

BROMSGROVE SCHOOL
(a company limited by guarantee)
(incorporating Bromsgrove School Scholarship and Prize Fund,
David Walters Memorial Fund and The Society of Friends of
Bromsgrove School Endowment Trust)

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2023

Company Number 4808121
Charity Number 1098740

Haysmacintyre LLP
Chartered Accountants
Registered Auditors
London

BROMSGROVE SCHOOL
REPORT OF THE GOVERNORS

THE GOVERNORS AND GOVERNING BODY

Mr M Luckman (EC; RC; GC)	Chairman Chair of Governance Committee
Lt Col M S Ballard (HC; SC)	Chair of Health & Safety Committee
Mr C D E Cameron (FPC; IC; SC; RC; GC)	Boarding Governor Chair of Risk & Strategy Committee
Mr J P Campion (FPC)	
Mrs A E Cleary (SC, EC)	Chair of Safeguarding & Welfare Committee
Dr D Cunningham (EC)	
Dr A Daly	Appointed 09/11/23
Dr C Lidbury (EC; SC)	Chair of Education Committee
Mr D Morton (EC)	
Mrs J Loynton (BC)	
Mr W Roden (IC; FPC)	Chair of Investments Committee
Mr I Stringer (BC)	Chair of Building Committee
Mr C Thompson	Appointed 09/10/23
Mr D R Walters (FPC; RC; GC)	Chairman of Finance & Property Committee
Mrs D Waltier (HC, IC)	
Mr A J G Wilcox (BC)	

FPC = Member of Finance & Property Committee
EC = Member of Education Committee
BC = Member of Building Committee
IC = Member of Investment Committee
RC = Member of Risk and Strategy Committee
SC = Member of Safeguarding and Welfare Committee
HC = Member of Health and Safety Committee
GC = Member of Governance Committee

CLERK TO THE GOVERNORS AND COMPANY SECRETARY

Mr J Sommerville

HEADMASTER

Mr M Punt MA (Oxon), MSC, PGCE

Website: www.bromsgrove-school.co.uk

PRESIDENT

Mr S Towe CBE DL

BROMSGROVE SCHOOL

REPORT OF THE GOVERNORS (continued)

ADVISERS

Bankers:	Lloyds TSB Bank Plc 112 High Street Bromsgrove Worcs B61 8EZ
Solicitors:	Veale Wasbrough Orchard Court Orchard Lane Bristol BS1 5WS Harrison Clark Rickerbys Ellenborough House Wellington Street Cheltenham GL50 1YD
Auditors:	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG
Investment Advisers:	CCLA One Angel Lane London EC4 3AB Sarasin & Partners LLP Juxon House 100 St Paul's Churchyard London EC4M 8BU
Insurance Brokers:	Marsh Ltd 4 Milton Road Haywards Heath, West Sussex RH16 1AH

STATUS AND ADMINISTRATION

Bromsgrove School is a company limited by guarantee, not having a share capital and is governed by its memorandum and articles of association.

Company Registration number:	4808121
Registered Charity number:	1098740

Registered office:	Worcester Road Bromsgrove Worcestershire B61 7DU
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CHAIRMAN'S STATEMENT

The School has enjoyed an excellent year which is particularly pleasing given the tough economic conditions we faced. All areas of the School have benefitted from strong parental support for our quality education. This is reflected in high student numbers across all four Schools.

External academic results were excellent. For many in the Upper sixth, their GCSE year had been disrupted by COVID and this year's exams, were the first time they had experienced the full external exam process. I am delighted to report that the IB cohort achieved an average score of 38, with one pupil achieving full marks! This is an excellent set of results. A level results were also strong and these performances resulted in 90% of our leavers going to their Universities of choice including 5 of the top universities in the world. Well done to all!

The School has continued to make good progress on sustainability with pupils and staff actively involved in improvements. Over the year we have seen a 4% reduction in energy used and a 7% reduction in Greenhouse Gas Emissions. We will continue to make sustainable improvements.

During the year the whole School was inspected by ISI. This is a very thorough process and I am delighted to report that all four areas of the School were awarded Excellent, the top grade awarded. I would like to thank all staff involved in this demanding process.

The School offers an extensive range of extra-curricular activities encouraging children to develop themselves outside the classroom. The School is always looking at ways of developing life skills and this year we established closer links with Chadgrove School where our pupils provided support to children with profound special needs.

We continue to widen access by the public to School facilities this includes the highly successful swimming and tennis academies. Many local clubs are able to enjoy the School's facilities including the Arts centre.

In the year the School acquired the Ryland Centre which not only secured the long term future of the School's athletic facilities, but also enable the School to provide gym facilities to the local community.

The political landscape in England is particularly challenging for the independent sector with Labour stating they will impose VAT on School fees if they win the next election. I believe the School is well placed to navigate these 'stormy waters' and will continue to thrive by offering excellent education to our pupils.

The Directors, who are the Governors of the School, present their annual report for the year ended 31 August 2023 under the Companies Act 2006, together with the audited financial statements for the year and confirm that the financial statements comply with the requirements of the Act, the charity's governing document, applicable law and the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Second edition, effective 1 January 2019).

REFERENCE AND ADMINISTRATIVE INFORMATION

The School was founded in 1553 and re-founded on the current site in 1693 by Thomas Cookes. Bromsgrove School was one of the original fourteen members of the Headmasters' Conference (HMC) when it was founded in 1869. The Pre-preparatory and Preparatory Schools are twentieth century foundations. Winterfold Preparatory School joined our family of Schools in 2017.

The School was incorporated as a company limited by guarantee on 1 September 2003 under charity number 1098740 and registered company number 4808121.

OBJECTS, AIMS AND ETHOS

Charitable Objects

The objects for which the Charity is established are to advance education and training by the provision and conduct in or near Worcestershire of any day and boarding school or schools for boys and girls.

The Charity provides education on three sites in Worcestershire to boys and girls from the ages of 2-18. The Charity also provides nursery care at the Winterfold site for babies aged 6 weeks to 2 years. It is the policy of the School to provide a first class education, which identifies and develops the potential of individual pupils in a variety of areas, provides them with the best achievable qualifications and prepares them for their future lives.

Aims

The Charity constantly aims to provide a first class education to boys and girls from the ages of 2-18.

Within the objects, the School aims to produce happy, creative, moral citizens who live motivated, fulfilled lives while enriching the lives of others. The School seeks to achieve this through an enlightened, disciplined and broad education that responds to global change while retaining core values. The core values that the School seeks to foster in its pupils are:

Humility and Confidence
Respect and Curiosity

Compassion and Ambition
Tolerance and Vision

Ethos

Bromsgrove School is committed to safeguarding and promoting the welfare and wellbeing of all pupils. The School is proud of the strong pastoral care provided by the House structure in the Senior School and by the form tutors within the Preparatory and Pre-preparatory Schools. The School has a caring ethos, which is reflected in all of the School's policies and procedures. The School maintains regular contact with parents through newsletters, social media, informal meetings and regular reports.

The School's ethos is to welcome pupils from all backgrounds. Entrance assessments are undertaken to satisfy both the School and parents that prospective pupils would cope with the pace of learning and benefit from the breadth of the education that the School provides. An individual's economic status, gender, ethnicity, sexual orientation, race, religion or disability do not form part of the assessment process.

The Governors are committed to the long-standing principle that charities must exist for the benefit of the public and the School has a long tradition of providing public benefit, both through educating pupils at the School and through associated activities for the benefit of the wider community. The Governors are committed to widening access to the School to ensure that children who could not otherwise attend the School can benefit from the education provided

OBJECTS, AIMS AND ETHOS (Continued)

The School is part of a wider community and has a long history of offering a range of educational activities for the benefit of local children. The School offers activities and access to the School's facilities to provide opportunities for children other than pupils at the School to benefit from the charity.

