

LOCHINVER HOUSE SCHOOL
(Limited by guarantee)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2023

Charity Number: 1091045
Company Number: 04374254

LOCHINVER HOUSE SCHOOL

HEAD'S REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

HEAD'S REPORT

After 12 wonderful years as Headmaster at Lochinver House School, I am delighted to hand over the reins to Jonathan Wadge, who has already completed 8 years of Headship at a prep school in North London.

I leave the school in good shape. Lochinver House School is an excellent school, where academic achievement, pastoral care, pupil wellbeing and an outstanding provision in the wider curriculum lie at the heart of all that we do.

It has been another highly successful year at Lochinver House School. Our continual commitment to providing the very best educational and co-curricular activities has meant that our pupils have enjoyed many and various achievements. This was shaped by the tireless efforts and dedication of our staff, who continually strive to ensure there is so much on offer to support and stretch for each boy's learning, whatever their interests.

We continue to innovate and prepare the boys for their bright and exciting futures. The curriculum is bold, exciting and provides the means for the pupils to demonstrate their own application of our bespoke '7 Learning Powers'. As a result, our 11+, 13+ senior school entrance results have been excellent. With such a high proportion of pupils able to take their first choice of senior schools, Lochinver House boys continue to receive such high praise from their receiving schools, particularly as our Year 8 pupils are enabled to engaged with a curriculum well ahead of their chronological ages.

That said, we hold firm that a good education is made up of more than just intellectual development and we continue to place great emphasis on nurturing the pupils' wellbeing and happiness. Our pupils develop confidence, strong values, qualities and skills as they navigate their way through their formative years at school, in readiness to further explore the contribution they will make as they move to the next stage of their education and beyond.

As always, there has been much to celebrate at Lochinver House. A particular highlight has been reaching the finals of the Independent Pre-Prep School of the Year Awards. Indeed, at the IAPS Prep Heads' Conference, our Head of Pre-Prep was presented with a richly deserved award for her outstanding contribution to the sector, recognising her expertise and vast knowledge of the Early Years and Pre-Prep.

In the summer term, Lochinver House was delighted to announce that Little Lochies, a Pre School for boys aged 3+, will open its doors in September 2024, and pupil recruitment is already underway. The resolute aim of Little Lochies and beyond will be to ensure that our pupils are well rounded, global citizens, equipped with the tools to help them to succeed as they progress through life.

Opportunities abound for Lochinver boys. These include a full programme of sporting fixtures, music and drama performance, creative development in the Art and DT Department and technological advancement in the Computing Suite and across the curriculum. Residential trips are another opportunity for our pupils to explore different activities and countries and to build independence.

Our extra-curricular provision goes from strength to strength, with an ever-evolving activity programme which offers Mandarin, Fencing, Chess and Archery, to name a few. There are a vast number of opportunities for the boys to really find new passions, interests and talents, whether it be in the arts, sports or technologies.

Success continues to abound on the sports field, having enjoyed such an extensive provision throughout the year. The U11 football team were Regional Champions (Herts and Middlesex) and qualified for the ISFA National Finals at St George's Park, while the U13 basketball team achieved great success at the IAPS Nationals, coming runners up. A football tour in Valencia, that involved almost one hundred pupils, was a great success.

There were also tremendous musical and drama activities on offer. With over 200 individual music lessons taking place each week, as well as choirs, orchestras and ensembles, leading to over 70 grades examination grades, including up to Grade 8 and across a wide variety of instruments. A special invitation to sing at St Paul's Cathedral rounded off the year in style, as well as our very special end of Year 8 production.

The commitment, quality and expertise of our entire staff remains our most highly valued asset; our pupils up to Year 4 are exposed to a gradually increasing programme of subject specialist teaching for Computing, PE and Games, Drama, Music, MFL, Art and DT. From Year 5, our boys are wholly taught by our specialists.

We highly value close working relationships within our school community and local areas. Close communication with parents is highly valued and we endeavour to work closely with parents to ensure all our pupils are carefully supported. To enable further support, we are delighted to continue a close partnership with Dr Kathy Weston and the Tooled-Up Education team, who provide a wealth of world class materials and resources to support at school and at home. A particular highlight was Dr Weston's talk to parents on the pressures of modern-day parenting, which was extremely well received. Our home-school partnership is highly valued and our thriving PTA brings us together for enjoyable events throughout the academic year, including the ever-popular Bingo night!

In conclusion, the 2022-2023 school year at Lochinver House was a testament to the collective efforts of our pupils, parents, and staff. We celebrate the accomplishments of our school community and eagerly anticipate another year of exciting growth, learning, and success.

Ben Walker
Retired as Head on 31 August 2023

LOCHINVER HOUSE SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2023

The Directors present their report and audited financial statements for the year ended 31 August 2023.

Reference and Administrative Information

Lochinver House School was founded by Trust Deed in 1947. A Company Limited by Guarantee, Lochinver House School, was incorporated on 14 February 2002 to own and manage the school. The assets and liabilities of the school were transferred from Lochinver House School Trust to the Limited Company on 1 April 2002 when it commenced its educational activities. The school is a registered charity, number 1091045 and is constituted as a company limited by guarantee. Its objects, powers and other constitutional matters are set out in its Memorandum and Articles of Association. It is governed by a Board of Governors which is responsible for setting the strategic direction of the school and for establishing policy. The financial statements and report comply with the current statutory Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015), The Charities Act 2011 and the Companies Act 2006.

