239,426
Investment management costs	10	-	498,861	498,861	556,373
Cost of events	9	-	65,616	65,616	78,338
Charitable activities:					
Schools	11	57,835	20,352,725	20,410,560	18,835,151
Grants		139,753	490,762	630,515	1,024,188
Bursaries		-	300,950	300,950	362,188
Charity Services	12	-	819,233	819,233	816,486
Support costs	13	-	488,408	488,408	444,741
TOTAL	14	197,588	23,442,757	23,640,345	22,515,176
NET INCOME BEFORE NET (LOSSES)/GAINS ON INVESTMENTS		(5,204)	1,441,812	1,436,608	856,658
Net (losses)/gains on investments	16	-	(5,700,165)	(5,700,165)	3,268,408
NET (EXPENDITURE)/INCOME		(5,204)	(4,258,353)	(4,263,557)	4,125,066
Transfer of funds		(58,100)	58,100	-	-
Income from associate company	3	-	121,557	121,557	42,950
Actuarial gains on defined benefit pension schemes		-	643,000	643,000	2,358,000
NET MOVEMENT IN FUNDS		(63,304)	(3,435,696)	(3,499,000)	6,526,016
RECONCILIATION OF FUNDS:					
TOTAL FUNDS AT 1 JANUARY		373,114	68,913,516	69,286,630	62,760,614
TOTAL FUNDS AT 31 DECEMBER		309,810	65,477,820	65,787,630	69,286,630

All activities relate to continuing operations. The notes on pages 41 to 60 form part of these financial statements.

**CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022**

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	17		29,729,292		30,670,307
Investments at market value	20		39,414,746		44,601,514
Investment in associate company	18		1,405,055		1,308,501
			70,549,093		76,580,322
CURRENT ASSETS					
Debtors	21	5,528,683		4,983,499	
Cash at bank		9,137,390		5,795,671	
			14,666,073		10,779,170
CREDITORS: Amounts falling due within one year	22		(11,999,400)		(9,937,321)
NET CURRENT ASSETS			2,666,673		841,849
TOTAL ASSETS LESS CURRENT LIABILITIES			73,215,766		77,422,171
CREDITORS: amounts falling due after more than one year	23		(6,068,136)		(6,592,541)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			67,147,630		70,829,630
Defined benefit pension scheme liability	27		(1,360,000)		(1,543,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			65,787,630		69,286,630
CHARITY FUNDS					
Restricted funds	24		309,810		373,114
Unrestricted funds:	24				
Unrestricted funds excluding pension liability			66,837,820		70,456,516
Pension reserve			(1,360,000)		(1,543,000)
Total unrestricted funds			65,477,820		68,913,516
TOTAL FUNDS			65,787,630		69,286,630

The financial statements were approved by the Trustees on 13th July, 2023 and signed on their behalf by:




.....
Mr Michael Hill

The notes on pages 41 to 60 form part of these financial statements.

**CHARITY BALANCE SHEET
AS AT 31 DECEMBER 2022**

		2022		2021	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	17		29,729,292		30,670,307
Investment in subsidiary	19		5,000		5,000
Investments at market value	20		39,414,746		44,601,514
Investment in associate company	18		500,025		500,025
			69,649,063		75,776,846
CURRENT ASSETS					
Debtors	21	5,917,502		5,404,579	
Cash at bank		9,028,980		5,349,307	
			14,946,482		10,753,886
CREDITORS: amounts falling due within one year	22		(12,290,115)		(9,917,038)
NET CURRENT ASSETS			2,656,367		836,848
TOTAL ASSETS LESS CURRENT LIABILITIES			72,305,430		76,613,694
CREDITORS: amounts falling due after more than one year	23		(6,068,136)		(6,592,541)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			66,237,294		70,021,153
Defined benefit pension scheme liability	27		(1,360,000)		(1,543,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			64,877,294		68,478,153
CHARITY FUNDS					
Restricted funds	24		309,810		373,114
Unrestricted funds:					
Unrestricted funds excluding pension liability		65,927,484		69,648,039	
Pension reserve		(1,360,000)		(1,543,000)	
Total unrestricted funds			64,567,484		68,105,039
TOTAL FUNDS			64,877,294		68,478,153

The financial statements were approved by the Trustees on 13th July, 2023 and signed on their behalf by:



Mr Michael Hill

The notes on pages 41 to 60 form part of these financial statements.

**CONSOLIDATED CASH FLOW STATEMENT
AS AT 31 DECEMBER 2022**

		2022	2021
	Note	£	£
NET CASH PROVIDED BY OPERATIONS		4,186,012	1,159,513
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends, interest and rents from investments		1,140,112	1,089,769
Purchase of fixed assets	17	(950,157)	(979,173)
Proceeds from the sale of fixed assets		83,500	7,740
Purchase of investments	20	(5,374,339)	(7,435,755)
Proceeds from the sale of investments		4,860,942	7,583,322
Net cash (used in) / generated by investing activities		<u>(239,942)</u>	<u>265,903</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of loans		(604,351)	(588,663)
Net cash used in financing activities		<u>(604,351)</u>	<u>(588,663)</u>
Change in cash and cash equivalents in the year		3,341,719	836,753
Cash and cash equivalents brought forward		5,795,671	4,958,918
Cash and cash equivalents carried forward		<u>9,137,390</u>	<u>5,795,671</u>
NET MOVEMENT IN FUNDS		(3,499,000)	6,526,016
Adjustments for:			
Dividends, interest and rents from investments		(1,140,112)	(1,089,769)
Depreciation charges	17	1,862,527	1,967,377
(Gain)/loss on disposal of fixed assets		(54,855)	118,510
Fair value losses/(gains) made on investments		5,700,165	(3,268,408)
Increase in debtors	21	(545,184)	(519,323)
Increase/(decrease) in creditors	22 / 23	2,142,025	(158,940)
Decrease in provision for defined benefit pension scheme		(183,000)	(2,373,000)
Income from associate company	3	(96,554)	(42,950)
NET CASH PROVIDED BY OPERATIONS		<u>4,186,012</u>	<u>1,159,513</u>

The notes on pages 41 to 60 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 . ACCOUNTING POLICIES

Licensed Trade Charity is an unincorporated charity. It is registered in England and Wales with Charity Registered number 230011. The principal address of the Charity is Heatherley, London Road, Ascot, Berkshire, SL5 8DR.