We are very proud of the Bromsgrove School Swim Academy which provides swimming lessons to 1,100 children from the local community each week. The Summer School that runs for eight weeks in the summer holidays and the Tennis Academy are also open to local children. Local primary schools use the swimming pool for weekly lessons at no charge. The School also continues to reach out to local children through a wide range of activities including the weekly joint Orchestra Group where a number of local Primary Schools come to Bromsgrove to rehearse together to the many local Sports Clubs and Associations that use the School's sports facilities.

Bursaries and Scholarships

The School is committed to ensuring that there is sufficient opportunity for children whose parents cannot afford the fees, including those in poverty, to benefit from its educational services and facilities. The Governors and the School management regularly review the School's Public Benefit Policy as part of the ongoing development of the School's strategy to widen access.

The Governors are committed to offering a means-tested bursary scheme to allow direct access to the educational services provided. The scheme is designed to assist prospective parents and existing parents on low incomes who, for financial reasons, might otherwise be unable to send or continue to send their child to the School. The bursary scheme includes Admissions bursaries for the parents of new pupils and Hardship bursaries for parents whose financial position worsens unexpectedly. Admissions bursaries include both life changing bursaries (75% - 100%) and lower awards for families needing fee assistance.

Bursaries are entirely means tested and are awarded on an annual basis to parents who satisfy the financial criteria set by the School in relation to their income and the value of their capital assets.

The School has a Bursary Policy, which is available to both prospective and existing parents. The policy contains an overview of the bursary scheme and details the procedure for applications and awards of bursaries.

The value of bursaries will be up to 100% of full fees and additional assistance is available to parents to assist with the associated costs of their child's education. The School allocates a proportion of its total income in each financial year to fund the bursary scheme. The School's current aim is to allocate not less than 5% of its total income in each financial year to fund means tested bursaries.

The School's scholarship awards recognise high academic potential or the ability to excel in co-curricular activities. Scholarships are awarded with a fixed remission of between 2.5% and 5%. Where further assistance is required, a means tested bursary may supplement scholarship awards.

STRATEGIC REPORT

CURRENT YEAR PERFORMANCE REVIEW

Pupil Numbers

Despite external worldwide tensions and economic pressures, the pupil roll has remained strong throughout the year. In the summer term, the roll stood at 2,052 pupils (2022: 2,001). The Senior School educated 1,038 pupils (2022: 1,011) of whom 471 (2022: 465) were boarding pupils; the Preparatory School educated 525 pupils (2022: 524) of whom 94 (2022: 100) were boarding pupils; Winterfold House educated 288 pupils (2022: 290) and the Pre-Preparatory School educated 201 day pupils (2022: 176).

This year, there has been a continued focus on widening access. The value of means tested bursaries including the hardship bursaries amounted to 5.0% of income (2022: 5.1%). The charity has also provided fee assistance in the form of scholarships and armed forces discounts. The value of such additional assistance when added to means tested bursaries represented 9.7% of the charity's total fee income. Of the 2,052 pupils educated at the school, 520 pupils (25%) received some degree of financial assistance in the form of bursaries, scholarships, armed forces discounts and staff discounts.

ISI Inspection

All sections of Bromsgrove School were inspected by a team of ISI inspectors in early June and the School was thrilled to announce that all of our four Schools have been judged as double 'Excellent' by the Independent School Inspectorate. This is the highest possible grading.

The team of inspectors found that on the quality measures they judge – the quality of pupils' academic and other achievements, and the quality of pupils' personal development that all four Schools were excellent.

In addition, the School was found to be fully compliant in all areas of compliance to School Standards.

At the time, The Headmaster, Michael Punt, commented 'We are absolutely delighted that the inspection reports provide independent verification of the excellent education and care that we are providing for children and young people'.

Pupil Achievements

From IB to GCSE, Bromsgrove pupils have achieved great success in public examinations this year.

Bromsgrove School's IB average was 38.0 points and results surpassed both the UK average of 34.7 and the global average of 30.2 points. One boarder scored a spectacular and much coveted top score of 45 points – one of only twenty-five students to do so in the UK. A third of the total cohort gained 40 or more points (equivalent to 4 A*'s at A level).

90% of all A level and BTEC results were equivalent to A level grades A*– C which is amongst the very highest proportion that we have ever seen at Bromsgrove. Three quarters of all grades awarded were A* to B, or the equivalent.

In BTEC, the 73 entries saw 27 Distinction* grades achieved, together with a further 21 Distinctions, 16 Merits and 9 Passes. The proportion of those achieving at least a Distinction was 66%.

When combined, this Upper Sixth cohort of 210 student leavers took 681 'main' subject qualifications and almost a quarter were graded A* or equivalent and over half achieved were at an A grade.

These fantastic results enabled 90% of our Upper Sixth leavers to go on to their chosen university, mostly in the UK but also to some prestigious institutions abroad. Students have accepted places at every single one of the 24 Russell Group universities. 11% of students are going to World Top 50 universities, including 5 of the World's top 10 universities with highlights including students heading to Columbia University (Ivy League), Toronto, McGill, Oxford and Cambridge, LSE, Imperial and UCL.

At GCSE, Bromsgrove School's Fifth Form students gained just over 36% of grades at 8/9 (or A*). Four students gained a full suite of grade 9s, whilst many others came close to this mark. 59% of all GCSE entries were awarded at least grade 7 and over three-quarters were at grade 6.

CURRENT YEAR PERFORMANCE REVIEW (Continued)

As with academic breadth, the School continues to pride itself on a varied co-curricular programme across a wide range of sporting, cultural and service activities. It was another busy year for Drama, Music and Sport across all of our Schools and our pupils take enriching opportunities seriously and participate with enthusiasm and enjoyment.

Extra-curricular academic pursuits continued to excel. 20 Bromsgrove students achieved Gold in the UK Mathematics Challenge, 24 pupils were ranked in the top 15% of entries in the Biology Olympiad, 2 pupils achieved Gold in the Physics Olympiad, two teams entered an international Mathematics modelling challenge, and two of the five L4 Computer Science teams who entered the Perse Coding competition reached the final round of the competition.

In the year, we have continued to keep our boarding houses open in the school holiday periods to allow boarders to remain in School. Our Guardian Angel team care for the boarders and whilst this was originally established to look after boarders throughout the pandemic when travel was restricted, our boarding community has asked the School to continue to offer this service. It was particularly popular in the Easter holidays when many pupils chose to stay at School to study for examinations and to attend the Easter Revision Courses.

Developments in the year

The Governors recognise the importance of ensuring that all of our boarding houses are maintained to the highest standard and are committed to an annual rolling boarding refurbishment programme. In the year, the extensive refurbishment of the Page Boarding House was completed. The house community are very pleased with the refurbishment which has provided new bathrooms, new furniture and new decor. This project has also addressed sustainability aims by improving the thermal performance of a large section of the building through the installation of new external glazing systems and double glazed window units. We have also introduced a living green wall which improves biodiversity and provides an interesting feature for these young boarders.

In the year, the Governors purchased the Ryland Centre in the town centre. This has secured the provision of athletic facilities for current and future generations of Bromsgrove School. The School is also delighted to have taken over the running of the Sports Centre which will continue to provide affordable gym and fitness facilities to the local community. The School will continue to work closely with Bromsgrove Council and Sport England to develop the facility for the benefit of the community.

Investment also took place in the Learning and Resource Centre through the renovation of facilities, provision of new equipment and two new Computer Science teaching suites. Computer Science was introduced in the 21/22 academic year and there is a high demand at GCSE, A level and IB as pupils enjoy the subject and recognise its relevance to their future careers.