Directors

The governing body of the company is known as the Board of Governors. The Members of the Board are also the charity Governors for the purposes of charity law and Directors for the purpose of company law. They are also the company members. Throughout this report they are collectively referred to as the Governors. Those who served during the year and since the year end were:

| | |
|-------------------|--|
| N Gilbert | Chair (appointed as Chair 1 st September 2022) |
| D A Taylor | Vice Chair (Chair: Risk Management Committee) |
| B Aitken | Chair: Finance and General Purpose Committee – (appointed as Chair 1 st September 2022) |
| M Collier | |
| S Coombs | |
| A English | EDI Co-Lead |
| J Gillespie | |
| D Hamalis | Chair: Education Committee, Safeguarding Lead |
| O Jacobs | |
| J Le Couilliard | |
| H Philp | |
| J Taylor-Cummings | EDI Co-Lead |
| A Walker | |
| A Ward | |

The Governors are elected at a full Governors' Meeting for a term of three years. They can be re-elected for up to three further consecutive terms of three years but shall not then be eligible for re-election without a break of at least twelve calendar months except by resolution of the Board.

LOCHINVER HOUSE SCHOOL**GOVERNORS' REPORT (continued)****FOR THE YEAR ENDED 31 AUGUST 2023****Key Executives and Professional Advisers**

| | |
|-------------------------------------|---|
| The Head | B C Walker B.A.(Hons), PGCE (Retired 31 st August 2023) |
| | J Wadge BA (Hons), PGCE, NPQH |
| | |
| The Bursar/Company Secretary | J Long BSc, ACA (Appointed 1 st November 2022 following interim appointment) |
| | |
| Address | Lochinver House School |
| | Heath Road |
| | Little Heath |
| | Potters Bar |
| | Hertfordshire |
| | EN6 1LW |
| | |
| Bankers | National Westminster Bank Commercial Banking 1st Floor |
| | 30 Clarendon Road |
| | Watford, |
| | Hertfordshire |
| | WD17 1GQ |
| | |
| Solicitors | Veale Wasbrough Vizards |
| | Orchard Court |
| | Orchard Lane |
| | Bristol |
| | BS1 5WS |
| | |
| Auditors | Haysmacintyre LLP |
| | 10 Queen Street Place |
| | London |
| | EC4R 1AG |

Structure, Governance and Management

Governing Document

The Company is governed by its Articles of Association. The Articles were reviewed and updated in 2015. The objects of the Company are 'to advance education by the carrying on of a preparatory school for boys known as Lochinver House School'.

Governing Body

The Governors are Directors and are elected at a meeting of the Board of Governors. Governors are recruited by nomination taking regard of special skills, personal qualities and the principles of diversity and inclusion to ensure that the Board retains an effective balance of expertise to strengthen the management of the Charity and reflects the composition of its stakeholders. Governors are eligible to serve for an initial period of three years.

Governor Training

New Governors are provided with an induction pack containing Board policy and procedures, schemes of governance and information regarding the work and operations of the School. Governors are encouraged to attend suitable training courses which deal with their responsibilities in relation to the Companies Act, Charity Law and Department for Education requirements as the need arises and are encouraged to attend new Governor induction courses.

Organisational Management

There are normally three full Board Meetings each year where the Governors meet and review the policies of the Charity for which they are responsible. The Finance and General Purposes Committee meet to review budgets, accounts and reports and makes recommendations to the Board of Governors. The Governors have a programme of regular visits to the school to witness and monitor the charity's work in action. Day to day running of the School is delegated to the Head and the Bursar, supported by the School Senior Leadership Team.

The school, through its officers, is represented in several organisations including the Association of Governing Bodies of Independent Schools (AGBIS), the Independent Association of Prep Schools (IAPS) and the Independent Schools' Bursars' Association (ISBA).

Structure and Relationships

The Head is an active member of IAPS which promotes and maintains standards in preparatory schools. The school takes an active part in numerous professional studies for the evaluation of quality and performance.

We co-operate with as many local charities, clubs and associations as we can to widen public access to the education we provide and promote the educational benefits of using our sporting facilities. We have an arrangement with a local state junior school that use our science laboratories each week which makes a positive contribution to their education.

Objects, Public Benefit, Aims, Objectives and Principal Activities

The school's aim is to provide public benefit, in compliance with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance, and in accordance with its Articles of Association, which is to educate boys up to the age of thirteen.

Strategic Aim and Intended Effect

The Board's strategic aim is to reach its annual objective for the public benefit as a charitable Independent School through the provision of a high-quality education for boys between the ages of four and thirteen to allow them to achieve the highest academic standards in preparation for entry into the senior school of their own and their parents' choice.

LOCHINVER HOUSE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

Our wider admission policy enables us to help boys from lower income or otherwise disadvantaged families to benefit from the core educational provision and the extra-curricular programme. The school also aims to draw out all boys' abilities and academic potential and to develop their wider interests in life within a secure and stable environment to enable them to participate in society and their community.

Principal Activity

The school's principal activity continues to be the provision of an excellent standard of education for boys aged four to thirteen.

Objectives

The Board's main objective continues to be to educate all pupils to a high standard each year, which benefits their chosen senior school for the completion of their education. The school is in the process of developing a new five-year strategy under the leadership of the new Head. The school is committed to reviewing its academic syllabus and teaching methods. The facilities are upgraded regularly to provide modern buildings and amenities, which stimulate the pupils in all areas of their development.

