

# CHANNING HOUSE INCORPORATED, HIGHGATE

England & Wales · Charity number 312766

## Details

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**Other names** CHANNING SCHOOL

**Status** Registered

**Legal form** Charitable company

**Company number** [00063121](#)

**Registered** 1964-10-15

**Register** [View on the Charity Commission register](#)

## Contact

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**Address** Channing School  
Highgate Hill  
London  
N6 5HF

**Phone** 02083402719

**Email** [info@channing.co.uk](mailto:info@channing.co.uk)

**Website** [www.channing.co.uk](http://www.channing.co.uk)

## Activities

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**Objects:** THE OBJECT FOR WHICH THE ASSOCIATION IS ESTABLISHED IS THE ADVANCEMENT OF EDUCATION

**Activities:** The education of girls aged 4 to 18 years

## Classification

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- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

## Geography

- Camden
- Haringey

## Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£27,643,500	£22,711,800	£38,771,200	183
2024-08-31	£26,276,600	£22,247,600	£33,842,900	186
2023-08-31	£23,229,300	£19,686,100	£29,789,700	188
2022-08-31	£21,588,200	£18,271,900	£26,250,300	211
2021-08-31	£20,383,700	£16,732,400	£22,945,200	202
2020-08-31	£18,741,900	£15,371,800	£19,245,700	200

## Trustees

Name	Role	Appointed
<b>Leanne Leigh</b>	Chair	2022-11-17
Anna Rentoul		2023-05-25
Caroline Hulme-McKibbin		2022-03-17
Dominic Oliver		2022-03-17
Dr Amanda Sutton		2014-03-25
JOHN ALEXANDER		2013-05-14
Jeremy Gewirtz		2024-11-28
Kees Van Der Sande		2022-03-17
Lisa Cristie		2017-12-17
Massimo Marinelli		2024-11-28
Punam Peck		2020-09-01
Rahim Hirji		2022-03-17
Rebekah Iyambo		2025-09-10
Rev Katharine Dean		2025-09-10
Stuart Prior		2022-06-07

## Linked charities

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- ELEANOR FRANCES FRANCIS SCHOLARSHIP (312766-1)
- LILIAN TALBOT SCHOLARSHIP (312766-10)
- DURNING-LAWRENCE LEAVING SCHOLARSHIP (312766-11)
- ROSSLYN HILL SCHOLARSHIP (312766-12)
- MATILDA SHARPE CENTENARY SCHOLARSHIP (312766-13)
- LUCAS SCHOLARSHIP (312766-14)
- CHANNING PRESENTATION FUND (312766-15)
- FRANCES POWER COBBE MEMORIAL TRUST (312766-16)
- DORA HIGGINSON SCHOLARSHIP FUND (312766-17)
- SPEAR'S SCHOLARSHIP (312766-18)
- MARY BOYLE PRIZE FUND (312766-19)
- COUSENS ESSAY PRIZE (312766-2)
- MRS SYDNEY MARTINEAU SCHOLARSHIP FUND (312766-20)
- WILLIAM ARTHUR SHARPE FUND (312766-3)
- MRS RUSSELL JAMES (312766-4)
- MARY MC NAULTY PRIZE FUND (312766-5)
- SONNEBORN SINGING PRIZE FUND (312766-6)
- ALICE LUCUS RUSKIN ESSAY PRIZE (312766-7)
- MRS E A HARWOODS SCHOLARSHIP (312766-8)
- HUNGARIAN SCHOLARSHIP (312766-9)

**CHANNING HOUSE INCORPORATED, HIGHGATE**

England & Wales - Charity number 312766

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# Accounts

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Channing House Incorporated, Highgate  
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

For the year ended  
31 August 2025

Company No: 00063121

Registered Charity No. 312766

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISORS

To be presented at the Annual General Meeting of the company to be held at Channing School, The Bank, Highgate Hill, London N6 5HF on 19 March 2026.

### GOVERNORS

The Board of Governors may appoint any member of the Association as a Governor, either to fill a casual vacancy or by way of addition to the board. All Governors are required to confirm that they will support the Unitarian traditions of the School. Except as otherwise indicated the following were Governors during the year and to the date of signing this report:

Mrs L Leigh*	FCA, BA (Manchester) (Chair)	
Mr JAG Alexander *	FCA, BA and MA (London)	
Rev D Costley	BA (Open University)	(Retired 2 July 2025)
Mrs L Cristie *	BA (Bristol)	
Rev K Dean	BA (Leicester)	(Appointed 10 September 2025)
Mr J Gewirtz*	MA (Oxon)	
Mr R Hirji	MBA (Manchester)	
Mrs C Hulme-McKibbin	B.Ed (Cantab)	
Ms R Iiyambo	OBE MA	(Appointed 10 September 2025)
Mr M Marinelli*	BSc (London School of Economics)	
Mr D Oliver	M Phil (Oxford)	
Mrs P Peck	MBA (Oxon)	
Mr S Prior	BSc (Reading)	
Ms B Rentoul	MA (Yale)	(Retired 10 December 2024)
Ms A Rentoul	BA (Oxford)	
Dr A Sutton	MB ChB	
Mr K Van der Sande	MA Dip Arch RIBA	
Ms D Stone	BA (Durham)	(Resigned 2 June 2025)

\* Members of the Finance and General Purposes Committee

### MEMBERS OF ASSOCIATION

The Members of the Association, except as otherwise indicated, throughout the year were, in addition to the Governors listed above:

Mr SD Barber	BSc (Econ) FCA
Professor HG Beale	MA (Oxon)
Mrs D Bond	BA (Cantab)
Mr S M D Brown	BA (Dunelm)
Ms CEA Budgett-Meakin	BA (Kent)
Mr JM Burns	MA (Oxon)
Baroness J Coussins	MA (Cantab)
Baroness C Cox	MSc (Econ) PhD
Dr J Dacre	BSc
Miss JAM Davidson	BSc (London)
Dr AP Hogg	MA (Oxon) PhD (London)
Mrs J Otterburn Hall	BA (Bristol)
Mrs D Patman	FRICS ACI Arb
Mrs C Richards	BSc.Arch (London)
Miss M Rudland	BSc
Mrs VA Schilling	MCSP
Mr M Steiner	MA (Oxon)
Dr T Stone	MA (Cantab) PhD
Dr DJ Williams	MB BCh
Dr DL Wykes	BSc PhD

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISORS

### OFFICERS

The Headmistress Mrs L D J Hughes BA (Warwick)

The Bursar Mr R K J Hill OBE MA ACMA

Address Channing School  
Highgate Hill  
London  
N6 5HF

### BANKERS

Lloyds Bank plc  
Commercial Banking  
PO Box 1000  
BX1 1LT

### SOLICITORS

Dentons UKMEA LLP  
One Fleet Place  
London  
EC4M 7WS

Veale Wasbrough Vizards LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
S1 4QA

### AUDITOR

RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

### REGISTERED OFFICE

Channing School  
Highgate Hill  
Highgate  
London  
N6 5HF

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### REFERENCE AND ADMINISTRATIVE INFORMATION

The School was incorporated in England and Wales on 27 July 1899 and is a company limited by guarantee, its members being members of the Association, having a liability not exceeding £5 each. The School was established under a Memorandum of Association which established the objects and powers of the charitable School and is governed under its Articles of Association. The company is a registered charity with charity number 312766 and company number 00063121. The Governors of the School, who are also the charity Trustees and company Directors, and the School's principal officers and advisers are listed on pages 1 and 2. Whenever Governors are referred to in this report this subsumes their roles as both charity Trustees and company Directors of Channing House Incorporated, Highgate within the meaning of Company Law.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governors determine the general policy of the School. The day-to-day management of the School is delegated to the Headmistress and the Bursar. Governors determine the remuneration of key management personnel through a Remuneration Committee. In setting the remuneration of key personnel this committee takes note of national pay scales, individual performance and internal and external benchmarking as necessary.

There have been no transactions with the related parties of the School, with the exception of the key management personnel remuneration as disclosed in Note 4.

### RECRUITMENT AND TRAINING OF GOVERNORS

Governors are appointed as vacancies arise. In making appointments Governors take into account Charity Commission guidance and the skills that are required by the School. Potential candidates who possess the requisite personal and specialist skills are identified, including through the use of specialist recruitment agencies, discussed by Governors and invited to become a Governor as appropriate.

New Governors are provided with information about the School and appropriate training and induction is arranged. On appointment, Governors are briefed on their responsibilities as Directors, Trustees and Governors. They are also encouraged to attend training courses on the roles of Governors run by The Association of Governing Bodies of Independent Schools (AGBIS). Governors are also given regular presentations by Heads of Department and Key Management Personnel on specific curricular and pastoral developments.

### STATEMENT OF PROVISION OF INFORMATION TO AUDITORS

The Governors in office on the date of this report have confirmed, as far as they are aware, that there is no relevant audit information of which the charitable company's auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as Governors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

### PUBLIC BENEFIT

The Governors confirm that, to the best of their knowledge and belief, they have complied with the duty in the Charities (Accounts and Reports) Regulations 2008 in respect of having due regard to the public benefit guidance published by the Charity Commission.

The School provides public benefit in many ways. The School provides bursaries generally on entry to the School at Year 7 and Year 12. The School has a policy to make awards on the basis of ability to pay. Bursaries and concessions of £1,536,293, were given during the current year (2024: £1,211,726).

Additionally, the School has continued to develop its partnership programme throughout the year. At the centre of the school's partnership is its relationship with Highgate Newtown Community Partners (HNCP) where they work closely

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

with HNCP, Saint Aloysius College and Brookfield School to support other local schools under the umbrella of their Education Plus Programme. It is intended that St Joseph's School and La Sainte Union will also formally join this programme. The School is currently working closely with 9 schools in total and in excess of 100 pupils per week attend clubs provided by Channing. In addition, Channing hosted its fourth successful Summer Camp in July 2025 for students from partner primary schools. The School's partnership with HNCP extends into the community and throughout the year Channing has hosted monthly Community Teas as well as supporting lunch clubs in local venues. The School enjoys a strong and mutually supportive partnership with St Aloysius' College which as well as including a number of joint activities also extends to the sharing of resources and facilities. For example, St Aloysius and other partner schools are invited to attend workshops, training events and presentations from visiting speakers.

The School also makes available its facilities for use by the local community for sporting events and occasional conferences and meetings. The School is particularly supportive of girls' sport and provides its facilities for use by Middlesex County netball, two local netball clubs and the local cricket club. The School's playing fields have also been used throughout the year by The London Borough of Haringey to support local infrastructure projects. The School generally makes its facilities available to local community groups for free or for a nominal charge.

### OBJECTIVES AND ACTIVITIES

The School's principal purpose is to carry on a day school for girls. Pupils enjoy outstanding personal success at school and beyond, as a result of the School's balanced education. The School was inspected by the Independent Schools Inspectorate in June 2022 during which the quality of the School's academic and other achievements and the quality of the pupils' personal development were both considered excellent. In addition it was considered that the School was compliant with the standards in the schedule to the Education (Independent School Standards) Regulations 2014, and relevant requirements of the statutory framework for the Early Years Foundation stage and associated requirements.

The School's success is achieved by a combination in equal measure of academic excellence, pastoral care and breadth of extra and co-curricular activities. The School's Unitarian ethos encourages its pupils to be intellectually curious, open-minded and respectful. Details of the School's strategic objectives to achieve this are provided in the Strategic Report that follows.