The building of the new Penryn Hall at Winterfold commenced in the year and this is due for completion in Summer 2024. This is a very exciting development for the Winterfold community as this project will provide state of the art facilities for Music and Drama as well as providing a wonderful space for school gatherings and Chapel services. The project will also provide a huge improvement in Sustainability as the majority of the new building's heating will come from an air source heat pump eliminating the School's current dependency on oil. An array of solar panels will also be added.

Our links with the local community

The Governors are committed to developing links with the local community by both ensuring that our facilities are available for use and also by engaging in outreach programmes to support local schools, local children and local charities.

The Bromsgrove School Swim and Tennis Academies are successfully providing swimming and tennis lessons to 1,200 young children in the local community. In addition, the sports facilities in the Senior School, Winterfold and the Ryland sites have been used regularly by local football, hockey, tennis, netball and badminton teams. We have also hosted the Worcestershire School Games this summer which involves a number of local schools.

The Governors are also very pleased that the local community are benefitting from the use of the Arts facilities. An increased number of local and national choirs, orchestras and dance groups have used the facilities in the year. A highlight of the year has been the hosting of a local Orchestra Group each week which includes pupils from all of the local primary schools.

CURRENT YEAR PERFORMANCE REVIEW (Continued)

Through Bromsgrove Service, fundraising events were led by pupils for a variety of local causes including the Basement project and Primrose Hospice. A successful partnership has been forged with Chadsgrove School for children with profound special needs, with pupils offering science lessons and finishing the year with a celebratory picnic. Our Grounds team have also supported Chadsgrove assisting with Gardening Clubs and Forest School. Other charity ventures have included a 12 hour piano playing marathon by 1 pupil, while the boys of Lyttelton House cycled for 24 hours, racking up over 5000km to cross America (and actually an extra 500km) to raise over £3,600. Another £2,000 for the Matt Hampson Foundation was raised by U6 BTEC Business planning and delivering a range of events including an escape room and an online auction.

The Young Enterprise team Monito, with their product trying to help children to develop financial acumen, progressed from winning the award for Best Product in December to being crowned UK Champions and Company of the Year.

Over 100 pupils enrolled onto the Bronze Duke of Edinburgh Award this year. 23 U6 pupils successfully completed their Gold Award this year. Collectively, Bromsgrove DofE pupils have completed 3,718 hours of community service over the year, which can be calculated to have a 'social value' of almost £18,000.

Our commitment to the Environment

The Governors and the Executive are committed to improving the School's carbon footprint. The tables below show the key metrics that are being reported for Streamlined Energy and Carbon Reporting in the financial year ending 31st August 2023.

Summary Data for FY 1 st September 21 to 31 st August 23	Value
Total Energy Use	9,366,500 kWh
Total Greenhouse Gas Emissions (mandatory & voluntary)	1,192.6 tCO ₂
Total Students	2,052
Intensity Ratio	0.58 tCO ₂ per student

Area of Measurement	FY 1 st Sept 20 to 31 st Aug 21	FY 1 st Sept 21 to 31 st Aug 22	FY 1 st Sept 22 to 31 st Aug 23	Variance to previous year
Energy Use	12,196.1 MWh	9,743.2 MWh	9,366.5 MWh	3.9 % decrease
Greenhouse Gas Emissions	1,757.2 tCO ₂	1,283.9 tCO ₂	1,192.6 tCO ₂	7.1% decrease
Intensity Ratio	0.90 tCO ₂ per student	0.64 tCO ₂ per student	0.58 tCO ₂ per student	9.3 % decrease

It is clear from the above table that there has been a further decrease in emissions in the year as a result of a combination of the implementation of energy efficient projects and a commitment by the School community to reduce our carbon footprint. The above figures exclude our electricity consumption as all of our supplies come from renewable sources. However, it should be noted that our electricity usage reduced by 9.7% in the year which is an outstanding result.

The various Sustainability projects implemented this year include the introduction of solar panels on the Dining Hall roof, LED lighting upgrades, new air source heat pumps to replace traditional boilers, further lagging of plant rooms, improved BMS control for the heating of buildings and the addition of electric charging points in the car parks.

FUTURE PLANS

The Governors together with the School Executive are committed to ensuring that the School continues to provide a first class education to all of its pupils. All strategic developments are committed to maintaining the School's position in the competitive market that it operates. The achievement of high standards of academic results and the development of the School's facilities are imperative to the School's continued success in the long term.

The Governors and the Executive have recently reviewed the School's Strategic Plan and confirmed new objectives for the next year:-

Senior School academic offer

To continue to review the Sixth form and GCSE academic offer. Alongside the curriculum, the School will seek to expand the opportunities for pupils to develop curiosity, creativity and challenge through external links, awards and competitions. To provide more opportunities for pupils and departments to learn from one another, across the Bromsgrove family of schools and to become a centre of excellence in the use of digital resources for learning, communication, collaboration and creativity.

Health & Wellbeing

To further integrate health and well-being provisions to enhance the provision for pupils.

Preparatory School academic offer

As part of our continued review of the academic offering to ensure excellence, a review of alternative academic programmes will be completed. A number of alternative existing programmes will be reviewed including the Prep Baccalaureate but consideration will also be given to developing a bespoke Bromsgrove offer.

The extra curriculum activities programme will also be reviewed to consider further integration with the academic programme.

Winterfold Performing Arts

To build a new modern state of the art hall providing facilities for Music, Drama, Mass and other School gatherings. Winterfold has a longstanding reputation for providing outstanding Music and Drama opportunities for pupils and the aim of this project is to develop these facilities to move this key aspect of the School on to an even higher level.

Preparation for a possible change in Government

To continue to monitor developments to ensure that the School is fully prepared for a change in government and the possible removal of certain tax reliefs and changes in VAT legislation. The School will endeavour to support our parents wherever possible to ensure that the School remains accessible. The Governors will also consider whether consultation is needed with the staff about moving from a phased withdrawal to a full withdrawal from the Teachers Pension Scheme.

Environmental, Social and Governance (ESG)

To consider all aspects of ESG and develop further plans to ensure that the School has aspirational aims. Specific plans are detailed overleaf.

- **Environment:** The School has an Environmental Sustainability Plan which focuses on four key pillars being the decarbonisation of the estate, waste management, transport and the School's natural environment. Specific initiatives planned for the year include the consideration of sustainable energy supplies for the Sports Centre, the introduction of green heating and lighting solutions in the new Penryn Hall, further food waste management improvements by our catering partner Holroyd Howe and the introduction of further electric School vehicles and equipment.
- **Social:** The School is exploring new initiatives to develop further links and partnerships with the local community. The use of our facilities by the local community has increased significantly in the last year and we will ensure that good relationships are maintained with a view to increasing use further.
- **Governance:** To ensure that governance is of the highest quality to produce the best outcomes for pupils, current and future. HMC/AGBIS Good Governance accreditation will be completed by the end of the 23/24. All Governors will undertake regular and relevant training and there will be further regular opportunities provided for Governors to visit the School, attend events and meet staff and pupils.
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FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Financial Performance

The School achieved net income before investment losses of £3,265k, which is £126k lower than the prior year.

In the year, net fees increased from £37,927k to £39,909k, an increase of £1,982k (5%). This is attributable to the Governors increasing fees by 5% in this academic year. As many parts of the School are continuing to operate at full capacity, the fee income has not been affected by a change in pupil numbers.