The Board's other objective is to develop bursaries with a view to further increasing the School's intake of boys from lower income families and to extend working arrangements with other charities and state schools to provide access to our facilities for those who cannot come to the School itself. We set aside funds for bursary awards to help those in need of assistance with our school fees.

Review of Achievements and Performance for the Year

Academic

The achievements of pupils demonstrate the school's continued success. Lochinver boys are in demand and in the last 10 years we have sent boys to over 20 different schools. Our leavers gain successful entry to their chosen senior schools. 32 boys transitioned at 13+: Aldenham 4, Brighton College 1, Harrow 1, Merchant Taylors 2, Mount House 2, St Albans 18, St Margaret's 2, St Edmund's 1, Westminster 1. A further 12 boys left us at 11+: 1, Dame Alice Owen 1, Haberdashers 2, Hockerill Anglo-European College 2, Merchant Taylor's School 3, QE Boys 1, Richard Hale 1, St Columba's College 1. These accomplishments have been made possible by the recruitment of the highest quality staff and by maintaining a high teacher to pupil ratio which ensures that teaching methods can be suited to individual needs. Teaching staff regularly attend training courses in order to enhance their personal performance and to improve the quality of the curriculum. The school reviews its academic syllabus and teaching methods in order to benchmark standards and value-added criteria.

Extra-Curricular activities

Following the global impact of Covid-19 the School was once again able to run overseas trips, as well as a full summer programme of UK-Based residential term-time trips that were offered to every pupil in Years 5-8. The School maintained its wide educational programme to provide as many extra-curricular activities for the children as possible. Hence, educational visits have been undertaken and workshops have been provided. Extended care at both ends of the day has enriched children's experience and has supported and enabled working parents.

Music remains very strong at the school with a large uptake of participants. Many of our boys learn an instrument with half of those learning two or more to progress through ABRSM grade exams. Our weekly composition club which builds on class music lessons and the use of Sibelius software led to boys hearing their own compositions being played by a visiting professional string quartet.

The school continues to put out a tremendous number of sports teams, supporting inclusion as well as performance at the highest level. This year once again we competed against other schools across a wide range of sports including, basketball, rugby, football, athletics, cricket and cross country. Some boys are contracted to professional clubs.

Developments in the School

During the year the school commissioned a range of projects to improve the fabric of the school and enhance facilities for the boys. Two significant projects were undertaken during the summer holidays. One was to repair several of the school's roofs, which were poorly insulated. This included reroofing the Armitage Building, which gives us the option to install solar panels. The second project was to replace the heating system in the main house. The new system is much more efficient and controllable and will greatly reduce the amount of energy that is used in the main house.

In addition we have resurfaced the play area outside the pre-prep, rejuvenated the Astro-turf, installed safety railings and installed new stairs leading to the IT suite. We continue to invest in IT and digital resources for the benefit of the boys, including a full upgrade of the school Wi-Fi and firewall. From September 2023 all boys in year 5 and above will have the use of their own iPad, with classes in lower year groups all having direct access to one-to-one portable devices..

Public Benefit

The Governors have considered the requirements explained in guidance produced by the Charity Commission, on their duty to report in the Annual Report on public benefit.

Bursaries

The Governors recognise that the level of independent education fees may exclude many boys from applying for a place at the School but they are committed to widening the access to the education offered. Accordingly, the Governors set a fixed sum to provide bursaries for those boys whose parents could otherwise not afford to send them to our School. The Governors have a formal Bursary Policy and a Governors' Bursary Award Committee assesses all applications and report to the Board. Details of bursaries are included on the School Website. The Governors budgeted £134,000 for bursaries in 2022/23 (2021/2022: £142,000) an amount which is reviewed on an annual basis.

In 2022/23 the School supported seven (2021/22: nine) pupils through our Bursary Scheme, one (2021/22: three) of whom were on a full bursary. The support which is available on a needs basis as determined by the Governors' Bursary Award Committee reduced annual income from scale fees by £77,599 (2021/22 £93,550). The Governors have increased the level of funding for bursaries for the financial year 23/24 and continue to seek to recruit bursary candidates via the Admissions process.

Other Public Benefit

The school continues to support various good causes via the Head Boys' Charities. The donations support various national and local charities which benefit the community. In 2022/23 the charities were Breast Cancer Now, The Stroke Association and RNLI.

The facilities of the school are made available to outside organisations to benefit the education of children and adults. School links with the community continue with our association with the local youth organisations. We also have strong links with the residents' association, printing their newsletters in-house.

Equality Diversity and Inclusion (EDI)

The Board views EDI as an "all school" strategic priority in which all stakeholders are involved in the development and implementation, allowing us to gain a better understanding of the lived experiences of our pupils, staff, parents and community. Our EDI strategy sits alongside our Equal Opportunities Policies. A key mission is to achieve an enriched community becoming more equitable, diverse and inclusive; strengthened and anchored by our Core Values of Honesty, Kindness and Respect.

Charity Fundraising

The school has not made any fundraising appeals to the general public during the year and is unlikely to do so in the future. There has been no outsourced fund raising via professional fundraisers or other third parties. As a result, the charity is not registered with the fundraising regulator and received no fundraising complaints in the year.