1.1 Basis of Accounting

The accounts (financial statements) have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant note to these accounts. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) second edition issued on 1 January 2019 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

These provisions mean that the consolidated financial statements have been prepared to aggregate the Charity together with its trading subsidiary, Elvian Limited.

The Charity constitutes a public benefit entity as defined by FRS 102.

1.2 Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for income and expenditure during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Tangible Fixed Assets (see note 17)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values may vary depending upon the type of asset and its use and management use historic experience to assess these factors.

Pension Commitments (see note 27)

Various assumptions are made in reporting the performance of the Charity's pension scheme. A valuation is carried out for reporting purposes by a qualified independent actuary. The principal actuarial assumptions made are disclosed in note 27.

Investment Properties (see note 20)

Residential investment property valuations are made annually by management, based upon external indications of value and consideration of market conditions. Commercial investment properties are valued annually by qualified independent Chartered Surveyors.

1.3 Basis of Consolidation

The Licensee & Morning Advertiser and the assets of the Pub, Club and Leisure Show Limited were incorporated into The Morning Advertiser Limited (MA Ltd) in January 2000. At that time the Charity owned £75 shares and William Reed Holdings Limited owned £25 shares. The financial statements of MA Ltd were consolidated into William Reed Holdings Limited financial statements as a subsidiary since it had a majority representation on the Board of Directors. The Charity's investment was shown as an investment in a joint venture.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 . ACCOUNTING POLICIES (continued)

1.3 Basis of Consolidation (continued)

In March 2002, William Reed Holdings Limited bought £50 of the Charity's shares and the Charity became a minority shareholder with a 25% shareholding.

Under the Charities SORP (FRS102), the Charity treats MA Ltd as an associate company in its financial statements (see note 3) and consolidates that percentage of its shareholding (25%) of its income and expenditure into its Consolidated Statement of Financial Activities. The MA Ltd's year end is 31 March and so unaudited management accounts have been taken for the company's financial year. The Charity's investment is shown as an investment in an associate company (see note 18).

1.4 Going Concern

Based on a review of financial projections and taken together with existing group financing facilities the Trustees believe that the financial statements have been prepared appropriately on the going concern basis.

1.5 Fund Accounting

The Charity's funds consist of general funds which the Charity may use for its purposes at its discretion. When donors indicate that an amount is for a specific purpose, such amounts are treated as restricted funds.

1.6 Donation Income

Donation income is accounted for on a cash received basis.

1.7 Gift Aid

Voluntary income by way of gift aid is credited in the year it is receivable. Corporate gift aid is received gross of tax, but the Charity is able to recover basic rate income tax from UK individual tax payers and such gift aid donations are shown gross of the relevant credit.

1.8 Income from Investments

Investment income comprises dividends received during the accounting period and interest received on listed and unlisted investments.

1.9 School Fees

School fees are accounted for in the period to which they relate and are shown gross, including bursaries paid by the Charity, on the Statement of Financial Activities.

1.10 Government Grants

Government Grants relating to the Coronavirus Job Retention Scheme included within other income are recognised as receivable in the period in which the corresponding expense has been incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 . ACCOUNTING POLICIES (continued)

1.11 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. 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:

School Buildings	-	at 2.00% on cost
Building Improvements	-	at various rates between 6.67% and 20.00%
Motor Vehicles	-	at 25.00% on cost
Furniture & Fittings	-	at various rates between 6.67% and 20.00%
IT Equipment	-	at 33.33% on cost
Land	-	not depreciated

Items costing less than £1,000 are written off as an expense when acquired.

1.12 Allocation of Central Support Costs

Central costs are allocated between the following categories: Investments, Schools, Fundraising, Event costs, Charity Services, Subsidiary and Support (including governance costs).

The method of allocation for costs, which cannot be specifically allocated to each category, is based on the time spent on each category by each management function. Allocations for the year ending 31 December 2022 are as follows:-

Type of expense	Management	Professional	Establishment	Other	Total
Method of allocation	Time	Usage	Usage	Per capita	
Functions	£000's	£000's	£000's	£000's	£000's
Investments	83	197	-	218	498
Schools	344	147	3	360	854
Generating Voluntary Income	92	9	-	23	124
Events	48	5	-	12	65
Charity Services	604	62	2	152	820
Subsidiary	16	9	-	24	49
Support	298	5	1	185	489
Total	1,485	434	6	974	2,899

Support costs comprise the costs of running the Charity including strategic planning, internal and external audit, legal advice, Trustees expenses and all of the costs of complying with statutory requirements such as the preparation of statutory financial statements and meetings of the Trustee Body and its sub committees (note 13).