The School's trading income increased by £977k in the year. This growth in income is extremely pleasing and is attributable to the success of our International Summer School and our lettings programme. In the year, there was a significant increase in new lettings for the Music, Drama and boarding facilities from national and local arts associations. The continued interest by our families in the Easter Revision courses and the Guardian Angel holiday care have also contributed to this growth in revenue.

Total School expenditure has increased by 8% in the year. The main contributing factor to this increase is the impact of high inflation. Welfare costs have increased by 9% due to high food and transport costs. Premises costs have also increased by 9% due to an increase in energy costs. Whilst energy inflation is currently running at a much higher rate, we were fortunate as we had fixed many of our contracts three years ago and it was the smaller of our two electricity contracts that renewed in the year. Teaching costs have also increased by 7% due to the addition of four new teaching positions, the annual pay award of 3.5% and some exceptional cover costs due to long term sickness.

Our trading subsidiary receives the franchise fee from Bromsgrove International School Thailand and Mission Hills, Shenzhen. These fees were received in the year and the company was able to contribute £435k to School funds. (2022: £384k).

Bromsgrove School Foundation generated net income before investment gains of £126k, during the year ended 31 August 2023 (2022: £62k). The Foundation received two legacy donations in the year. Unless, donations are restricted, the funds raised will contribute to bursary awards to pupils of Bromsgrove School in the future.

Despite the turmoil in stock markets due to world tensions and the deterioration in the economic outlook, the School's investments remained stable in the year. The school's investments stood at £6,923k at the end of the year, a 1% increase on the prior year.

After various movements in working capital, the net cash inflow from operations amounted to £4,800k, compared to £6,498k in the prior year. The net income before investment gains adjusted for depreciation amounted to a cash inflow of £5,133k. Last year, there was a significant cash flow benefit due to the timing of payments to contractors for works completed in the summer holidays but this has not happened this year. The School's cashflow has performed in line with the School's projection.

In 2021, the Governors withdrew from the Teachers Pension Scheme (TPS) on a phased basis. An alternative Defined Contribution Workplace Pension Scheme has been introduced for all teachers joining the School from 1 September 2021. Teachers employed at 31 August 2021 have been offered the choice of remaining in the TPS or transferring to the School's new scheme. At 31st August 2023, we had 55% of our staff in TPS and 45% of our staff in the DC Scheme. With the 5% increase in the TPS employer contribution rate from April 2024, the Governors are pleased that they have taken this action to protect the long term financial viability of the School.

Investment Policy and Performance

The Governors are permitted to hold a portfolio of investments. The guidance given to the Investment Advisers with regard to equity investment is to balance growth and income with a medium level of risk. These objectives are to be achieved by investing prudently in a broad range of fixed interest securities and equities which are quoted on a recognised Investment Exchange and unit trusts and OEIC's (open ended investment companies) which are authorised under the Financial Services and Markets Act 2000.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (Continued)

All funds are invested in managed charity investment funds. The School's funds are invested in the CCLA Charities Investment Fund and the Sarasin Endowment Fund Class A. The Foundation's funds are invested in the CCLA Charities Investment Fund. The Investment Committee continues to monitor the performance of these funds against market benchmarks including the Private Investor Balanced Index benchmark over a rolling three-year period. The Total Return generated by both funds was in line with the market benchmark for the period from inception.

Reserves Policy

The Governors recognise that free reserves are those unrestricted reserves which are not specifically designated for any purpose. The School's unrestricted reserves are invested primarily in fixed assets, which are recorded in the financial statements at book value. The Governors have invested significantly over the last few years in capital projects enhancing the School buildings and facilities for the benefit of the children being educated. Due to this significant investment by the School, the free reserves are negative at the current time.

	£
Total Funds	72,387,396
Less: Restricted Funds	(17,697)
Less: Endowment Funds	(570,828)
Unrestricted Funds	71,798,871
Less: Property Funding	(75,535,282)
Free reserves	(3,736,411)
Prior Year	(3,160,578)

The Governors keep the level of free reserves under review. Despite this negative position, they are confident that the School's cashflow forecasts and external finance facilities are sufficient to meet the operational needs of the School.

The Governors' policy is to focus on the level of liquid assets that support the unrestricted reserves. To mitigate against future risks, the Governors believe that the School should hold sufficient liquid assets to cover three to six months' worth of expenditure. The aim is to be able to support the working capital needs of the School without needing to dispose of the School's land or buildings in the medium term.

The Governors' policy is to hold liquid assets representing three to six months of expenditure (£10.2m - £20.4m). The School's investments are held to provide income and capital growth and as they are not designated for a specific purpose, they are viewed to be liquid assets. Based on the current market price of the investments and current cash balances at 31st August 2023, the School's liquid assets amounted to £12m (2021 £14m).

The Governors monitor the School's liquid assets, the cashflow forecasts and levels of external financing on a termly basis at the Finance Committee. The current strategy is to further increase the liquid assets over the medium term due to the uncertainty detailed in the Risk Management section of this report.

Asset cover for funds

Note 12 of the financial statements sets out an analysis of the School's assets attributable to the various funds. These assets are sufficient to meet the School's obligations on a fund by fund basis.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (Continued)

Fundraising Policy

The School does not undertake fundraising for the financing of capital investment. All projects within the School are funded from School resources with external bank financing as and when necessary.

The Foundation's objective is to raise funds ultimately to enable the School to provide places to all deserving pupils on a needs blind basis. This is a long term ambition which has a focus on friend raising rather than targeted fundraising. It is intended that gentle appeals are made to all those with a connection to Bromsgrove School ie: alumni and parents through a fundraising programme of encouraging major gifts, regular giving and legacies. This is supported by a programme of non-fundraising events designed to encourage interest and involvement with the School. External fundraising companies are not used and the Foundation does not actively fundraise through targeted appeals or telephone campaigns.

The School has received no complaints related to fundraising in the year.

RISK MANAGEMENT

The Governing Body conducts a formal review each term of the School's Risk Register. The School's Executive identifies the major risks to which the School and its related organisations are exposed. The School Executive and the Sub Committee Chairs review these risks on a rolling basis. Mitigation and control procedures are put in place as necessary. This procedure and the Risk Register is reviewed by the Risk and Strategy Committee each term and recommendations are made to the Board regarding confirmation that systems are in place to provide reasonable assurance that major risks are being adequately managed.

The most significant risks for the School are detailed below:-

A decline in international boarding.

A key risk to the School is a reduction in the number of boarders resulting in a reduction in the School's fee income and consequential pressures on cash flows. Whilst the pupil roll at the start of the 2023/204 academic year is excellent, the School is concerned about the longer term impact of worldwide tensions on the international boarding community and the threat of a higher number of leading Boarding Schools competing in these markets. We have a number of mitigation strategies in place including continually assessing new market opportunities and supporting existing agent relationships through educational international events. We will also seek to continually develop the high level of pastoral care provided to our boarding community, including our Guardian Angel programme to maintain our reputation.

The political landscape in the UK

The Governors are aware of the possible challenges that a change in Government could pose regarding the loss of charitable taxation reliefs. The School continues to feel that it is in a strong position in defending its public benefit due to the extensive bursary and outreach programmes.

However, the Governors are preparing for the challenges of possible changes in government policy, including the possibility of the introduction of VAT on school fees and higher business rates. The School will endeavour to seek cost savings and other mitigations to assist in supporting parents to allow their children to continue to benefit from an education at Bromsgrove School.

In addition, the School continues to be concerned about the impact of high inflation on the School's cost base. A cautious approach will be adopted with regard to discretionary expenditure and adequate cash reserves will be maintained. The Finance team will continue to monitor forecasts and cashflow tightly.