### STRATEGIC REPORT

#### REVIEW OF ACHIEVEMENTS AND PERFORMANCE

During the year the School has continued to work towards achieving its published strategic objectives which support the School's mission. The objectives were introduced from September 2020 and cover the period 2020 to 2025. The School continued to make progress against these objectives. New Objectives will replace these from September 2025.

#### Strategic Objectives 2020 to 2025

- 1. The School's purpose is to provide an excellent and relevant education, free from undue pressure, that inspires pupils to achieve their full potential.** The School continued to deliver outstanding academic results in 2025, with 95.1% of A Level grades at A\*-B (2024: 89.3%) and 81.7% of GCSE grades at 9-7 (2024: 85.2%), including 64.3% at grades 9-8 (2024: 66%). These outcomes reflect a strong culture of fearless, effective study and a sustained focus on high-quality teaching and learning. A whole-school Reading for Pleasure initiative has been embedded to strengthen literacy and foster a lifelong love of reading. The extra-curricular programme at both the Senior and Junior School continues to expand, providing broad opportunities for pupils to develop their interests and confidence. "Teaching to the Top" practice is now firmly established in the Senior School, supported by a refreshed Teacher Toolkit. The Principles of Great Teaching, developed during 2023-24, are now in use across the Junior and Senior School and the practice "teaching to the top" is firmly established, supported by evidence-based pedagogy. Cross-school collaboration between the Senior and Junior School has improved across the School continues to strengthen, ensuring curriculum coherence and shared pedagogy. Data tracking and analysis has improved in the School, with regular pupil progress meetings enabling targeted interventions. Parental engagement through curriculum talks continues to expand, while Special Educational Needs and Disabilities (SEND) leadership, enhanced teaching assistant training, and increased awareness of neurodiversity ensure strong inclusive practice across the school.
- 2. To support personal development which puts wellbeing at the heart of our pastoral provision.** The

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

School continues to develop its provision for pastoral care, further developing the support which the School can provide to support pupil mental health. The use of Child Protection On-line Monitoring System (CPOMS) continues to enhance the ability of the school to provide well coordinated support to pupils whilst Tooled Up provides research based pastoral support for pupils and parents. The Channing Characters developed at the Junior School remain firmly embedded in the everyday school life of the Junior pupils. The Junior School has also introduced a 'Friendology' initiative as well as improving pastoral tracking at KS2 using STEER. The introduction of "Let's Leap" as a wraparound care provider has also been highly successful. Careers education and guidance, as well as preparation for University in the UK and overseas, remains an area of focus across the School and it has been pleasing to welcome a wide selection of eminent speakers throughout the year. The School also welcomes students from local schools to share in these opportunities. The School's sports programme has continued to develop during the year with increasing opportunities available to all pupils, including a growing number of competitive fixtures with other local schools especially in Football, Netball and Cricket.

3. **To embrace modern technology and use it as a means to enhance pupils' independence as learners to prepare them for the future.** The School continues to invest in and embrace new technology including Artificial Intelligence (AI), recognising the opportunities it provides to enhance independence and collaboration amongst students and enhanced efficiency in the wider operation of the School. The school continues to aspire to be a Google Reference School. The School also remains aware of the risks that technology can present to young people and continues to address this through educating pupils and by supporting parents, including offering digital safety information events. In addition to combat this the School has put in place the necessary policies and safeguards around the use of technology in School. These are being kept under regular review to ensure that the school meets the new standards for online monitoring and filtering in schools.
4. **To provide a secure, safe and healthy environment.** The School continues to put pupil safeguarding and the safety of its surroundings at the heart of its operation, ensuring that staff and pupils are aware of the strategies and procedures in place to minimise the risk to pupils. The new pastoral structure continues to prove highly effective with greater capacity to support the needs of pupils and further investment in this area has been made in advance of September 2025 including a new Head of Pupil Wellbeing role alongside additional Counselling support. Safeguarding provision continues to be kept under review to reflect developments in the School as well as legislative changes. The School also continues to develop its wellbeing strategies for both pupils and staff and is proud that its use of whole school pupil surveys helps inform pastoral provision.
5. **To develop further opportunities for Science, Technology, Engineering & Maths (STEM).** The development of STEM is recognised as an ongoing priority for the School and is reflected in the School making additional resources available to develop STEM provision within the School. The School is always seeking new ways to supplement the core STEM curriculum with extra curricular provision which now includes a wide range of clubs and activities including Robotics, Design and Technology and the CREST Awards. The school again enjoyed success in the Teen Tech competition. The School's commitment to STEM is best reflected in its commitment to developing new Science facilities at the School which will be available from September 2026. This will further help to secure the importance of STEM within the School's curriculum.
6. **To manage the School's resources effectively and to ensure that the School can continue to attract the brightest students.** As a result of exercising sound control over the School's finances, the School has been able to continue to invest in improving facilities both at the Senior and Junior School.
7. **To recognise and promote our social responsibility.** The School is aware of its social responsibility to both the local and wider communities. As mentioned in the Public Benefit section above, the School continues to develop links with the local community including Highgate Newtown Community Partners and a number of local schools including Brookfield Primary School, St Aloysius' College, St Joseph's Primary School and La Sainte Union. The volume of partnership work continues to increase and plans are in place to continue to develop this part of our provision. The School produced its first Social Impact Report this year which identified the significant and growing benefit the School has provided across the local area. This objective also includes the School's wider commitment to sustainability. The pupils at both the Junior and Senior School are increasingly active at promoting sustainability initiatives in the School including Clean Air Days, meat free days and also striving to improve our recycling rates. The School declared a Climate Emergency last year and has put in place a comprehensive plan of student-led actions to raise awareness of sustainability across the school community. The School is now considering what further action the school can take to reduce its carbon footprint.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### Review of other achievements

The School continues to support a very large number of charitable and cultural activities. In particular it makes a significant contribution to the community through many local activities, including musical and sporting events, as well as participating in local sporting and community events. The Young Enterprise scheme with shared engagement from St Aloysius' College and the Duke of Edinburgh's Award programme continue to enjoy significant popularity. The Forest School learning programme has been further developed in the Junior School and forms a core part of the curriculum.