Charity Services costs comprise staff and other costs incurred in helping those in need including advising on their qualification for state benefits, preparing their cases for submission to the Charity Services committee, giving emotional support and arranging payments for agreed grants.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 . ACCOUNTING POLICIES (continued)

1.13 Pension Costs

Teaching staff employed by the Licensed Trade Charity are eligible for membership of the Teachers' Pension Scheme, which is a national statutory contributory, defined benefit scheme administered by the Teachers' Pension Scheme, an agency of the Department for Education. Pension costs are assessed in accordance with the advice of the Government Actuary. Although this is a multi-employer scheme whose assets and liabilities are not separately identifiable, under the Charities SORP (FRS 102) it is treated as a defined contribution scheme with a charge to the accounts for the contributions paid and relevant disclosures about the scheme as a whole provided in note 27.

In addition, the Charity operates a defined benefit pension scheme for its non teaching staff. This is funded by contributions at rates determined by independent, qualified actuaries. These contributions are invested separately from the Charity's assets and are charged to the Statement of Financial Activities and relevant disclosures about the scheme are provided in note 27.

The Charity is subject to the automatic enrolment legislation. All eligible employees of the Charity that do not join the appropriate final salary scheme are automatically enrolled into a group pension plan, with employer pension contributions charged to the Statement of Financial Activities in the year in which they arise.

1.14 Investments

Listed Investments

Investments are included in the financial statements at mid-market value as at the year end. Realised and unrealised gains and losses are recognised as they arise and are included separately in the Statement of Financial Activities.

Investment in Associate

As at 31 December 2022, the Charity holds a minority shareholding in an associate company, The Morning Advertiser Limited. The share of the associate's profits are shown as income from associate in the Consolidated Statement of Financial Activities.

The Charity's interest is recorded as follows:

In the Consolidated Balance Sheet, shares at cost and minority reserves accumulated to date.

In the Charity's Balance Sheet, the cost of the shares in the associated company is shown.

1.15 Investment Properties

Investment properties are stated at open-market valuation. Realised and unrealised gains and losses are recognised as they arise and are included separately in the Statement of Financial Activities.

1.16 Stocks

School books and other teaching materials are written off in the year of acquisition.

1.17 Debtors

Trade debtors, other debtors and prepayments are recognised at their settlement amount.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 . ACCOUNTING POLICIES (continued)

1.18 Creditors and Provisions

Creditors and provisions are recognised where the Charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

1.19 Advance Fee Plan Scheme Payments

Amounts received under the school's advance fee plan scheme which have not been used to settle school fees are recognised as deferred income within current liabilities where education will be provided within one year of the reporting date and within non-current liabilities where education will be provided in subsequent years.

1.20 Financial Instruments

The Charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. The basic instruments are held at amortised cost and at fair value (note 31).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 . NET INCOME FROM TRADING ACTIVITIES OF SUBSIDIARIES

The Charity has one wholly owned trading subsidiary, Elvian Limited. Elvian Limited pays its taxable profits to the Charity under a deed of covenant and its audited financial statements are filed with the Registrar of Companies. The Company has not recognised a corporation tax charge in the year as taxable profits will be distributed in full to the parent charity within nine months of the year end and charitable donations relief will be claimed under Part 6 (s189) of the Corporation Tax Act 2010 .

Elvian Limited's audited results are as follows:

Profit and Loss Account	2022 £	2021 £
Turnover	675,535	400,320
Cost of sales	<u>(142,982)</u>	<u>(86,356)</u>
Gross profit	532,553	313,964
Administration costs	(158,450)	(153,070)
Net profit	<u>374,103</u>	<u>160,894</u>
Profit gifted to parent charity under deed of covenant	(374,103)	(160,894)
Profit retained in subsidiary	<u><u>-</u></u>	<u><u>-</u></u>

3 . NET INCOME FROM TRADING ACTIVITIES OF ASSOCIATE COMPANY

The Charity has a 25% shareholding in The Morning Advertiser Limited (MA Ltd). The principal activity of this company is the publication of a fortnightly trade journal "The Morning Advertiser" which the Charity had managed for 200 years before transferring its management to William Reed Publishing Ltd in 2000.

The Morning Advertiser Limited's unaudited results are as follows:

	2022 £	2021 £
Revenue	2,358,025	1,441,571
Cost of sales	<u>(578,091)</u>	<u>(990,815)</u>
Gross profit	1,779,934	450,756
Overhead costs	(1,293,705)	(278,956)
Profit for the year	<u>486,229</u>	<u>171,800</u>
Reserves brought forward	5,234,004	5,062,204
Dividend paid in year	(100,005)	-
Reserves carried forward	<u><u>5,620,228</u></u>	<u><u>5,234,004</u></u>

The Charity's share of the total profit for the year resulting from its investment in MA Ltd is £121,557 (2021: £42,950). The Charity received £25,000 (2021: £nil) dividend income from MA Ltd during the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4 . DONATIONS AND LEGACIES

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Donations	<u>192,384</u>	<u>100,321</u>	<u>292,705</u>	<u>629,439</u>

In 2021, of the donations and legacies income, £544,754 related to restricted funds and £84,685 related to unrestricted funds.

5 . FUNDRAISING AND EVENTS INCOME

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Fundraising and events income	<u>-</u>	<u>21,594</u>	<u>21,594</u>	<u>7,031</u>

In 2021, all amounts related to unrestricted funds.

6 . INVESTMENT INCOME

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Rental income	-	119,676	119,676	133,539
Income from investments	-	997,687	997,687	956,190
Bank deposit interest	-	22,749	22,749	40
	<u>-</u>	<u>1,140,112</u>	<u>1,140,112</u>	<u>1,089,769</u>

In 2021, all amounts related to unrestricted funds.