LOCHINVER HOUSE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

Volunteers

Volunteers from our parent body continue to provide invaluable support to our educational programme. The school continues to enjoy the support of volunteers and parental helpers in the classroom. The level of this voluntary service is invaluable to the school in providing the excellent level of education to which the school is committed. The Governors would like to thank all those volunteers for their valuable support. The school also appreciates the number of parents who donate their time to take boys for reading support. The Parent Teacher Association meets regularly to organise and run social events to raise funds for the school. In 2022/23 these included the Christmas Fayre, Easter Egg Hunt, Summer Fete, a wonderful leaving event for Mr Walker and the ever-popular Bingo Night.

Looking ahead

The key objective continues to be the provision of a high-quality education for boys aged between four and thirteen to allow them to achieve the highest academic standards.

2022/23 was the final year under the leadership of Ben Walker as Head and the first year with Nick Gilbert as Chair of the Governors. In September 2023 we welcomed Jonathan Wadge, an experienced Head, as our new Head and in the coming terms Jonathan will work with Nick, the Board of Governors and the Senior Leadership Team to develop the next strategic plan for the school as it navigates the challenging political and economic times that are currently impacting the sector.

Financial Results

The results are shown in the accompanying financial statements on pages 15 to 17. During the financial year, the School generated income of £5,514,176 (2022: £5,181,879) from school activities.

Expenditure of £5,377,292 (2022: £4,948,249) was incurred.

Additions to fixed assets totalled £1,128,859 (2022: £331,870) and included £46,513 (2022: £64,622) for computer equipment, £559,450 (2022: £248,578) on building improvements and equipment, £48,261 (2022: £11,400) on motor vehicles, and £474,635 (2022: £7,270) on fixtures & fittings.

The School has an objective to achieve a surplus each year to ensure that there are sufficient reserves to manage the School prudently and to provide funds for future capital expenditure. The accumulation of reserves to date enables the ongoing implementation of the School's Development Plan.

Notes 13 to 16 split the reserves between those held for a specific purpose (restricted funds) and those available for the day-to-day requirements of the School (unrestricted funds). The School's assets are considered sufficient to meet its obligations.

Key management personnel

The Governors have identified the Head and Bursar as key management personnel. The salary of these key management personnel is set by the Board of Governors after assessing their performance and reviewing market benchmarks.

Investment Performance

The Articles of Association permit funds to be invested in such investments, securities and property as may be thought fit. At present investment income is generated by placing funds with up to three separate banks to minimise risk, as determined by the Bursar, to whom such responsibilities are delegated by the Governors under the Terms of Reference of the Treasury Policy.

Resources and reserve policy

The school's unrestricted funds represent two types of fund. The designated "School Buildings" of £5,671,812 (2022: £5,280,099) represents unrestricted funds retained to finance the freehold property of the school. The balance of the unrestricted funds of £4,090,086 (2022: £4,359,657) represents general reserves to cover normal fluctuations in working capital, to finance the continuing development of the School and to help fund provision for bursaries. The balance of restricted funds is £8,286 (2022: £8,294) which represent funds raised by the boys for external charitable purposes.

Principal Risks & Uncertainties

The Governors carry out regular reviews of the school's activities and operations. As part of that review process a Risk Management Committee reviewed the actions taken, or proposed to be taken, by the School to identify and manage the main risks to which the School is exposed. Through the reports and recommendations of the Risk Management Committee, the Governors monitor the effectiveness of the school's internal policies and procedures for the management of such risks, including the adequacy of the school's insurance cover.

The school has identified the following as the principal risks it faces: –

- In common with many schools, maintaining pupil numbers when birth rates are declining nationally poses a financial risk. We are also aware that more parents are feeling the impact of high inflation and spiralling food and energy costs. Strategies for managing this risk include the introduction of Little Lochies in September 2024 to bring boys into the School in their preschool year and developing a marketing strategy to support pupil recruitment and retention. There are also robust processes around the provision of bursaries to attract a wider group of families to the School.
- The capacity of the school to adapt practically and efficiently to changes in the legislative requirements for the education and charity sectors. Strategies for managing this risk include detailed financial planning to ensure that the school has robust plans to mitigate the impact of the imposition of VAT on School fees and other such changes, should this situation arise. The School also has dedicated HR & Compliance Manager and compliance is addressed at every meeting of the Board of Governors. Senior staff and Governors undertake frequent training and receive sector updates to ensure they remain well informed of upcoming legislative changes.
- Recruitment and retention of staff of the required calibre to maintain the high standards of the school. We ensure that our inclusive recruitment process communicates all that we offer to staff, both new and existing, in terms of employment package, positive culture, high-quality environment and career opportunity supported by well-resourced training.

The Board recognises that it is impossible to guarantee that all risk has been eliminated entirely but strives to ensure strategies, systems and plans are in place to mitigate identifiable risks.

LOCHINVER HOUSE SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Governors (who are also Directors of Lochinver House School for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charity for that year. In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

So far as each of the Governors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITOR

Haysmacintyre LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

In approving this Governors Report, the Board are also approving the Strategic Report included herein their capacity as company directors.

Approved by the Board of Directors at its meeting on

and signed on its behalf by:

N R Gilbert
Chair

Opinion

We have audited the financial statements of Lochinver House School for the year ended 31 August 2023 which comprise of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 charitable company's affairs as at 31 August 2022 and of the charitable company's net movement in funds, including the 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 Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Governors' 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 charitable company'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 Governors with respect to going concern are described in the relevant sections of this report.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Governors' Report. 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.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Governors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' report).