Additionally during the year the School raised funds for its chosen charities. These funds were either collected by the School and forwarded to the relevant charity or remitted directly to the relevant charity.

### FINANCIAL REVIEW

The Statement of Financial Activities on page 14 shows net income of £4,928,300 (2024: £4,053,200).

The result for the year and the year end financial position of the School is considered satisfactory and is consistent with the School's planned target.

During the year capital expenditure of £5,126,500 (2024: £476,000) was incurred.

The Balance Sheet on page 15 shows net current assets of £14,000,300 (2024: £16,638,400). The decrease in the School's net current asset position is attributable to the investment in capital expenditure coupled with a reduction in the funds held in respect of tuition fees paid in advance.

### DONATIONS

Income for the year includes £33,800 (2024: £8,200) of restricted Donations, £31,400 of which was attributable to restricted Scholarship and Prize funds, and £2,400 to the development of Sport, Sixth Form, Music and Performing Arts facilities, and redevelopment of the Junior School.

During the year the School has not undertaken any significant fundraising activities and no third party fundraisers have been engaged.

### FUTURE PLANS

The Governors have agreed to continue to develop the School in line with new strategic objectives launched in January 2025 to coincide with the School's 140<sup>th</sup> anniversary. These build on the vision of Girls Enjoying Success and will be in effect from September 2025. This includes continuing to invest in the school's estate to provide new state of the art Science and DT facilities which will become fully operational from September 2026.

### FUNDS HELD

Notes 10 and 11 to the financial statements sets out an analysis of the School's restricted and unrestricted funds of £548,100 (2024: £531,000) and £38,223,100 (2024: £33,311,900) respectively and their attributable assets and liabilities. These net assets are sufficient to meet the obligations on a fund by fund basis. The School's tangible assets are all held for use in the School.

It is the School's long term policy to build and maintain the School's free reserves, though the Governors recognise that achieving any material increase in free reserves will not be possible whilst the School has bank loans to repay and continues to develop its buildings and facilities for the benefit of current and future generations of pupils. With this in mind, rather than set a specific target for free reserves, when considering the School's available reserves, Governors take into account the long term bank facilities/loans in place but undrawn at the year end, creditors falling due in more than one year and any contracted and authorised capital commitments. Creditors falling due in more than one year

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

comprise the funds held in respect of final term deposits and advance fees, and long term bank loans drawn down. Capital commitments comprise costs authorised by Governors in respect of development projects in progress which are unspent at the year end.

Taking account of the above definition of the School's free reserves, the free reserves at the year end comprise the sum of the School's confirmed bank loan facilities undrawn plus net current assets less unspent development project expenditure. On this basis at the year end the School's free reserves were around £7,400,000 (2024: £7,900,000).

Substantial sums have been invested into the School over recent years and Governors have authorised a continuing programme of refurbishment, development and investment in order to maintain and enhance the facilities for pupils. Whilst this programme is continuing and the long term bank loans are being repaid, the School is unlikely to be in a position to build up free reserves on a long term basis.

The Governors consider that, given the strength of the School's balance sheet, forecast net income for the year to 31 August 2026 and the market value of the School's property, which is not currently reflected in the reserves, the School's level of reserves at the year end are satisfactory. This assessment reflects the intention of the Governors to continue to develop the School estate and facilities and the nature of its creditors falling due in more than one year. Additionally, Governors ensure robust budgeting, cash flow monitoring and risk profiling are exercised to ensure the School can meet its ongoing educational needs and continue to invest in its estate and facilities. The Governors are satisfied that the School has sufficient available cash and borrowing facilities to meet its strategic objectives.

### **Restricted Funds**

#### **Scholarship, Prize and Bursary Funds**

This represents bequests and donations received by the School, which are subject to the specific wishes of the donor. These funds are matched by investments. Movement in the fund during the year comprised donations, investment income and interest. The investment income and interest is used to fund Scholarships and Bursaries for pupils attending the School.

#### **School Development Fund**

Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a new Performing Arts facility. The School is no longer actively promoting fundraising for The Capital Challenge, though donations continue to be received and credited to this fund. In addition, funds raised towards the Junior School redevelopment are also credited to this fund.

Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged.

The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment have been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.

#### **Channing Alumnae**

The Channing Alumnae Fund is a restricted fund of the School held for the purpose of promoting School alumnae. The fund is used to promote communication between the School and alumnae and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae Committee, and an appropriate balance maintained.

#### **Channing Association**

The Channing Association is a restricted fund of the School for the purpose of fostering support for the School from the wider Channing community including current and former parents and friends of the School. The Channing Association organises social events for both parents and pupils and also helps support a number of School events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year. The Channing Association fund is managed by the Channing Association Committees in the Junior and Senior School and an appropriate balance maintained.

#### **Unrestricted Funds**

The Governors intend to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

The School's funds continue to be reviewed annually by the Governors in the context of the School's needs and obligations and future plans.

### INVESTMENTS

The Governors have agreed that investments are held to create income to help fund the Scholarships and Bursaries awarded. Investments are held in a mixture of listed investments and cash deposits and are managed and benchmarked appropriately so as to maintain their contribution whilst preserving the real value of the investments. Governors have taken account of the ethical considerations of the investments held and adopted a low risk approach, such that the vast majority of the School's listed investments are held in recognised charity funds. During both the current and the previous year, no additional investments were received in respect of restricted funds. The market value of the School's investments has decreased by £3,400 during the year (2024: increased by £24,200).