EDI

Recent pupil surveys have shown that the inclusive and respectful community at Bromsgrove is highly valued by the pupil body. However, the School recognises the challenges that some aspects of EDI place on the School and in particular on our single sex Boarding Houses and Day Houses. In the next year, there will be further considerations involving consultation with the School community.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Memorandum and Articles of Association arising from incorporation in 2003, as amended on 4 October 2015.

Governors and professional advisers

A list of Governors and professional advisers appears on pages 1 and 2 of this report.

Recruitment and Training of Governors

The Charity's Governors are appointed at a meeting of the Board of Governors, following a selection process and recommendation from the Governance Committee. The Governing body requires breadth and depth of experience to carry out its duties effectively. When recruiting new Governors, the Governance Committee takes into consideration eligibility, personal competence, specialist skills and availability.

New Governors are inducted into the workings of the School, including the provision of key information covering Board policy, School ethos, strategy and financial information. All Governors are encouraged to attend training courses and workshops organised by specialist school organisations. All Governors give of their time freely and no remuneration was paid in the year. No Governor or person connected with a Governor received any benefit from either means tested bursaries or scholarships awarded to our pupils.

Organisational Management

The Board of Governors, as the trustees of the Charity, is responsible for the overall management and control of the School and meets at least three times a year.

The principal responsibilities of the Board are to:

- Ensure the School is run in accordance with its charitable objectives and that all the functions of the School are authorised by the powers provided by its statutes, regulations and by company and charity law
- To appoint the Headmaster
- To set, in consultation with the Headmaster and the Executive of the School, the strategy and policies by which the School will be run
- Approve the School Development Plan
- Control finance by approving budgets and longer-term plans and by approving systems that optimise the chances that they will be achieved and approving all major capital expenditure.
- Ensure that competent professional advice is taken when necessary.

The work in checking the strategy and policies are being correctly carried out is performed by the various committees of Governors as set out below:

- Finance and Property Committee – which deals with financial policy and review of budgets and financial statements prior to approval by the Board
- Education Committee – which deals with educational and related operational issues and brings recommendations and concerns with regard to such matters to the Board
- Buildings Committee – which considers and monitors major build and refurbishment projects within the School
- Investment Committee – which receives termly updates on investment and performance from the Investment Advisers and reports these matters to the Board.
- Governance Committee – which considers possible capability gaps with regard to the composition of the Board and makes recommendations regarding potential new Board members

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

- Health & Safety Committee – this ensures that there are adequate policies and procedures in place to ensure the health and safety of all pupils and staff and to ensure that the School complies with all legislative changes.
- Risk and Strategy Committee – which assesses the management of all risks encountered by the School and maintains an oversight of the implementation of the agreed strategic aims on the behalf of the full Board.
- Safeguarding and Welfare Committee – which assesses the management of all safeguarding and pastoral controls within the School

Each committee normally meets before the main Board meetings. The membership of the committees is supplemented by senior staff at the School and by co-opted external appointments.

The day-to-day running of the School is delegated to the School Executive. The School Executive (key management) comprises of the Headmaster (M Punt), Bursar (L Brookes), Assistant Head (R Scannell), the Headmaster of the Preparatory and Pre-Preparatory Schools (M Marie) and the Headmistress of Winterfold House School (D Toms). The members of the Governance Committee have responsibility for reviewing the remuneration for the members of the Executive on an annual basis. The Governors aim to ensure that pay levels are consistent with the market within the independent school sector and use benchmarking data from professional associations such as AGBIS to guide them.

The School Executive consults with all employees on a regular basis so that their views are taken in to account in making decisions, which are likely to affect their interests. Information is shared with the teaching staff and the support staff on all key School developments and changes including the financial and economic factors affecting the performance of the School. The Governors regularly meet with senior staff through the Sub Committees and monitor communications within the School.

Group Structure and Relationships

The Charity has a wholly-owned non-charitable subsidiary, Bromsgrove School Enterprises Limited, whose activities and trading performance are discussed below.

The Charity also holds under trust certain endowed funds under Charity Commission schemes: the Society of Friends Fund and the David Walters Fund. The terms of the schemes are such that the income is applied for the benefit of pupils and former pupils of the School.

The School is the sole member of Bromsgrove School Foundation, a charitable company limited by guarantee. The objects of the company are to promote and advance any charitable purpose connected with Bromsgrove School and to promote other educational purposes for the benefit of the local community.

The School has established international links under licence agreements with Bromsgrove International School Thailand and with Bromsgrove School Mission Hills, Shenzhen.

The Headmaster is a member of HMC, The Heads' Conference which provides an opportunity to share expertise and knowledge across the independent school sector. The Conference also permits appropriate representation to Government and regulators of the views of the sector.

The School also benefits from close links with the Alumni. An Alumni Committee, with representation from Old Bromsgrovians, the Foundation and the School has responsibility for engaging with Old Bromsgrovians.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the trustees and directors of the charitable company) are responsible for preparing the Report of the Governors, including the Strategic 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

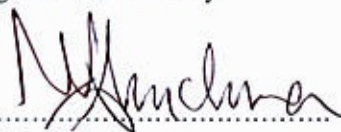
So far as each of the Governors is aware at the time the report is approved:

- There is no relevant audit information of which the charitable 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.

AUDITORS

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 the Report of the Governors, the Board are also approving the Strategic Report contained herein in their capacity as company directors. Approved by the Board of Governors of Bromsgrove School on 11 January 2024 and signed on its behalf by:



M Luckman
Chairman

Opinion

We have audited the financial statements of Bromsgrove School for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, the Group and Charity Balance Sheets, the Consolidated Cash Flow Statement and the 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 group's and of the parent charitable company's affairs as at 31 August 2023 and of the group'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 group 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 group'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 Report of the Governors. 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 Report of the Governors (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 Report of the Governors 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 group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors (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 parent charitable company; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' 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 Statement of Governors' Responsibilities set out on page 15, the Governors (who are also the directors of the charitable company for the purposes of company law and trustees of the charitable company for the purposes of charity law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 group's and the parent 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 group or the parent 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 group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law and 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 Charities Act 2011 and Companies Act 2006 and consider other factors such as 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 the improper recognition of 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 at the year end; 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.



Adam Halsey (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP, Statutory Auditor
Date: 11 January 2024

10 Queen Street Place
London
EC4R4AG

BROMSGROVE SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2023

Income and Expenditure Account	Note	General Fund £	Restricted Funds £	Endowment Funds £	Total 2023 £	Total 2022 £
Income and Endowments from:						
<i>Charitable activity:</i>						
Fees		45,171,321	-	-	45,171,321	42,770,356
Prompt payment allowance		(968,300)	-	-	(968,300)	(962,917)
Bursaries, scholarships and grants	2	(4,294,370)	-	-	(4,294,370)	(3,880,386)
Net fees receivable		39,908,651			39,908,651	37,927,053
Other income		753,265	-	-	753,265	983,494
<i>Grants and donations</i>						
Donations		125,412	-	70,000	195,412	63,708
<i>Other trading income:</i>						
Lettings		1,847,609	-	-	1,847,609	896,921
School shop		399,345	-	-	399,345	399,964
Other		758,091	-	-	758,091	731,269
<i>Investments</i>		171,952	-	15,028	186,979	181,326
<i>Other income</i>						
Gain on disposal of fixed assets		-	-	-	-	-
Total Income and Endowments		43,964,324	-	85,028	44,049,352	41,183,735
Expenditure on:						
<i>Charitable activity:</i>						
Teaching costs		21,350,525	-	-	21,350,525	19,909,932
Welfare costs		4,552,432	-	-	4,552,432	4,192,872
Premises costs		8,607,209	-	-	8,607,209	7,861,544
Support and governance costs		3,364,324	-	-	3,364,324	3,390,686
<i>Raising funds</i>		2,910,333	-	-	2,910,333	2,438,144
Total Expenditure	1	40,784,822			40,784,822	37,793,178
Net income before investment losses		3,179,502		85,028	3,264,530	3,390,557
Gains/(losses) on investments	5	(97,519)		(10,198)	(107,717)	(410,990)
Net movement in funds		3,081,983	-	74,830	3,156,813	2,979,567
Fund balances brought forward		68,716,888	17,697	495,998	69,230,583	66,251,016
Fund balances carried forward		£71,798,871	£17,697	£570,828	£72,387,396	£69,230,583

All of the charitable company's activities are continuing. All recognised gains and losses are included in the Statement of Financial Activities.