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of Governors for the financial statements

As explained more fully in the Governors' responsibilities statement set out on page 10, the Governors 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 Governors 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 Governors are responsible for assessing the charitable company'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 Governors either intend to liquidate the charitable company 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to ISI regulations, health and safety law, safeguarding regulations, GDPR and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 211 and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journals to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

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.

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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company and the charitable company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Thomas Wilson (Senior Statutory Auditor)
For and behalf of Haysmacintyre LLP, Statutory Auditor
Date

10 Queen Street Place
London
EC4R 1AG

LOCHINVER HOUSE SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating income and expenditure account)

FOR THE YEAR ENDED 31 AUGUST 2023

| | Note | Restricted Fund £ | Unrestricted Fund £ | Total 2023 £ | Total 2022 £ |
|------------------------------------|------|-------------------------|---------------------------|-------------------------|-------------------------|
| INCOME FROM: | | | | | |
| Charitable activities | | | | | |
| School Fees receivable | 2 | - | 5,295,335 | 5,295,335 | 5,024,229 |
| Registration fees and other income | 3 | - | 139,885 | 139,885 | 128,604 |
| Donations | | 7,792 | 16,714 | 24,506 | 15,136 |
| Other trading activities | | | | | |
| Rents and lettings | | - | 7,871 | 7,871 | 11,619 |
| Investment income | 6 | - | 46,579 | 46,579 | 2,291 |
| Total income | | <u>7,792</u> | <u>5,506,384</u> | <u>5,514,176</u> | <u>5,181,879</u> |
| EXPENDITURE ON: | | | | | |
| Charitable Activities | | | | | |
| School Operating costs | | 7,800 | 5,384,242 | 5,392,042 | 4,948,249 |
| Total expenditure | 7 | <u>7,800</u> | <u>5,384,242</u> | <u>5,392,042</u> | <u>4,948,249</u> |
| Net (expenditure)/income | | -8 | 122,142 | 122,134 | 233,630 |
| Transfers between funds | | - | - | - | - |
| Net movement in funds | | <u>-8</u> | <u>122,142</u> | <u>122,134</u> | <u>233,630</u> |
| Balances brought forward | | 8,294 | 9,639,756 | 9,648,050 | 9,414,420 |
| Balances at carried forward | 13 | <u><u>8,286</u></u> | <u><u>9,761,898</u></u> | <u><u>9,770,184</u></u> | <u><u>9,648,050</u></u> |

There were no acquisitions or discontinued activities during the year. There were no other recognised gains or losses during the year.

The accompanying notes form part of these accounts.

BALANCE SHEET

AS AT 31 AUGUST 2023

| | Notes | £ | 2023 | £ | £ | 2022 | £ |
|---|-------|-------------|------|-----------|-------------|------|-----------|
| FIXED ASSETS | | | | | | | |
| Tangible assets | | | | | | | |
| School land, buildings and equipment | 9 | | | 6,451,769 | | | 5,647,648 |
| CURRENT ASSETS | | | | | | | |
| Debtors | 10 | 160,226 | | | 107,861 | | |
| Cash at bank and in hand | | 4,868,304 | | | 5,138,371 | | |
| | | | | | | | |
| | | | | 5,028,530 | | | 5,246,232 |
| CREDITORS: amounts falling due within one year | 11 | (1,556,390) | | | (1,084,679) | | |
| NET CURRENT ASSETS | | | | 3,472,140 | | | 4,161,553 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | | | |
| | | | | 9,923,909 | | | 9,809,201 |
| CREDITORS: amounts falling due after one year | 12 | | | (153,725) | | | (161,151) |
| TOTAL NET ASSETS | | | | 9,770,184 | | | 9,648,050 |
| CAPITAL AND RESERVES | | | | | | | |
| Unrestricted funds | 13 | | | | | | |
| Designated: School Buildings | | | | 5,671,812 | | | 5,280,099 |
| General funds | | | | 4,090,086 | | | 4,359,657 |
| | 15 | | | 9,761,898 | | | 9,639,756 |
| Restricted funds | 16 | | | 8,286 | | | 8,294 |
| | | | | 9,770,184 | | | 9,648,050 |

Approved by the Board of Directors at its meeting on
by:

and signed below on its behalf

N R Gilbert
Chair of Governors

LOCHINVER HOUSE SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

| | | 2023 £ | 2022 £ |
|---|----------|-------------------|-------------------|
| Cash flows from operating activities: | | | |
| Net cash provided by operating activities | A | 809,164 | 888,947 |
| Cash flows from investing activities: | | | |
| Interest received | | 46,579 | 2,291 |
| Proceeds from sale of fixed assets | | 3,050 | 5,350 |
| Payments for tangible fixed assets | | (1,128,860) | (331,870) |
| Net cash used in investing activities | | (1,079,231) | (324,229) |
| Change in cash in the reporting year | | (270,067) | 564,718 |
| Cash at the beginning of the reporting year | | 5,138,371 | 4,573,653 |
| Cash at the end of the reporting year | B | 4,868,304 | 5,138,371 |
| A. Reconciliation of net income to net cash flow from operating activities | | | |
| | | 2023 £ | 2022 £ |
| Net income for the reporting year (as per the statement of financial activities) | | 122,134 | 233,630 |
| Adjustments for: | | | |
| Depreciation charges | | 252,755 | 252,543 |
| Loss (Profit) on disposal of fixed assets | | 68,934 | (1,988) |
| Interest received | | (46,579) | (2,291) |
| Decrease(increase) in Debtors | | (52,365) | 45,425 |
| Increase in creditors | | 464,285 | 361,628 |
| Net cash provided by operating activities | | 809,164 | 888,947 |
| B. Analysis of cash and cash equivalents | | | |
| | | 2023 £ | 2022 £ |
| Cash at bank | | 4,868,304 | 5,138,371 |
| Total cash and cash equivalents | | 4,868,304 | 5,138,371 |

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The functional currency of the school is considered to be GBP because that is the currency of the primary economic environment in which the school operates.