### RISK MANAGEMENT

The School maintains a comprehensive risk register which is regularly reviewed and is presented to the Governors at every Board and Committee meeting. The Governors will continue to routinely consider both the major risks and other possible risks facing the School and the probability of the risks arising. They are assisted in this regard by the Headmistress, Bursar and other members of the School's Senior Leadership Team. General controls used by the Governors to identify and assess risks during the year include:

- Formal agenda items for Governors' Committee meetings
- Regular review of the School's Risk Register which is reviewed termly by the Governing Body
- Sub Committees to oversee key areas of School activity including education, estates, and finance. Ad hoc Committees are also established from time to time to review specific aspects of School activity including such areas as School strategy, the appointments of new Governors and the School's pension arrangements for staff.
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal authorisation and approval levels for financial transactions and approval of contracts
- Regular Health and Safety and Safeguarding reviews and inspections
- Maintaining appropriate insurance
- Regular Inspection by the Independent Schools Inspectorate

Through the above risk management processes, the Governors are satisfied that major risks are identified and as far as practicable adequately mitigated. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The main risks that the Governors have identified and the plans to manage those risks are:

**Reputational:** There is a risk to the reputation of the School brand which could have a material impact on current and future pupil numbers and on the ability of the School to attract and retain high-quality staff. To manage this risk, the School ensures that its recruitment, safeguarding, and Health & Safety policies place pupil safety and wellbeing at the centre of all operations, and that compliance with these policies is monitored on an ongoing basis by the Senior Leadership Team and the Governors. The School engages proactively with pupils and parents to identify and support SEND or English as an Additional Language (EAL) requirements. A comprehensive programme of staff training, continuous policy review, and a culture of openness and trust between pupils and staff are central to mitigating this risk. In addition, the Governors exercise oversight of these key areas.

**Political Risk:** The independent education sector does not currently enjoy strong political support, despite the efforts of the Independent Schools Council (ISC) and member Schools to demonstrate the financial and other benefits to the

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

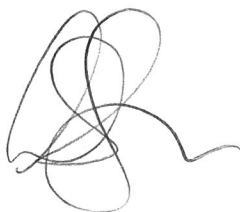
economy independent schools provide. These benefits include reducing the overall costs of educational provision to the Exchequer, local employment of staff and the generation of overseas earnings. The sector also provides significant amounts of Public Benefit in the form of bursaries and also where independent schools work alongside and partner with maintained schools and other local organisations. VAT on School Fees was introduced on 1 January 2025 as well as the removal of Charitable Business Rates Relief for Independent Schools with effect from 1 April 2025. In order to mitigate this risk and identify the potential financial impact, the School undertook risk modelling and introduced measures to reduce its cost base. The school did not pass on the full costs of the VAT to fee payers and these measures will not fully offset the impact of this cost. In making decisions about fee levels, Governors consider the financial viability of the School and its ability to meet current legal and financial commitments and are cognisant of parental affordability. In order to mitigate against the current lack of political support, the School will continue to work with the ISC, ISBA GSA, IAPS and HMC to articulate clearly the benefit the School provides to its students and the local community. There is a concern that the impact of adding VAT to school fees will continue to affect pupil numbers across the independent sector in future years.

**Digital Risks:** Increasing reliance on digital technology across all areas of the School brings a risk that insufficient investment in system integrity, security, resilience, or training could expose the School to cyber-attack or operational disruption. Such an event could severely impact the School's ability to educate pupils and to support its wider activities. The School continues to invest in and update its information systems to enhance resilience and meet evolving needs. Regular training is provided to staff, pupils, and Governors to ensure the safe and effective use of technology. The School's new Digital Strategy, currently being implemented, aligns with its longer-term strategic objectives and aims to ensure that all members of the community have the skills to make full, safe, and effective use of the School's digital provision. The strategy will also consider how the school can develop Artificial Intelligence within the School in support of Education and also the wider activities of the school

**Financial Risk:** Financial stability remains a key priority for the School. This is achieved by ensuring the School is able to generate sufficient cash flow to maintain a safe, secure, and engaging educational environment whilst also meeting loan obligations, and continuing to invest in facilities and the estate. This risk is managed through long-term financial planning, with clear and challenging targets that reflect both operational realities and the wider context in which the School operates.

Governors with significant financial and business experience provide oversight through the Finance Committee, which reviews the School's finances at least termly and seeks external advice as required. Financial modelling is used to assess the impact of identified risks, considering measures such as cost savings, staffing adjustments, or the deferral of planned investment.

The Governors' Report and the Strategic Report incorporated within it were approved by the board of Governors (in their role as Directors) and signed on its behalf by



**L Leigh**  
Chair of Governors  
27 November 2025



**R N J Hill**  
Bursar and Company Secretary  
27 November 2025

# Channing House Incorporated, Highgate

## GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Governors 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 charitable company 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 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; and
- 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 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.