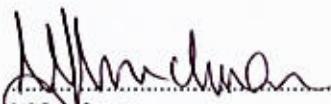
The accompanying notes form part of these financial statements.

GROUP BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	2022 £
FIXED ASSETS			
Tangible	4	75,535,282	71,877,466
Investments	5	6,923,846	6,881,563
		<u>82,459,128</u>	<u>78,759,029</u>
CURRENT ASSETS			
Stocks		474,606	416,370
Debtors	6	1,692,513	1,458,646
Cash at bank and in hand		5,001,438	7,230,025
		<u>7,168,557</u>	<u>9,105,041</u>
CREDITORS: Amounts falling due within one year	7	<u>(11,797,368)</u>	<u>(12,469,419)</u>
NET CURRENT (LIABILITIES)		<u>(4,628,811)</u>	<u>(3,364,378)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>77,830,317</u>	<u>75,394,651</u>
CREDITORS: Amounts falling due after more than one year	8	<u>(5,442,921)</u>	<u>(6,164,068)</u>
NET ASSETS		<u><u>£72,387,396</u></u>	<u><u>£69,230,583</u></u>
FUNDS			
Endowment	9	570,828	495,998
Unrestricted	10	71,798,871	68,716,888
Restricted	11	17,697	17,697
		<u><u>£72,387,396</u></u>	<u><u>£69,230,583</u></u>

The financial statements were approved and authorised for issue by the Board of Governors on 11/01/24 and were signed below on its behalf by:


 M Luckman)
) Governors


 D Walters)

The accompanying notes form part of these financial statements.

CHARITY BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	£	2023 £	£	2022 £	£
FIXED ASSETS						
Tangible	4		75,526,799		71,871,809	
Investments	5		5,080,518		5,152,389	
			<u>80,607,317</u>		<u>77,024,198</u>	
CURRENT ASSETS						
Stocks		39,303		42,173		
Debtors	6	2,192,163		1,833,258		
Cash at bank and in hand		4,319,359		6,677,095		
		<u>6,550,825</u>		<u>8,552,526</u>		
CREDITORS: Amounts falling due within one year	7	(11,660,598)		(12,376,386)		
NET CURRENT (LIABILITIES)			<u>(5,109,773)</u>		<u>(3,823,860)</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			75,497,544		73,200,338	
CREDITORS: Amounts falling due after more than one year	8		(5,442,921)		(6,164,068)	
NET ASSETS			<u>£70,054,623</u>		<u>£67,036,270</u>	
FUNDS						
Endowment			570,828		495,998	
Unrestricted			69,483,795		66,540,272	
			<u>£70,054,623</u>		<u>£67,036,270</u>	

The School income for the year was £44m (2022: £41.1m) with a surplus of £3.1m (2022: £2.8m).

The financial statements were approved and authorised for issue by the Board of Governors on 11 January 2024 and were signed below on its behalf by:


 M Luckman)
) Governors


 D Walters)
)

The accompanying notes form part of these financial statements.

BROMSGROVE SCHOOL

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2023

		2023		2022	
	Note	£	£	£	£
Net cash provided by operating activities	A		4,800,085		6,497,618
Investing activities					
Investment income received		186,979		181,326	
Purchase of fixed assets		(5,499,535)		(4,775,805)	
Proceeds on disposal of fixed assets		38,500		-	
Purchase of investments		(150,000)		(6,204,883)	
Sale of investments		-		6,038,755	
Net cash outflow from investing activities			(5,424,056)		(4,760,607)
Financing activities					
Loan repayments		(1,433,481)		(2,223,117)	
Capital element of finance lease rentals		(23,890)		(23,475)	
Interest cost		(147,245)		(111,484)	
Net cash inflow/(outflow) from financing activities			(1,604,616)		(2,358,076)
Increase/(decrease) in cash and cash equivalents			(2,228,587)		(621,065)
Cash and cash equivalents at 1 September			7,230,025		7,851,090
Cash and cash equivalents at 31 August			<u>£5,001,438</u>		<u>£7,230,025</u>
Cash and cash equivalents comprise:					
Cash at bank			5,001,438		7,239,025
Cash held as part of investments			-		-
			<u>5,001,438</u>		<u>£7,230,025</u>
A. RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES			2023		2022
			£		£
Net income before investment gains			3,264,530		3,390,557
Depreciation			1,868,220		1,762,686
Gain on disposal of fixed assets			(7,207)		-
(Increase)/ Decrease in stock			(58,236)		(9,251)
(Increase) in debtors			(233,867)		(566,123)
Increase/(decrease) in fee deposits and fees in advance			213,776		810,384
(Decrease) in creditors			(207,397)		1,179,207
Investment income receivable			(186,979)		(181,326)
Interest cost			147,245		111,484
Net cash inflow from operations			<u>£4,800,085</u>		<u>£6,497,618</u>

BROMSGROVE SCHOOL

CONSOLIDATED CASH FLOW STATEMENT (continued)

FOR THE YEAR ENDED 31 AUGUST 2023

B. ANALYSIS OF CHANGES IN NET (DEBT) / ASSET	At 1 September 2022	Cash flows	Other movements	At 31 August 2023
	£	£	£	£
Cash and cash equivalents	7,230,025	(2,228,587)		5,001,438
Short term borrowings	(1,215,043)	1,433,481	(712,298)	(493,860)
Long term borrowings	(2,484,181)		712,298	(1,771,883)
Finance lease	(5,979)	23,890	(55,090)	(37,179)
Net (debt) / assets	<u>£3,524,822</u>	<u>(771,216)</u>	<u>(55,090)</u>	<u>£2,698,516</u>

BROMSGROVE SCHOOL

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 AUGUST 2023

Basis of preparation

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

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

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 a reasonable expectation that the School has adequate resources to continue its activities 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.

The financial statements of the Group include the results and balances of the School consolidated on a line by line basis with Bromsgrove School Enterprises Limited and Bromsgrove School Foundation. In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Bromsgrove School.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 1 September 2003 (company number: 4808121) and registered as a charity (charity number: 1098740).

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 considered to be 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 period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

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.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

Fees and similar earned income

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

Investment income

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

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. Grant income from the Coronavirus Job Retention Scheme is recognised in the same period as the related employment costs are incurred.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements. Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure.

Tangible fixed assets

Depreciation is provided at rates calculated to write off each asset over its estimated useful life. Equipment is depreciated at annual rates varying between 10% and 33.3% on cost.

No depreciation is provided on freehold land. Depreciation is provided on freehold buildings at 2% per annum, straight line, when the buildings are brought into use. The anticipated average life of buildings is estimated by reference to 1 September 1990 (date of commencement of depreciation policy), or date of expenditure since that date.

Investments

Listed investments are recognised at market value as at the balance sheet date. Realised and unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

Stock

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, trade and fee debtors, other debtors, accrued income and amounts owed by group undertakings. 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 deposits, fees in advance, trade creditors, other creditors and amounts owed to group undertakings.