The school is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee (company number: 04374254 and charity number: 1091045).

a) Basis of Preparation

The accounts are prepared under the historical cost convention.

b) Going concern

Having reviewed the funding facilities available to the school together with the expected ongoing demand for places and the school's future projected cash flows, the Governors have an expectation that the school has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the school's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 11.

c) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affected current and future years.

Judgements made by the Governors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed below.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

d) Fees and Similar Income

Fees receivable and other fees are accounted for in the year in which the service is provided. Fees receivable represent fees less bursaries and allowances and other income derived from the School's continuing activities.

e) Investment income

Investment income from bank balances and fixed interest securities is accounted for on an accruals basis.

1. ACCOUNTING POLICIES (continued)

f) Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

g) Expenditure

Expenditure is accounted for on an accruals basis and are allocated to expense headings on a direct cost basis. The irrecoverable VAT is included with the item of expense to which it relates. Governance costs comprise costs incurred in meeting statutory and constitutional requirements of the School.

h) Tangible Fixed Assets

No depreciation is provided on freehold land. For all other assets, depreciation is calculated to write off the cost of the item over the anticipated useful life as follows:

| | |
|--|----------------------------|
| Freehold buildings | 2% straight line basis |
| Fixtures, fittings and equipment | 25% straight line basis |
| Long-term fixtures, fittings and equipment | 4% straight line basis |
| Computer equipment | 25% straight line basis |
| Motor vehicles | 25% reducing balance basis |

Items costing less than £1,000 are written off as an expense as acquired. Items are depreciated only for six months in the year of acquisition.

i) Pension contributions

The company contributes to the Teachers' Pension Scheme at rates set by the scheme actuary. It is part of a multi-employer scheme and it is not possible to attribute a value to the scheme assets and liabilities which would be appropriate to the company. In accordance with FRS 102 the scheme is accounted for as if it were a defined contribution scheme. The assets of the scheme are held separately from those of the company. The pension cost charge represents the amount of the contributions payable to the scheme in respect of the year. The company also contributes to personal pension schemes for non-teaching staff and these contributions are charged to the profit and loss account in the year in which they are incurred.

j) Unrestricted Funds

Unrestricted Funds are funds applied at the discretion of the Governors in furtherance of the objects of the school.

k) Restricted funds

This represents the monies received for specific purposes as disclosed in note 16.

l) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised apart from investments which are held at fair value. Financial assets held amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions

LOCHINVER HOUSE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1. ACCOUNTING POLICIES (continued)

m) Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

n) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments.

o) Creditors and provisions

Creditors and provisions are recognised where the School 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 normally recognised at their settlement amount after allowing for any trade discounts due.

LOCHINVER HOUSE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

2. FEES RECEIVABLE

| | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|---|--|--|
| Gross fees | 5,402,652 | 5,140,789 |
| Less: total bursaries and staff concessions | (107,317) | (116,560) |
| Fees Receivable | <u>5,295,335</u> | <u>5,024,229</u> |

3. REGISTRATION FEES AND OTHER INCOME

| | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|--|--|--|
| Registration and other fees including initial deposits forfeited | 54,641 | 58,594 |
| Sundry income | 13,555 | 9,120 |
| Before & After School clubs and music tuition | 71,689 | 60,890 |
| | <u>139,885</u> | <u>128,604</u> |

4. STAFF COSTS

| | 2023 £ | 2022 £ |
|---------------------------------------|-------------------|-------------------|
| Staff costs incurred were as follows: | | |
| Wages and salaries | 2,867,763 | 2,784,210 |
| Social security costs | 288,420 | 274,533 |
| Other pension costs | 476,770 | 456,499 |
| Other costs | 132,897 | 31,180 |
| | <u>3,765,850</u> | <u>3,546,422</u> |

There was a termination payment made in the year totalling £5,000.

The average number of employees during the year within each category of persons was:

| | Number | Number |
|----------------------|---------------|---------------|
| Teaching | 77 | 87 |
| Welfare and premises | 18 | 21 |
| Administration | 10 | 9 |
| | <u>105</u> | <u>117</u> |

The Governors received no remuneration. No Governors were reimbursed expenses during the year (2022: £nil).

| | £ | £ |
|---|----------------|----------------|
| Aggregate employee benefits of key management personnel | <u>436,372</u> | <u>269,342</u> |

4. STAFF COSTS (continued)

The number of higher paid employees (including taxable benefits but excluding employers' pension contributions) to 31 August 2023 was:

| | 2023 Number | 2022 Number |
|---------------------|------------------------|------------------------|
| £60,001 - £70,000 | 2 | - |
| £70,001 - £80,000 | - | - |
| £80,000 - £90,000 | - | - |
| £90,001 - £100,000 | - | 1 |
| £100,001 - £110,000 | 1 | 2 |
| | <u>1</u> | <u>2</u> |