7 . OTHER INCOME

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Coronavirus job retention scheme	-	-	-	67,486
Other	-	200,759	200,759	238,532
	<u>-</u>	<u>200,759</u>	<u>200,759</u>	<u>306,018</u>

In 2021, all amounts related to unrestricted funds.

8 . COSTS OF GENERATING VOLUNTARY INCOME

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Staff costs	-	91,932	91,932	75,356
Administration and depreciation	-	32,838	32,838	82,929
	<u>-</u>	<u>124,770</u>	<u>124,770</u>	<u>158,285</u>

In 2021, all amounts related to unrestricted funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9 . COST OF EVENTS

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Staff costs	-	48,347	48,347	57,781
Administration and depreciation	-	17,269	17,269	20,557
	<u>-</u>	<u>65,616</u>	<u>65,616</u>	<u>78,338</u>

In 2021, all amounts related to unrestricted funds.

10 . INVESTMENT MANAGEMENT COSTS

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Investment advice	-	157,160	157,160	171,587
Property charges	-	21,102	21,102	37,429
Interest paid on loan for investments	-	196,631	196,631	232,231
Staff costs	-	82,765	82,765	82,730
Administration and depreciation	-	41,203	41,203	32,396
	<u>-</u>	<u>498,861</u>	<u>498,861</u>	<u>556,373</u>

In 2021, all amounts related to unrestricted funds.

11 . COST OF RUNNING SCHOOLS

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Staff costs	-	12,047,299	12,047,299	11,314,140
Catering and cleaning	-	1,810,581	1,810,581	1,546,207
Establishment costs	-	492,516	492,516	475,748
Administration, loss on disposal and depreciation	57,835	4,821,352	4,879,187	4,439,739
Other costs	-	1,180,977	1,180,977	1,059,317
	<u>57,835</u>	<u>20,352,725</u>	<u>20,410,560</u>	<u>18,835,151</u>

In 2021, of the cost of running schools, £58,634 related to restricted funds and £18,776,517 related to unrestricted funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12. CHARITY SERVICES

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Staff costs	-	603,624	603,624	530,990
Administration and depreciation	-	215,609	215,609	285,496
	<u>-</u>	<u>819,233</u>	<u>819,233</u>	<u>816,486</u>

In 2021, all amounts related to unrestricted funds.

13. SUPPORT COSTS

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Governance costs				
Auditor's remuneration	-	24,300	24,300	26,760
Auditor's remuneration - non audit	-	1,890	1,890	3,174
Other committee expenses	-	2,207	2,207	3,559
Trustees' allowances - chairman	-	-	-	1,590
Trustees' travel expenses	-	38,549	38,549	14,951
Other support costs				
Legal and professional	-	30,521	30,521	62,730
Bank charges and interest	-	1,408	1,408	429
Staff costs	-	296,524	296,524	239,887
Administration and depreciation	-	93,009	93,009	91,661
	<u>-</u>	<u>488,408</u>	<u>488,408</u>	<u>444,741</u>

In 2021, all amounts related to unrestricted funds.

14. TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other Costs £	2022 £	2021 £
School running costs	11,703,044	1,705,909	6,146,855	19,555,808	18,081,469
School support costs	344,255	84,666	425,831	854,752	753,682
Investment costs	82,765	4,903	411,193	498,861	556,373
Cost of trading subsidiary	17,205	5,415	278,812	301,432	239,426
Fundraising events	48,347	2,864	14,405	65,616	78,338
Support costs	296,524	17,566	174,318	488,408	444,741
Grants	-	-	630,515	630,515	1,024,188
Bursaries	-	-	300,950	300,950	362,188
Charity Services costs	603,624	35,758	179,851	819,233	816,486
Costs generating voluntary income	91,932	5,446	27,392	124,770	158,285
	<u>13,187,696</u>	<u>1,862,527</u>	<u>8,590,122</u>	<u>23,640,345</u>	<u>22,515,176</u>

All grants are paid to individuals in line with our objectives.

15. STAFF COSTS

	2022 £	2021 £
Wages and salaries	10,016,290	9,005,396
Social security	1,030,810	884,843
Pension costs	2,084,964	1,996,524
Re-organisation costs	8,288	28,795
Other staff costs	47,344	409,195
	<u>13,187,696</u>	<u>12,324,753</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

15 . STAFF COSTS (continued)

	2022	2021
Employee emoluments		
£ 60,000 - £ 70,000	5	5
£ 70,000 - £ 80,000	3	2
£ 80,000 - £ 90,000	0	1
£ 90,000 - £100,000	0	1
£100,000 - £110,000	2	2
£110,000 - £120,000	2	0
£130,000 - £140,000	0	1
£150,000 - £160,000	0	1
£160,000 - £170,000	1	0
£230,000 - £240,000	0	1
£240,000 - £250,000	1	0

Employee emoluments include remuneration and benefits-in-kind, as defined for taxation purposes. All the employees except for six in the above emolument bands are members of defined benefit pension scheme.

The Charity considers its key management personnel to comprise of the Trustees and the Chief Executive, Executive Director Education and Operations, Finance Director, HR Director, Director of SEN and Principal of LVS Ascot. The total employment benefits including employer national insurance and pension contributions of the key management personnel were £994,015 (2021: £951,120).

No Trustees received any remuneration in 2022 or 2021. During the year expenditure of £38,549 (2021: £16,541) was re-imbursed to or paid on behalf of fifteen Trustees.