Debtors

Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

Cash at bank and in hand

Cash at bank and in hand includes cash and deposits with a short term maturity of six months or less from the date of opening the deposit account.

Creditors

Creditors 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 reliably. Amounts are recognised at their settlement amount.

BROMSGROVE SCHOOL

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 AUGUST 2023

Endowment Funds

The Society of Friends Fund:

This represents permanent endowment funds held under a Charity Commission Scheme where the income is to be applied to further the charitable purposes of Bromsgrove School.

David Walters Fund:

This represents permanent endowment funds held under a Charity Commission Scheme where the income is to be applied for providing scholarships for pupils at Bromsgrove School or at an approved further education establishment.

Restricted Funds

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor (see Note 11).

Unrestricted Funds

Unrestricted funds comprise the School's general fund, which is available for application in accordance with the School's objects.

Pension costs

Retirement benefits to employees of the School are provided through two pension schemes. The pension costs charged in the Statement of Financial Activities are determined as follows:

The Teachers' Pension Scheme - This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The School also contributes to a defined contribution scheme for teaching and non-teaching staff. Contributions are charged to expenditure when they become payable.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

BROMSGROVE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1. EXPENDITURE

	Staff Costs	Other	Total
	£	£	£
2023			
Charitable activity:			
Teaching costs	18,414,501	2,936,023	21,350,524
Welfare costs	2,274,265	2,278,167	4,552,432
Premises costs	2,450,452	6,156,757	8,607,209
Support and governance costs	2,055,847	1,308,477	3,364,324
	<u>25,195,065</u>	<u>12,679,424</u>	<u>37,874,489</u>
Raising funds:			
Lettings	323,996	568,794	892,790
School shop	86,678	281,935	368,613
Marketing	-	1,242,790	1,242,790
Finance costs	-	148,015	148,015
Other	189,386	68,739	258,125
	<u>600,060</u>	<u>2,310,273</u>	<u>2,910,333</u>
	<u>£25,795,125</u>	<u>£14,989,697</u>	<u>£40,784,822</u>
2022	£	£	£
Charitable activity:			
Teaching costs	17,689,076	2,220,856	19,909,932
Welfare costs	2,108,665	2,084,207	4,192,872
Premises costs	2,320,859	5,540,685	7,861,544
Support and governance costs	2,274,811	1,115,875	3,390,686
	<u>24,393,411</u>	<u>10,961,623</u>	<u>35,355,034</u>
Raising funds:			
Lettings	182,358	205,315	387,673
School shop	83,979	290,360	374,339
Marketing	-	1,319,029	1,319,029
Finance costs	-	111,484	111,484
Other	173,892	71,728	245,620
	<u>440,229</u>	<u>1,997,916</u>	<u>2,438,145</u>
	<u>£24,833,640</u>	<u>£12,959,539</u>	<u>£37,793,179</u>

Finance costs relates to interest on bank loans for 2023 and 2022.

	2023	2022
	£	£
Governance costs included in support costs:		
Auditor's remuneration	40,450	34,500
Governors' costs	1,401	723
Legal and professional	15,745	53,451
Other	8,882	8,316
	<u>£66,478</u>	<u>£96,990</u>

BROMSGROVE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1. EXPENDITURE (continued)

Total expenditure includes:	2023 £	2022 £
Depreciation	1,861,912	1,762,686
Auditors remuneration: - Audit fees (School)	28,075	23,250
- Audit fees (Subsidiaries)	12,375	11,250
- Other services relating to taxation	642	9,822

2. BURSARIES, SCHOLARSHIPS AND GRANTS

	2023 £	2022 £
Bursaries	2,304,036	2,123,685
Forces discounts	1,504,222	1,300,514
Scholarships, exhibitions and other discounts	486,112	456,187
	<u>£4,294,370</u>	<u>£3,880,386</u>

3. STAFF COSTS

	2023 £	2022 £
Wages and salaries	20,653,008	20,078,573
Social security costs	2,003,718	1,893,830
Other pension costs	3,138,399	2,861,237
	<u>£25,795,125</u>	<u>£24,833,640</u>

	No	No
The average number of employees in the year was:		
Teachers	231	229
Administration (including academic support)	439	427
	<u>670</u>	<u>656</u>

The number of employees whose remuneration exceeded £60,000 is disclosed below:

	2023 No.	2022 No.
£60,000-£70,000	34	18
£70,001-£80,000	4	4
£80,001-£90,000	2	2
£90,001-£100,000	2	2
£100,001-£110,000	-	-
£110,001-£120,000	2	2
£120,001-£130,000	1	1
£200,000-£210,000	1	-
£220,001-£230,000	-	-
£240,001-£250,001	-	-
£250,001-£260,000	-	1

BROMSGROVE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

Of the above employees, nineteen (2022:fourteen) received contributions to a defined contribution pension scheme, twenty-seven (2022: twenty-one) were members of the Teachers' Pension Scheme and none (2022: one) had opted out of the Teachers' Pension Scheme.

	2023 £	2022 £
Aggregate employee benefits of key management personnel	£811,418	£830,108

Neither the Governors, nor persons connected with them received any remuneration from the School. Reimbursed expenses totalling £176 were received by two Governors for travelling expenses (2022: £243 to one Governor for travelling expenses).

During the year there were redundancy or termination payments amounting to £ 42,853 (2022: £41,127).

4. FIXED ASSETS – GROUP AND CHARITY	Freehold Property £	Equipment £	Total Charity £	Trading Company £	Total Group £
COST					
At 31 August 2022	89,424,645	1,819,886	91,244,531	54,818	91,299,349
Additions	5,345,562	199,928	5,545,490	9,135	5,554,625
Disposals		(82,005)	(82,005)	-	(82,005)
At 31 August 2023	94,770,207	1,937,809	96,708,016	63,953	96,771,969
DEPRECIATION					
At 31 August 2022	17,861,291	1,511,431	19,372,722	49,161	19,421,883
Charge for the year	1,741,805	120,107	1,861,912	6,308	1,868,220
Disposals	-	(53,416)	(53,416)		(53,416)
At 31 August 2023	19,603,096	1,578,122	21,181,218	55,469	21,236,687
NET BOOK VALUE					
At 31 August 2023	75,167,111	359,687	75,526,799	8,484	75,535,283
At 31 August 2022	£71,563,354	£308,455	£71,871,809	£5,657	£71,877,466

BROMSGROVE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

5. FIXED ASSETS INVESTMENTS

	Managed Funds £	Cash £	Total £
Group:			
Balance at 31 August 2022	6,881,563	-	6,881,563
Additions	150,000	-	150,000
Disposals	-	-	-
Transfers in	-	-	-
Management fees paid	-	-	-
(Losses) on revaluation	(107,717)	-	(107,717)
Balance at 31 August 2023	6,923,846	-	6,923,846
School			
Balance at 31 August 2022	5,152,389	-	5,152,389
Additions	-	-	-
Disposals	-	-	-
Transfers in	-	-	-
Management fees paid	-	-	-
(Losses) on revaluation	(71,871)	-	(71,871)
Balance at 31 August 2023	£5,080,518	-	£5,080,518

The School holds 100% of the share capital of Bromsgrove School Enterprises Limited, whose principal activities are commercial lettings, operating a school shop and administering the School's international activities. This investment is held at nil value in the financial statements. A summary of the balance sheet and profit and loss account from the audited financial statements is set out below:

	31 August 2023 £	31 August 2022 £
Turnover	1,365,711	1,144,123
Expenditure	(930,473)	(760,399)
Net profit before donation under Gift Aid	435,238	383,724
Donation under Gift Aid to Governors of Bromsgrove School	(386,664)	(165,474)
Retained profit/(loss)	£48,574	£218,250
Net assets represented by		
Share capital	2	2
Profit and loss account	432,298	383,724
	£432,300	£383,726