The School participates in the Teachers' Pension Scheme ("the TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £424,402 (2022: £383,756) and at the year-end £44,574 (2022: £45,000) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied, at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there was certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and following a public consultation in 2021, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations were completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has indicated that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed, it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

LOCHINVER HOUSE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

5. EXPENDITURE

| | 2023 £ | 2022 £ |
|---|-------------------|-------------------|
| Direct charitable expenditure includes: | | |
| Depreciation | 252,755 | 252,543 |
| Governance costs include: | | |
| Auditors' remuneration | | |
| - audit | 13,250 | 12,200 |
| - non audit | 1,500 | 1,300 |
| Directors liability insurance | 1,548 | 1,548 |

6. INVESTMENT INCOME

| | Unrestricted funds 2023 £ | Unrestricted funds 2022 £ |
|---------------|--|--|
| Bank interest | 46,579 | 2,291 |

7. ANALYSIS OF TOTAL EXPENDITURE

| | Staff costs £ | Other £ | Depreciation £ | Total 2023 £ |
|---------------------------------|------------------------------|--------------------|---------------------------|-----------------------------|
| Charitable activities | | | | |
| School Operating Costs: | | | | |
| Teaching | 3,008,396 | 262,579 | | 3,270,975 |
| Welfare | 113,664 | 126,827 | | 240,491 |
| Premises and equipment | 237,333 | 749,060 | 252,755 | 1,239,148 |
| Support and governance costs | 406,457 | 227,171 | | 633,628 |
| Head Boys' charitable donations | - | 7,800 | - | 7,800 |
| | <u>3,765,850</u> | <u>1,373,437</u> | <u>252,755</u> | <u>5,392,042</u> |

LOCHINVER HOUSE SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2023****ANALYSIS OF TOTAL EXPENDITURE
(Prior Year)**

| | Staff costs £ | Other £ | Depreciation £ | Year-ended Total 2022 £ |
|---------------------------------|------------------------------|--------------------|---------------------------|--|
| Charitable activities | | | | |
| School Operating Costs: | | | | |
| Teaching | 2,843,130 | 327,856 | - | 3,170,986 |
| Welfare | 105,024 | 115,462 | - | 220,486 |
| Premises and equipment | 165,273 | 468,354 | 252,543 | 886,170 |
| Support and governance costs | 432,995 | 225,972 | - | 658,967 |
| Head Boys' charitable donations | - | 11,640 | - | 11,640 |
| | <u>3,546,422</u> | <u>1,149,284</u> | <u>252,543</u> | <u>4,948,249</u> |

8. PENSION COMMITMENTS

Staff costs include payments by the company to the Teachers' Pensions Scheme of £424,402 (2022: £383,756) and to an individual defined contribution scheme on behalf of certain employees of £52,368 (2022: £43,893). The amount at the year end was £44,574 relating to August 2023 and this has been accrued. (2022: £45,000)

LOCHINVER HOUSE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

9. TANGIBLE FIXED ASSETS

| | Freehold Land £ | Freehold Buildings £ | Fixtures Fittings & Equipment £ | Computer Equipment £ | Motor Vehicles £ | Total £ |
|--------------------------|--------------------------------|-------------------------------------|--|-------------------------------------|---------------------------------|--------------------|
| Cost | | | | | | |
| At 1 September 2022 | 425,806 | 6,705,747 | 488,576 | 481,364 | 135,515 | 8,237,008 |
| Additions | - | 559,451 | 474,636 | 46,513 | 48,260 | 1,128,860 |
| Disposals | - | - | (87,753) | (51,654) | (15,250) | (154,657) |
| At 31 August 2023 | 425,806 | 7,265,198 | 875,459 | 476,223 | 168,525 | 9,211,211 |
| Depreciation | | | | | | |
| At 1 September 2022 | - | 1,883,199 | 256,747 | 343,514 | 105,900 | 2,589,360 |
| Charge for the year | - | 135,992 | 52,473 | 57,008 | 7,282 | 252,755 |
| Disposals | - | - | (35,655) | (32,254) | (14,764) | (82,673) |
| At 31 August 2023 | - | 2,019,191 | 273,565 | 368,268 | 98,418 | 2,759,442 |
| Net Book Value | | | | | | |
| At 31 August 2023 | 425,806 | 5,246,007 | 601,894 | 107,955 | 70,107 | 6,451,769 |
| At 31 August 2022 | 425,806 | 4,822,548 | 231,829 | 137,850 | 29,615 | 5,647,648 |

The above assets include those acquired from Lochinver House School Trust on 31 March 2002 for £2,985,449 being the net book value to the Trust at the date of transfer. The land and buildings were originally acquired by that Trust in 1957 when the School was founded by Trust Deed and since that date, various improvements and extensions had been made to the buildings.

The remainder of the assets have been acquired since the company was incorporated and are stated at cost less depreciation.