The average number of employees analysed by function is as follows:

	2022	2021
Direct charitable expenditure:		
School	294	273
Other	1	1
	295	274
Fundraising and publicity	4	4
Welfare	7	6
Management and administration	21	22
	32	32
	327	306

16 . REALISED AND UNREALISED INVESTMENT GAINS & LOSSES

	2022	2021
	£	£
Unrealised (losses)/gains on investment revaluation	(5,995,411)	1,566,765
Realised gains on sale of investments	295,246	1,701,643
	(5,700,165)	3,268,408

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

17. TANGIBLE FIXED ASSETS

	Land and Buildings £	Building Improvements £	Motor Vehicles £	Equipment, Fixtures and Fittings £	Total £
Group					
Cost					
At 1 January 2022	28,146,873	21,188,970	372,985	3,612,635	53,321,463
Additions	-	428,699	176,138	345,320	950,157
Disposals	-	-	(135,332)	-	(135,332)
At 31 December 2022	<u>28,146,873</u>	<u>21,617,669</u>	<u>413,791</u>	<u>3,957,955</u>	<u>54,136,288</u>
Depreciation					
At 1 January 2022	14,146,783	6,115,041	253,476	2,135,856	22,651,156
Charge for the year	547,460	871,495	65,508	378,064	1,862,527
On disposals	-	-	(106,687)	-	(106,687)
At 31 December 2022	<u>14,694,243</u>	<u>6,986,536</u>	<u>212,297</u>	<u>2,513,920</u>	<u>24,406,996</u>
Net book value					
At 31 December 2022	<u>13,452,630</u>	<u>14,631,133</u>	<u>201,494</u>	<u>1,444,035</u>	<u>29,729,292</u>
At 31 December 2021	<u>14,000,090</u>	<u>15,073,929</u>	<u>119,509</u>	<u>1,476,779</u>	<u>30,670,307</u>
Charity					
Cost					
At 1 January 2022	28,146,873	21,188,970	372,985	3,612,635	53,321,463
Additions	-	428,699	176,138	345,320	950,157
Disposals	-	-	(135,332)	-	(135,332)
At 31 December 2022	<u>28,146,873</u>	<u>21,617,669</u>	<u>413,791</u>	<u>3,957,955</u>	<u>54,136,288</u>
Depreciation					
At 1 January 2022	14,146,783	6,115,041	253,476	2,135,856	22,651,156
Charge for the year	547,460	871,495	65,508	378,064	1,862,527
On disposals	-	-	(106,687)	-	(106,687)
At 31 December 2022	<u>14,694,243</u>	<u>6,986,536</u>	<u>212,297</u>	<u>2,513,920</u>	<u>24,406,996</u>
Net book value					
At 31 December 2022	<u>13,452,630</u>	<u>14,631,133</u>	<u>201,494</u>	<u>1,444,035</u>	<u>29,729,292</u>
At 31 December 2021	<u>14,000,090</u>	<u>15,073,929</u>	<u>119,509</u>	<u>1,476,779</u>	<u>30,670,307</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18 . INVESTMENT IN ASSOCIATE COMPANY

In 2000, the Charity incorporated the assets of its publishing division The Licensee and Morning Advertiser and its trading company Pub, Club and Leisure Show Limited into The Morning Advertiser Limited.

The funding for the company was raised by the issue of shares and debentures. The shareholding at 31 December 2001 was £75 held by the Charity and £25 held by William Reed Holdings Limited.

In March 2002, William Reed Holdings Limited exercised its option to buy £50 of the Charity's shares in The Morning Advertiser Limited for £465,000 and both parties agreed to defer the maturity dates on their debentures from 2005 to 2010.

In March 2003, The Morning Advertiser Limited de-merged Pub, Club and Leisure Show Company Limited which has been dormant since its integration into The Morning Advertiser Limited and the Charity bought it for £1. The Pub, Club and Leisure Show Company Limited was dissolved on 21 August 2012.

Between 2001 and the rights issue in 2009, the losses incurred by The Morning Advertiser Limited were funded by the debentures and unsecured funding from William Reed Holdings Limited.

In 2009, shareholders decided to recapitalise The Morning Advertiser Limited by repaying its debentures and issuing a rights issue under the new percentage split of the shareholding. The Charity owned £404,813 of the debentures and its share of the £2million rights issue was £500,000. The net payment into The Morning Advertiser Limited was therefore £95,117 with the Charity accepting £500,000 shares in exchange for surrendering £408,813 debentures. This has been used partly to finance The Morning Advertiser Limited and partly to repay the unsecured loan to William Reed Holdings Limited.

In the Consolidated Balance Sheet, the value of the Charity's investment in The Morning Advertiser Limited as at 31 December 2022 is represented by the cost of its shares of £500,025 and its minority share of reserves at 31 December 2022 of £905,030 totalling £1,405,055. In the Charity's Balance Sheet, only the cost of £500,025 is shown.

Initially the Trustees considered the venture with William Reed Holdings Limited to be a joint venture but following the disposal of their majority holding, now regard it as an associate company and adopt the treatment required by the Charities SORP (FRS102).

The Morning Advertiser Limited has a 31 March year end and therefore results shown in note 3 are based on management accounts and statutory financial statements information to bring them in line with the Charity's year end.