6. DEBTORS

	Group 2023 £	Group 2022 £	Charity 2023 £	Charity 2022 £
Fees	1,033,083	727,372	1,033,083	727,373
Amounts due from Bromsgrove School Enterprises Limited	-	-	776,657	752,520
Other debtors and prepayments	659,430	731,274	342,025	313,029
Amounts due from Bromsgrove School Foundation	-	-	40,398	40,336
	£1,692,513	£1,458,646	£2,192,163	£1,833,258

BROMSGROVE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

7. CREDITORS: amounts falling due within one year	Group	Group	Charity	Charity
	2023	2022	2023	2022
	£	£	£	£
Bank loans	493,860	1,215,043	493,860	1,215,043
Finance lease	27,651	5,979	27,651	5,979
Trade creditors	795,749	888,461	754,220	855,160
Fees in advance and pupil deposits	7,256,210	7,024,057	7,256,210	7,024,057
Taxation and social security	616,576	525,859	572,616	500,775
Other creditors	1,093,595	834,480	1,095,401	834,480
Accruals	1,513,727	1,975,540	1,460,641	1,940,892
	<u>£11,797,368</u>	<u>£12,469,419</u>	<u>£11,660,599</u>	<u>£12,376,386</u>
8. CREDITORS: amounts falling due after more than one year	Group and Charity			
	2023		2022	
	£		£	
Bank loans	1,771,883		2,484,181	
Pupil deposits	3,661,510		3,679,887	
Finance Lease	9,528		-	
	<u>£5,442,921</u>		<u>£6,164,068</u>	

Details of above loans are as follows:

- 10 Year Term: Outstanding balance of £326,062. Repayments which commenced in December 2016 are made quarterly and complete in December 2026. Interest is payable at a rate of 1.7% over the bank's base rate.
- 10 Year Term: Outstanding balance of £886,077 which is unsecured. Repayments which commenced in November 2018 are made quarterly and will complete in August 2027. Interest is payable at a fixed rate of 3.2% but has now been converted to a variable rate of 1.7% over the bank's base rate.
- 10 Year Term: Outstanding balance of £1,053,604, which is unsecured. Repayments which commenced in November 2018 are made quarterly and will complete in August 2027. Interest is payable at a rate of 1.7% over the bank's base rate.
- 5 Year Term: Coronavirus Business Interruption Loan (CBIL) was repaid back in full during the year, hence the outstanding balance is £nil.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

9.	ENDOWMENT FUNDS		Balance 1 September 2022 £	Net income and gains £	Transfers £	Balance 31 August 2023 £	
	David Walters Fund		34,671	-	-	34,671	
	The Society of Friends		461,327	74,830	-	536,157	
			<u>£495,998</u>	<u>£74,830</u>	<u>-</u>	<u>£570,828</u>	
			Balance 1 September 2021 £	Net income and gains £	Transfers £	Balance 31 August 2022 £	
	David Walters Fund		34,671	-	-	34,671	
	The Society of Friends		474,140	(12,813)	-	461,327	
			<u>£508,811</u>	<u>£(12,813)</u>	<u>-</u>	<u>£495,998</u>	
10.	UNRESTRICTED FUNDS		Balance 1 September 2022 £	Income £	Expenditure £	Gains and Transfers £	Balance 31 August 2023 £
	General fund		<u>£68,716,888</u>	<u>£43,964,324</u>	<u>£40,784,822</u>	<u>£(97,519)</u>	<u>£71,798,871</u>
			Balance 1 September 2021 £	Income £	Expenditure £	Gains and Transfers £	Balance 31 August 2022 £
	General fund		<u>£65,731,954</u>	<u>£41,173,735</u>	<u>£(37,790,624)</u>	<u>£(398,177)</u>	<u>£68,716,888</u>

11. RESTRICTED FUNDS	Balance 1 September 2022 £	Net income and gains £	Transfers £	Balance 31 August 2023 £
John Nicholls Fund	5,251	-	-	5,251
Roger Brazier Fund	5,000	-	-	5,000
Tim Taylor Fund	10,000	-	-	10,000
	<u>£17,697</u>	<u>-</u>	<u>-</u>	<u>£17,697</u>
	Balance 1 September 2021 £	Net income and gains £	Transfers £	Balance 31 August 2022 £
John Nicholls Fund	5,251	-	-	5,251
Roger Brazier Fund	5,000	(2,554)	-	2,446
Tim Taylor Fund	-	10,000	-	10,000
	<u>£10,251</u>	<u>£7,446</u>	<u>-</u>	<u>£17,697</u>

The John Nicholls Fund represents a legacy received to support children undertaking expeditions or outdoor activities.

The Roger Brazier Fund represents a donation received to support the learning and development of pupils with dyslexia.

The Tim Taylor Fund represents a donation received to support the redevelopment of the Learning & Resources Centre.

12. ALLOCATION OF THE GROUP NET ASSETS

2023	Investments £	Fixed Assets £	Net Current Liabilities £	Long Term Liabilities £	Total £
Restricted Endowment	519,880		17,697 50,948		17,697 570,828
Unrestricted: - General	6,403,966	75,535,282	(4,697,456)	(5,442,921)	71,798,871
	<u>£6,923,846</u>	<u>£75,535,282</u>	<u>£(4,628,811)</u>	<u>£(5,442,921)</u>	<u>£72,387,396</u>
2022	Investments £	Fixed Assets £	Net Current Liabilities £	Long Term Liabilities £	Total £
Restricted Endowment	- 495,998	- -	17,697 -	- -	17,697 495,998
Unrestricted: - General	6,385,565	71,877,466	(3,382,075)	(6,164,068)	68,716,888
	<u>£6,881,563</u>	<u>£71,877,466</u>	<u>£(3,364,378)</u>	<u>£(6,164,068)</u>	<u>£69,230,583</u>

BROMSGROVE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2023

13. CAPITAL COMMITMENTS	2023 £	2022 £
Authorised but not contracted	£nil	£nil
Contracted but not provided for	£3,564,666	£307,050
14. FINANCIAL COMMITMENTS	2023 £	2022 £
Operating leases for equipment that are subject to future minimum lease commitments are as follows:		
Within one year	10,713	10,713
In the second to fifth years	5,543	16,256
Total	£16,256	£26,969
Commitments under finance leases are as follows:		
Payable within one year	27,651	5,979
Payable in the second to fifth years	9,528	-
Total	£37,179	£5,979

15. SUBSIDIARY CHARITY

Bromsgrove School is the sole member of the Bromsgrove Foundation. The Bromsgrove Foundation has been consolidated into these accounts.

The Bromsgrove Foundation is a company limited by guarantee and a registered charity. It was incorporated on 6 February 2007 and has a year end of 31 August. A summary of the Statement of Financial Activities and Balance Sheet are given below:

Statement of Financial Activities for the year ended 31 August:	2023 £	2022 £
Income		
Investment income	40,859	37,933
Donations and legacies	237,839	149,873
	278,698	187,806
Expenditure	(152,967)	(128,851)
Realised and unrealised investment gains/(losses)	(35,846)	(111,430)
	89,885	(52,475)
Total funds brought forward	1,810,480	1,862,955
Total funds carried forward	£1,900,365	£1,810,480
Balance Sheet as at 31 August:		
Investments	1,843,328	1,729,174
Debtors	3,105	5,683
Cash	94,331	115,962
Creditors	(40,398)	(40,339)
Accumulated Funds	£1,900,366	£1,810,480