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

### **Opinion**

We have audited the financial statements of Channing House Incorporated, Highgate (the 'charitable company') for the year ended 31 August 2025 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2025 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable company 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 other information comprises the information included in the Governors' Report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 Directors' Report and the Strategic 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

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- The Directors' Report and the Strategic 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 Directors' Report or the Strategic Report included within the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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**

As explained more fully in the Statement of Governors' responsibilities set out on page 10, the Governors (who are also the Directors of the charitable company for the purposes of company 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 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 Trustees 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Governors' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

4 December 2025

# Channing House Incorporated, Highgate

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2025

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2025 £'000	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000
<b>INCOME FROM:</b>							
<b>Donations</b>		3.2	33.8	<b>37.0</b>	6.3	8.2	14.5
<b>Charitable Activities:</b>							
School Fees receivable	1	24,820.5	-	<b>24,820.5</b>	24,397.7	-	24,397.7
Other income	2	1,657.8	75.7	<b>1,733.5</b>	898.9	96.5	995.4
<b>Investments</b>							
Investment income		-	9.3	<b>9.3</b>	-	8.8	8.8
Bank interest		1,036.9	6.3	<b>1,043.2</b>	854.1	6.1	860.2
<b>Total Income</b>		<b>27,518.4</b>	<b>125.1</b>	<b>27,643.5</b>	<b>26,157.0</b>	<b>119.6</b>	<b>26,276.6</b>
<b>EXPENDITURE ON:</b>							
<b>Raising funds:</b>							
Bank loan interest		105.4	-	<b>105.4</b>	123.6	-	123.6
		105.4	-	<b>105.4</b>	123.6	-	123.6
<b>Charitable activities:</b>							
School operating costs		22,504.2	102.2	<b>22,606.4</b>	22,028.6	95.4	22,124.0
<b>Total Expenditure</b>	3	<b>22,609.6</b>	<b>102.2</b>	<b>22,711.8</b>	<b>22,152.2</b>	<b>95.4</b>	<b>22,247.6</b>
(Loss)/Gain on revaluation of investments - unrealised	6	-	(3.4)	<b>(3.4)</b>	-	24.2	24.2
<b>Net Income before transfers</b>		<b>4,908.8</b>	<b>19.5</b>	<b>4,928.3</b>	<b>4,004.8</b>	<b>48.4</b>	<b>4,053.2</b>
Transfers between funds	10	2.4	(2.4)	-	2.0	(2.0)	-
<b>Net movement in funds</b>		<b>4,911.2</b>	<b>17.1</b>	<b>4,928.3</b>	<b>4,006.8</b>	<b>46.4</b>	<b>4,053.2</b>
Balances brought forward at 1 September		33,311.9	531.0	<b>33,842.9</b>	29,305.1	484.6	29,789.7
<b>Balances carried forward at 31 August</b>	11	<b>38,223.1</b>	<b>548.1</b>	<b>38,771.2</b>	<b>33,311.9</b>	<b>531.0</b>	<b>33,842.9</b>

# Channing House Incorporated, Highgate


Company No: 00063121

## BALANCE SHEET

As at 31 August 2025

	<i>Notes</i>	<b>2025</b> <b>£'000</b>	<b>2024</b> <b>£'000</b>
<b>FIXED ASSETS:</b>			
Tangible assets	5	<b>33,687.1</b>	29,345.9
Investments	6	<b>548.1</b>	531.0
		<hr/>	<hr/>
		<b>34,235.2</b>	29,876.9
		<hr/>	<hr/>
<b>CURRENT ASSETS:</b>			
Debtors	7	<b>1,466.6</b>	1,015.2
Bank term deposits		<b>13,700.0</b>	16,500.0
Cash at bank and in hand		<b>9,118.8</b>	9,478.9
		<hr/>	<hr/>
		<b>24,285.4</b>	26,994.1
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year	8	<b>(10,285.1)</b>	(10,355.7)
		<hr/>	<hr/>
NET CURRENT ASSETS		<b>14,000.3</b>	16,638.4
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<b>48,235.5</b>	46,515.3
		<hr/>	<hr/>
CREDITORS: Amounts falling due after more than one year	9	<b>(9,464.3)</b>	(12,672.4)
		<hr/>	<hr/>
TOTAL NET ASSETS		<b>38,771.2</b>	33,842.9
		<hr/>	<hr/>
<b>REPRESENTED BY:</b>			
RESTRICTED FUNDS	10	<b>548.1</b>	531.0
UNRESTRICTED FUNDS			
Retained Income		<b>38,223.1</b>	33,311.9
		<hr/>	<hr/>
TOTAL FUNDS		<b>38,771.2</b>	33,842.9
		<hr/>	<hr/>

These financial statements were approved by the Board of Governors and authorised for issue on 27 November 2025 and signed on its behalf by:

  
.....  
L Leigh (Chair)

Channing House Incorporated, Highgate  
BALANCE SHEET

L Leigh (Chair)