19 . INVESTMENT IN SUBSIDIARY

As detailed in note 2, the Charity is the parent company of Elvian Limited with a shareholding of £5,000.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

20 . INVESTMENTS AND INVESTMENT PROPERTIES

	2022 £	2022 £	2021 £
STOCK MARKET			
The mid-market value of the investments were:		21,677,429	24,950,771
Details of cost are shown below:			
At 1 January 2022	22,117,178		
Additions	5,162,263		
Disposals	(4,860,942)		
At 31 December 2022	<u>22,418,499</u>		
 PROPERTY FUNDS			
The mid-market value of the investments were:		12,904,817	14,818,243
Details of cost are shown below:			
At 1 January 2022	12,939,892		
Additions	212,075		
Disposals	-		
At 31 December 2022	<u>13,151,967</u>		
 TOTAL INVESTMENTS		<u>34,582,246</u>	<u>39,769,014</u>
 INVESTMENT PROPERTIES			
The mid-market value of the investments were:		4,832,500	4,832,500
Details of cost are shown below:			
At 1 January 2022	2,024,519		
Additions	-		
Disposals	-		
At 31 December 2022	<u>2,024,519</u>		
 TOTAL INVESTMENTS AND INVESTMENT PROPERTIES		<u>39,414,746</u>	<u>44,601,514</u>

All residential investment properties were professionally valued during the year to 31 December 2020, and their values have remained unchanged in the year to 31 December 2022.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21 . DEBTORS

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Trade debtors	4,008,779	3,781,028	4,285,462	3,760,612
Due from subsidiary	-	-	113,379	442,472
Other debtors	58,327	249,516	58,327	248,540
Prepayments and accrued income	1,461,577	952,955	1,460,334	952,955
	5,528,683	4,983,499	5,917,502	5,404,579

Debtors include a loan of £47,647 (2021: £47,647) to the Hilda Webber Trust. This loan is to provide capital repairs to a property from which the Charity will benefit in the will, to which the Charity's Chief Executive is an Executor.

22 . CREDITORS

Amounts falling due within one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Bank loans	658,006	608,742	658,006	608,742
Trade creditors	410,831	448,939	416,137	448,939
Other taxation and social security	291,861	254,681	291,861	254,681
Other creditors and accruals	2,569,717	2,113,414	2,855,126	2,093,131
Deferred income	8,068,985	6,511,545	8,068,985	6,511,545
	11,999,400	9,937,321	12,290,115	9,917,038

23 . Amounts falling due after more than one year

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Bank loans	5,353,969	6,007,584	5,353,969	6,007,584
Deferred income	714,167	584,957	714,167	584,957
	6,068,136	6,592,541	6,068,136	6,592,541

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

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Repayable by instalments	5,353,969	6,007,584	5,353,969	6,007,584

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23 . Amounts falling due after more than one year (continued)

The Allied Irish bank loan is secured on the Charity's Ascot site which represents 37% of the net book value of the property, which is included in the financial statements at £13,716,142. The Lloyds Bank loan is secured on the Charity's Hassocks site which represents 9% of the net book value of the property, which is included in the financial statements at £7,650,276

Changes in the balance of deferred income are recognised in the Statement of Financial Activities during the year.

In 2022 the Charity held an overdraft facility with SG Hambros for £1.5million. This facility was not used during the year.

24 . SUMMARY OF FUNDS

	Brought Forward £	Incoming Resources £	Resources Expended £	Gains / (Losses) £	Transfers	Carried Forward £
General funds	68,717,849	24,884,569	(23,442,757)	(4,935,608)	115,988	65,340,041
Designated funds	195,667	-	-	-	(57,888)	137,779
Total unrestricted funds	<u>68,913,516</u>	24,884,569	(23,442,757)	(4,935,608)	58,100	<u>65,477,820</u>
Restricted funds	373,114	192,384	(197,588)	-	(58,100)	309,810
	<u><u>69,286,630</u></u>	<u><u>25,076,953</u></u>	<u><u>(23,640,345)</u></u>	<u><u>(4,935,608)</u></u>	<u><u>-</u></u>	<u><u>65,787,630</u></u>

Designated funds relate to amounts set aside by the Trustees for potential future payments to certain beneficiaries and does not meet the conditions to be recorded as a liability. During 2018 Sodexo made a capital investment of £399,000, which is being depreciated over the length of the contract.

Restricted Funds 2022	Bought Forward £	Income £	Expenditure £	Transfer to unrestricted funds £	Carried Forward £
Hardship Fund 2*	82,446	-	-	(82,446)	-
Hardship Fund 4*	794	-	-	-	794
Hardship Fund 5*	30	-	-	-	30
Hardship Fund 6*	344	-	-	-	344
Hardship Fund 7*	-	150,000	(122,324)	82,446	110,122
Grant 2	6,805	-	-	(6,805)	-
Grant 3	30,000	20,000	(15,000)	(30,000)	5,000
Welfare Grant	-	10,000	-	(10,000)	-
Scholarships	5,333	-	-	(5,333)	(0)
Ascot School	2,000	2,429	(2,429)	-	2,000
Oxford School	5,962	-	-	(5,962)	0
Sodexo Capital grants	239,400	-	(47,880)	-	191,520
Oxford dining room	-	9,955	(9,955)	-	-
	<u><u>373,114</u></u>	<u><u>192,384</u></u>	<u><u>(197,588)</u></u>	<u><u>(58,100)</u></u>	<u><u>309,810</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

24 . SUMMARY OF FUNDS (continued)

Restricted Funds 2021	Brought Forward	Income	Expenditure	Transfer to unrestricted funds	Carried Forward
	£	£	£	£	£
Hardship Fund 2*	21,238	500,000	(438,792)	-	82,446
Hardship Fund 4*	794	-	-	-	794
Hardship Fund 5*	-	1,000	(970)	-	30
Hardship Fund 6*	-	5,000	(4,656)	-	344
Grant 2	6,805	-	-	-	6,805
Grant 3	15,000	15,000	-	-	30,000
Grant 4	-	1,000	(1,000)	-	-
Welfare Grant	-	10,000	(10,000)	-	-
Scholarships	5,333	-	-	-	5,333
Ascot School	-	2,600	(600)	-	2,000
Hassocks School	-	100	(100)	-	-
Oxford School	5,962	100	(100)	-	5,962
Sodexo Capital grants	287,280	-	(47,880)	-	239,400
Oxford dining room	-	9,954	(9,954)	-	-
	<u>342,412</u>	<u>544,754</u>	<u>(514,052)</u>	<u>0</u>	<u>373,114</u>

Hardship Funds *

Donations received to be used to alleviate poverty and hardship endured by employees of the donors and their families.