10. DEBTORS

| | 2023 £ | 2022 £ |
|-------------------------------|-------------------|-------------------|
| Fees receivable | 43,915 | 51,470 |
| Other debtors and prepayments | 116,311 | 56,391 |
| | 160,226 | 107,861 |

11. CREDITORS: amounts falling due within one year

| | 2023 £ | 2022 £ |
|--------------------------------------|-------------------|-------------------|
| Fees in advance and initial deposits | 523,027 | 570,765 |
| Trade creditors | 115,142 | 142,523 |
| Other creditors and accruals | 918,221 | 371,371 |
| Other taxation and social security | - | 20 |
| | 1,556,390 | 1,084,679 |

LOCHINVER HOUSE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

| 12. CREDITORS: amounts falling due after more than one year | 2023 £ | 2022 £ |
|--|-------------------|-------------------|
| Long term deposits held | 153,725 | 161,151 |

| 13. MOVEMENT IN FUNDS | Balance at 1 September 2022 £ | Income £ | Expenditure £ | Transfer to/ (from) fund £ | Balance at 31 August 2023 £ |
|------------------------------|--|---------------------|--------------------------|---|--|
| Unrestricted funds | | | | | |
| School Buildings fund | 5,280,099 | - | - | 391,713 | 5,671,812 |
| Other reserves | 4,359,657 | 5,506,384 | (5,384,242) | (391,713) | 4,090,086 |
| | <u>9,639,756</u> | <u>5,506,384</u> | <u>(5,384,242)</u> | <u>-</u> | <u>9,761,898</u> |
| Restricted funds | 8,294 | 7,792 | (7,800) | - | 8,286 |
| Total | <u>9,648,050</u> | <u>5,514,176</u> | <u>(5,392,042)</u> | <u>-</u> | <u>9,770,184</u> |

| MOVEMENT IN FUNDS (Prior Year) | Balance at 1 September 2021 £ | Income £ | Expenditure £ | Transfer to/ (from) fund £ | Balance at 31 August 2022 £ |
|---|--|---------------------|--------------------------|---|--|
| Unrestricted funds | | | | | |
| School Buildings fund | 5,131,404 | - | - | 148,695 | 5,280,099 |
| Other reserves | 4,273,747 | 5,171,214 | (4,936,609) | (148,695) | 4,359,657 |
| | <u>9,405,151</u> | <u>5,171,214</u> | <u>(4,936,609)</u> | <u>-</u> | <u>9,639,756</u> |
| Restricted funds | 9,269 | 10,665 | (11,640) | - | 8,294 |
| | <u>9,414,420</u> | <u>5,181,879</u> | <u>(4,948,249)</u> | <u>-</u> | <u>9,648,050</u> |

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted £ | Restricted £ | 2023 Total £ |
|--------------------------|---------------------------|-------------------------|-----------------------------|
| Fixed assets | 6,451,769 | - | 6,451,769 |
| Debtors | 160,226 | - | 160,226 |
| Cash at bank and in hand | 4,860,008 | 8,296 | 4,868,304 |
| Creditors | (1,710,115) | - | (1,710,115) |
| | <u>9,761,888</u> | <u>8,296</u> | <u>9,770,184</u> |

LOCHINVER HOUSE SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2023****ANALYSIS OF NET ASSETS BETWEEN FUNDS
(Prior Year)**

| | Unrestricted £ | Restricted £ | 2022 Total £ |
|--------------------------|---------------------------|-------------------------|-----------------------------|
| Fixed assets | 5,647,648 | - | 5,647,648 |
| Debtors | 107,860 | - | 107,860 |
| Cash at bank and in hand | 5,130,077 | 8,294 | 5,138,371 |
| Creditors | (1,245,829) | - | (1,245,829) |
| | <u>9,639,756</u> | <u>8,294</u> | <u>9,648,050</u> |

15. UNRESTRICTED FUNDS

The School's unrestricted funds represent two types of fund. The designated "School Buildings" of £ 5,280,099 (2022: £5,280,099) represents unrestricted funds retained to finance the freehold property of the School. The balance of the general funds of £4,496,549 (2022: £4,359,657) represents free reserves to cover normal fluctuations in working capital and to finance the continuing development of the School and the value of other fixed assets.

16. RESTRICTED FUNDS

The restricted funds of £8,286 (2022: £8,294) relate to monies held by the School on behalf of pupils for external charitable purposes. Transfers from restricted funds have been made to reflect the assets funded from restricted donations becoming unrestricted upon purchase.

17. CAPITAL COMMITMENTS

There were no capital commitments at the year end (2022 - £nil).

18. FINANCIAL COMMITMENTS

At 31 August 2023 the charity had annual commitments under non-cancellable operating leases of £6,682 due within one year (2022: £6,682) and £13,358 due between two and five years (2022: £20,040).

19. TRANSACTIONS WITH RELATED PARTIES

During the year the company paid for the Directors' liability insurance. The cost of the premium is included within the total cost of insurance and amounted to £1,548 (2022: £1,548).

During the year, the School paid £2,946 (2022 £3,060) to Helen Philp, a Governor of the School for her services as a supply teacher.

There were no other related party transactions during the year (2022: None).

20. LIABILITY OF MEMBERS

The company is limited by guarantee and as such each member has guaranteed to contribute a sum not exceeding £10 to the assets of the company in the event of it being wound up and unable to pay its debts.

LOCHINVER HOUSE SCHOOL**NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2023**

21. NET DEBT RECONCILIATION

| | At 1 September 2022 £ | Cashflows £ | Other non- cash changes £ | At 31 August 2023 £ |
|--------------------------|--|------------------------|--|--|
| Cash at bank and in hand | <u>5,138,371</u> | <u>(270,067)</u> | <u>-</u> | <u>4,868,304</u> |

| | At 1 September 2021 £ | Cashflows £ | Other non- cash changes £ | At 31 August 2022 £ |
|--------------------------|--|------------------------|--|--|
| Cash at bank and in hand | <u>4,573,653</u> | <u>564,718</u> | <u>-</u> | <u>5,138,371</u> |