# Channing House Incorporated, Highgate

## STATEMENT OF CASH FLOWS

For the year ended 31 August 2025

	Notes	2025 £'000	2024 £'000
Net cash from operating activities	(A)	1,422.0	11,281.4
Cash flows from investing activities	(B)	(4,199.9)	247.2
		<u>(2,777.9)</u>	<u>11,528.6</u>
Cash flows from financing activities	(C)	<u>(382.2)</u>	<u>(488.2)</u>
<b>Increase in cash and cash equivalents in the year</b>		<b>(3,160.1)</b>	<b>11,040.4</b>
Cash and cash equivalents at 1 September		25,978.9	14,938.5
		<u>22,818.8</u>	<u>25,978.9</u>
<b>Total cash and cash equivalents at 31 August</b>		<b>22,818.8</b>	<b>25,978.9</b>
<b>(A) - Net cash provided by operating activities</b>			
Net Incoming Resources (as per the statement of financial activities)		4,928.3	4,053.2
<u>Adjusted for:</u>			
Unrealised Loss/(Gain) on revaluation of investments		3.4	(24.2)
Depreciation (note 5)		785.3	895.4
Bank loan interest payable		105.4	123.6
Investment income receivable		(9.3)	(8.8)
Bank and term deposit interest receivable		(1,043.2)	(860.2)
(Increase) in debtors		(451.4)	(386.5)
(Decrease)/Increase in creditors		(2,896.5)	7,488.9
		<u>1,422.0</u>	<u>11,281.4</u>
<b>(B) – Cash flows from investing activities</b>			
Investment Income		9.3	8.8
Bank and term deposit interest received		1,043.2	860.2
Bank loan interest paid		(105.4)	(123.6)
Purchase of tangible assets		(5,126.5)	(476.0)
(Increase) in investment cash		<u>(20.5)</u>	<u>(22.2)</u>
		<u>(4,199.9)</u>	<u>247.2</u>
<b>(C) – Cash flows from financing activities</b>			
Repayments of bank loans		(382.2)	(488.2)
<b>(D) – Analysis of changes in net debt</b>			
	At 1 Sept 2024	Cash flows	At 31 Aug 2025
Bank term deposits	16,500.0	(2,800.0)	13,700.0
Cash at bank and in hand	<u>9,478.9</u>	<u>(360.1)</u>	<u>9,118.8</u>
<b>Total</b>	<u>25,978.9</u>	<u>(3,160.1)</u>	<u>22,818.8</u>
<b>Borrowings:</b>			
Debt due within one year (note 8)	(381.6)	(15.6)	(397.2)
Debt due after one year (note 9 (c))	<u>(2,481.2)</u>	<u>397.8</u>	<u>(2,083.4)</u>
	<u>(2,862.8)</u>	<u>382.2</u>	<u>(2,480.6)</u>
	<u>23,116.1</u>	<u>(2,777.9)</u>	<u>20,338.2</u>

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2025

### **BASIS OF FINANCIAL STATEMENTS**

The accounts of the School are prepared in accordance with the Companies Act 2006, and with the Charities Statement of Recommended Practice ('SORP (FRS102)' effective 1 January 2019) and Financial Reporting Standard 102. The accounts are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value. The School meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

### **GOING CONCERN**

The nature of the School's activities is such that fee income represents the majority of the School's income. Fee income is billed and received one term in advance. Forecasts are produced taking account of the timing and quantity of fee income, likely expenditure profile. These forecasts are provided to the Governors. On this basis no material uncertainties that may cast significant doubt about the ability of the School to continue as a going concern have been identified by the Governors. Therefore, the Governors have concluded to prepare the accounts on a going concern basis.

### **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the accounting policies, where the value of assets and liabilities are not readily apparent from other sources, accounting estimates and judgements are made based on historical experience and other factors, including future expectations, which are considered to be reasonable in the circumstances.

The estimates and underlying assumptions concerning the future are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Accounting estimates and assumptions, will, by definition, seldom equal the actual results.

### **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.

Voluntary income for the School's general purpose is accounted for as unrestricted and is credited to Retained Income.

Where the donor or an appeal has imposed restrictions, voluntary income is credited to the relevant restricted fund.

### **FEES RECEIVABLE AND SIMILAR INCOME**

Fees receivable comprise fees charged to pupils, net of Scholarships, Bursaries and allowances are net of Value Added Tax, and are accounted for in the year in which the service is provided.

Pupils joining the School are required to pay a deposit which is then applied against the pupil's final term's fee bill. Reasonable assumptions are made regarding the time pupils will remain with the School in assessing when the deposits held will be applied to offset the pupil's fees for their final term.

### **EXPENDITURE**

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned on the basis of the activities staff are involved in. Certain costs are netted off against related income when it is appropriate to do so.

The School became registered for Value Added Tax on 1 December 2024. All expenditure prior to this date is included in the expense category to which it relates inclusive of any Value Added Tax. Expenditure after this date is included exclusive of any recoverable Value Added Tax.

Following the School becoming registered for Value Added Tax, Value Added Tax incurred in respect of certain pre-registration capital and revenue expenditure has become recoverable in respect of the current year. This

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2025

retrospective Value Added Tax has been included within "Other Income" and is separately disclosed in note 2.

### **TANGIBLE FIXED ASSETS**

Land and buildings are carried in the balance sheet at original cost less accumulated depreciation as the Governors consider that it is not appropriate to incur the expense of obtaining valuations of such assets. The cost of new buildings is added to fixed assets although repairs, alterations and improvements that do not materially enhance the economic benefit of the buildings are expensed as incurred; such costs are often substantial. Costs incurred in arranging long term debt to fund material additions to the School's land and buildings are included in fixed asset additions. The insured value of the School's assets is shown in note 5.

Furniture and teaching equipment are expensed in the period of acquisition. Such items will generally cost less than £20,000 per individual item and will include computers, equipment, furniture and ancillary items.

### **DEPRECIATION**

Depreciation is calculated by reference to the cost of fixed assets using a straight line basis at rates considered appropriate having regard to the expected lives of the assets. Depreciation is not provided on freehold land.

The annual rates of depreciation in use are:

Freehold buildings (including landscaping)	1% - 5%
Buildings in the course of construction	Nil
Plant, Equipment, Fixtures and Fittings	10% - 33.3%
Motor Vehicles	25%

Governors have considered the impairment of those freehold buildings with an estimated useful life of over 50 years and are satisfied, having considered both realisable value and value in use, that the buildings have not been materially impaired.

### **INVESTMENTS**

Investments are initially recognised at cost. They are held as fixed assets to provide an investment return and are stated in the balance sheet at their open market value as at the balance sheet date. Any resulting unrealised gain or loss is taken to the fund to which it relates.