Grant 2

Restricted to the provision of mental health training for managers in the licensed trade.

Grant 3

Restricted to funding the cost of awards made to sixth form pupils.

Grant 4

Restricted to funding a contribution towards the accommodation costs of an individual.

Welfare Grant

Restricted to grants awarded to individuals living in London.

Sodexo Capital Grant

Restricted expenditure relates to depreciation charges in respect of capital investment made by Sodexo.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25 . ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Restricted Funds 2022 £	Unrestricted Funds 2022 £	Total Funds 2022 £	Total Funds 2021 £
Tangible fixed assets	191,520	29,537,772	29,729,292	30,670,307
Fixed asset investments	-	40,819,801	40,819,801	45,910,015
Current assets	118,290	14,547,783	14,666,073	10,779,170
Creditors due within one year	-	(11,999,400)	(11,999,400)	(9,937,321)
Creditors due in more than one year	-	(6,068,136)	(6,068,136)	(6,592,541)
Pension scheme liability	-	(1,360,000)	(1,360,000)	(1,543,000)
	<u>309,810</u>	<u>65,477,820</u>	<u>65,787,630</u>	<u>69,286,630</u>

26 . CONTINGENT ASSETS

The Hilda Webber Trust was set up to allow for Hilda Florence Webber's niece to benefit from the accommodation and income generated from two properties in Hove, Sussex. On the death of her niece, the full ownership of the properties will be left to the Charity in Hilda Florence Webber's will to which the Charity's Chief Executive is an Executor.

27 . PENSION COMMITMENTS

The Charity participates in the Teachers' Pension Scheme (TPS) and the Licensed Trade Charity 1967 Life Assurance and Pension Scheme (LTC). The Charity makes contributions to both in accordance with recommended rates. These are both defined benefit schemes. In 2022, the cost of the contributions to these schemes was £2,264,416 (2021: £1,872,530) being £1,551,289 (2021: £966,783) to the TPS and £713,127 (2021: £905,747) to the LTC.

The schemes are accounted for differently as the assets and liabilities of the LTC scheme can be separately identified as belonging to the Licensed Trade Charity. This is not the case for the TPS scheme and only summary information as a whole is provided. During the year, the Charity contributed £156,724 (2021: £119,660) to their defined contribution scheme with Legal & General.

Teachers' Pension Scheme

The Charity participates in the TPS for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the TPS which are attributable to the Charity. As required by FRS 102 "Retirement Benefits", the Charity accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions paid to the TPS of £1,551,351 (2021 : £952,917) and contributions accrued at the year end £130,216 (2021: £128,537).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Regulations 2010 and Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and pensions benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department every 4 years. The latest valuation report for the TPS was prepared as at 31 March 2016 and published in March 2019. The report confirmed an employer contribution rate for the TPS of 23.6% from 1 September 2019. A new valuation as at 31 March 2020 is now underway but has yet to be published. Any changes required to contribution rates as a result of the 2020 valuation will be made in 2023.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

27 . PENSION COMMITMENTS (continued)

Teachers' Pension Scheme (continued)

The Department for Education has also devolved the scheme administration costs to scheme employers in the form of an administration charge of 0.08% of the employers' salary costs which has resulted in a total employer payment of 23.68%.

Licensed Trade Charity 1967 Life Assurance and Pension Scheme

The Charity operates a defined benefit pension scheme providing benefits based on final pensionable pay. The assets of the Scheme are held separately from those of the Charity, and are invested in a range of funds. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Charity. The contributions are determined by a qualified actuary on the basis of triennial valuations based on the projected unit method.

The triennial valuation in April 2020 showed a deficit of £1,761,000. Following this valuation the Charity agreed a deficit recovery plan. The Charity made an additional payment of £500,000 in February 2021, and agreed to make further additional payments of £250,000 in February 2022 and £250,000 in February 2023 should the scheme be in deficit at those time points. The scheme was not in deficit in February 2022 and therefore no additional contribution was required. Following the valuation the employer contribution rate was increased to from 20.00% to 26.00% of pensionable earnings from 1 April 2021. The employer contribution rate will further increase to 31.00% in 2023.

In 2022, the FRS 102 valuation shows a deficit of £1,360,000 (2021: £1,543,000). The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments and the change in discount rate. The assumptions adopted for the most recent actuarial valuation assumed that investment returns would increase by 3.27% per annum, pensionable salary increases would be 4% in 2022 respectively and 3.27% per annum thereafter, future increases in pension payments would be 3.27% per annum and the discount rates would be 4.77% per annum.

The normal contribution for the period was £715,496 (2021: £405,747). During 2022, the Charity paid contributions to the Scheme at a rate of 26.00% of pensionable salaries.

	2022 £	2021 £
Fair value of scheme assets	12,757,000	21,221,000
Present value of unfunded obligations	(14,117,000)	(22,764,000)
Net liability	<u>(1,360,000)</u>	<u>(1,543,000)</u>

Changes in the present value of the defined benefit obligation were as follows:

	2022 £	2021 £
Opening defined benefit obligation	22,764,000	23,336,000
Actuarial gains	(9,442,000)	(1,383,000)
Current service cost	1,117,000	1,045,000
Employee contributions	22,000	18,000
Interest costs	434,000	316,000
Benefits paid	(778,000)	(568,000)
Closing defined benefit obligation	<u>14,117,000</u>	<u>22,764,000</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

27 . PENSION COMMITMENTS (continued)

Changes in the fair value of scheme assets were as follows:

	2022 £	2021 £
Opening fair value of scheme assets	21,221,000	19,420,000
Actual return on scheme assets less expected return	(8,799,000)	975,000
Expected return	400,000	264,000
Benefits paid	(778,000)	(568,000)
Contributions paid by the Charity	691,000	1,112,000
Employee contributions	22,000	18,000
	<u>12,757,000</u>	<u>21,221,000</u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2022	2021
Equities	34.00%	24.00%
Diversified Growth Fund	6.00%	35.00%
Bonds	4.00%	2.00%
Other assets and cash	56.00%	39.00%

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2022	2021
Discount rate	4.77%	1.89%
Inflation	3.27%	3.48%
Rate of increase in salaries - year 1	4.00%	6.00%
Rate of increase in salaries - year 2 onwards	3.27%	3.48%
Limited price indexation pension increase capped at 5.0%	3.17%	3.35%
Limited price indexation pension increase capped at 2.5%	2.20%	2.26%

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

	2022 £	2021 £	2020 £	2019 £	2018 £
Defined benefit obligation	(14,117,000)	(22,764,000)	(23,336,000)	(19,563,000)	(17,034,000)
Scheme assets	12,757,000	21,221,000	19,420,000	17,096,000	15,587,000
Deficit	(1,360,000)	(1,543,000)	(3,916,000)	(2,467,000)	(1,447,000)
Experience adjustments on scheme liabilities	(300,000)	(300,000)	156,000	59,000	(9,000)
Experience adjustments on scheme assets	(8,799,000)	975,000	1,898,000	1,106,000	(758,000)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

28 . RELATED PARTY TRANSACTIONS

There were no related party transactions between the Charity and the Trustees during the year.

29 . OPERATING LEASES COMMITMENTS

At 31 December 2022 the Group had future minimum lease payments under non-cancellable operating leases.

	2022 £	2021 £
Within one year	183,884	240,140
Later than one year but within five years	88,815	239,071
	272,699	479,211

30 . CAPITAL COMMITMENTS

At 31 December 2022 the Group had no capital commitments.

31 . FINANCIAL INSTRUMENTS

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Cash and cash equivalents	9,137,390	5,795,671	9,028,980	5,349,307
Financial assets measured at amortised cost	4,067,106	4,030,544	4,457,168	4,451,624
Financial assets measured at fair value	34,582,246	39,769,014	34,582,246	39,769,014
	47,786,742	49,595,229	48,068,394	49,569,945
Financial liabilities measured at amortised cost	(9,284,384)	(9,433,360)	(9,575,099)	(9,413,077)

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors. Financial assets measured at fair value comprise listed investments.

Financial liabilities measured at amortised costs comprise bank loans, trade creditors, amounts owed to group undertakings and other creditors.

the 1990s, the number of people in the UK who are employed in the public sector has increased from 10.5 million to 12.5 million, and the number of people in the public sector who are employed in health care has increased from 1.5 million to 2.5 million (Department of Health 2000).

There are a number of reasons why the public sector has become an important part of the UK economy. One reason is that the public sector has become a major employer of people in the UK. Another reason is that the public sector has become a major provider of services to the public. A third reason is that the public sector has become a major source of income for the government.

The public sector has become an important part of the UK economy for a number of reasons. One reason is that the public sector has become a major employer of people in the UK. Another reason is that the public sector has become a major provider of services to the public. A third reason is that the public sector has become a major source of income for the government.

The public sector has become an important part of the UK economy for a number of reasons. One reason is that the public sector has become a major employer of people in the UK. Another reason is that the public sector has become a major provider of services to the public. A third reason is that the public sector has become a major source of income for the government.

The public sector has become an important part of the UK economy for a number of reasons. One reason is that the public sector has become a major employer of people in the UK. Another reason is that the public sector has become a major provider of services to the public. A third reason is that the public sector has become a major source of income for the government.

The public sector has become an important part of the UK economy for a number of reasons. One reason is that the public sector has become a major employer of people in the UK. Another reason is that the public sector has become a major provider of services to the public. A third reason is that the public sector has become a major source of income for the government.

The public sector has become an important part of the UK economy for a number of reasons. One reason is that the public sector has become a major employer of people in the UK. Another reason is that the public sector has become a major provider of services to the public. A third reason is that the public sector has become a major source of income for the government.

The public sector has become an important part of the UK economy for a number of reasons. One reason is that the public sector has become a major employer of people in the UK. Another reason is that the public sector has become a major provider of services to the public. A third reason is that the public sector has become a major source of income for the government.



LICENSED
TRADE
CHARITY

Licensed Trade Charity

Heatherley, London Road
Ascot, Berkshire SL5 8DR

Telephone

01344 884440

Email

info@ltcharity.org.uk

Website

licensedtradecharity.org.uk

Helpline

0808 801 0550

now open 24 hours 365 days per year

Registered Charity No. 230011

Design: Wave

Printed on recycled paper