### **FUNDS**

The funds of the School are segregated between:

- (i) Restricted Funds
  - Scholarship, Prize and Bursary Funds  
The School receives some of its income primarily for the provision of Scholarships, Bursaries and Prizes. This income is credited directly to the relevant fund account. All expenditure in relation to this income is charged directly to the relevant fund account.
  - School Development Fund  
Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a New Performing Arts Facility. The School is no longer actively promoting fundraising for the Capital Challenge, though donations continue to be received and credited to this fund. In addition, funds raised towards the Junior School redevelopment are also credited to this fund. Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged. The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment have been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2025

- Channing Alumnae  
The Channing Alumnae Fund is a restricted fund of the School for the purpose of promoting School alumnae. The fund is used to promote communication between the School and alumnae and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae committee.
- Channing Association  
The Channing Association is a restricted fund of the School for the purpose of fostering support from the wider Channing community including current and former parents and friends of the School. The Channing Association organises social events for both parents and pupils and also helps support a number of School events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year.

### (ii) Unrestricted Funds

- Retained Income  
The School seeks to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

### **FINANCIAL INSTRUMENTS**

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. As such, financial instruments are initially recognised at transaction value and subsequently measured and held at amortised cost using the effective interest rate method.

Financial assets comprise cash at bank and in hand together with debtors less prepayments and are recognised when the School becomes contractually entitled to receive cash or other financial assets from a third party.

Financial liabilities comprise creditors falling due both within and after one year excluding deferred income and other tax and social security liabilities and are recognised when the School incurs a legal or constructive obligation to deliver cash or another financial asset to a third party.

All financial instruments are held for the sole purpose of managing the cash flow of the School on a day-to-day basis or arise from normal operating activities.

### **PENSION COSTS**

Retirement benefits for teachers who joined the School prior to November 2023 are provided by the Teachers' Pension Scheme (TPS) unless they have opted out. The TPS is a multi employer defined benefit pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Scheme. Accordingly, as required by FRS102, the School has accounted for its contributions to the Scheme as if it were a defined contribution scheme.

The School also operates defined contribution schemes for staff not in the TPS. Contributions to these schemes are charged to the Statement of Financial Activities in the year in which they are incurred.

### **OPERATING LEASES**

Rental payments on operating leases are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2025

### 1 CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

Fees receivable are stated net of Scholarships and Bursaries awarded and allowances given. Scholarships, Bursaries and allowances totalled £2,194,975 (2024: £2,053,374).

2 CHARITABLE ACTIVITIES - OTHER INCOME	2025 £'000	2024 £'000
Educational visits and other recoverable items	690.4	662.2
Registration fees and fees in lieu of notice	243.6	232.4
Pre-registration recoverable VAT	725.4	-
Other income	74.2	100.8
	<u>1,733.5</u>	<u>995.4</u>

3 TOTAL EXPENDITURE	Staff costs (note 4) £'000	Depreciation £'000	Other costs £'000	2025 Total £'000	2024 Total £'000
<b>Raising funds:</b>					
Bank Loan interest	-	-	105.4	105.4	123.6
<b>Total Cost of Raising Funds</b>	<u>-</u>	<u>-</u>	<u>105.4</u>	<u>105.4</u>	<u>123.6</u>
<b>Charitable activities:</b>					
School operating costs:					
Teaching	12,748.8	-	2,516.1	15,264.9	14,051.7
Welfare and Catering	793.6	-	491.5	1,285.1	1,301.7
Premises and occupancy	366.0	785.3	1,580.5	2,731.8	3,376.7
Property repair and maintenance	-	-	896.5	896.5	1,075.8
Administration and support	1,513.5	-	814.0	2,327.5	2,218.2
Governance	51.5	-	36.1	87.6	87.7
Grants, awards and prizes	-	-	13.0	13.0	12.2
<b>Total Charitable expenditure</b>	<u>15,473.4</u>	<u>785.3</u>	<u>6,347.7</u>	<u>22,606.4</u>	<u>22,124.0</u>
<b>TOTAL EXPENDITURE</b>	<u>15,473.4</u>	<u>785.3</u>	<u>6,453.1</u>	<u>22,711.8</u>	<u>22,247.6</u>
2024:	<u>14,056.6</u>	<u>895.4</u>	<u>7,295.6</u>		

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2025

3	TOTAL EXPENDITURE (Continued)	<b>2025</b>	2024
		<b>£'000</b>	£'000
	Charitable expenditure includes:		
	Operating lease rentals	<b>215.0</b>	106.7
	Auditor's remuneration:		
	For audit services - RSM UK Audit LLP (exclusive of VAT)	<b>34.5</b>	29.7
	For risk assurance service- RSM UK Risk Assurance Services LLP	-	5.4
	For VAT advice- RSM UK Tax and Advisory Services LLP	<b>5.5</b>	4.2

### 4 STAFF COSTS

The aggregate staff costs (note 3) were as follows:

Wages and salaries	<b>12,078.4</b>	10,985.4
Social security costs	<b>1,379.7</b>	1,139.8
Pension contributions	<b>2,015.3</b>	1,931.4
	<b>15,473.4</b>	14,056.6

Included in wages and salaries are termination payments totalling £256,260 (2024: £62,400).

The average monthly number of employees during the year was made up as follows:

	2025		2024	
	Full Time	Part Time	Full Time	Part Time
Teaching	<b>81</b>	<b>37</b>	84	39
Technical and support	<b>9</b>	<b>10</b>	8	8
Catering	<b>16</b>	<b>3</b>	16	3
Maintenance and caretaking	<b>6</b>	<b>0</b>	6	0
Administrative	<b>15</b>	<b>6</b>	15	7
	<b>127</b>	<b>56*</b>	129	57

\* Equivalent to approximately 29 (2024:30) number of full time employees. In addition to the above, the School also made payments to peripatetic music teachers 28 (2024:29).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2025

### 4 STAFF COSTS (continued)

The number of employees whose emoluments (excludes employer's pension contribution) exceeded £60,000 was:

	2025	2024
£60,001 – £70,000	37	34
£70,001 - £80,000	12	13
£80,001 - £90,000	5	3
£90,001 - £100,000	4	1
£100,001 - £110,000	3	2
£110,001 - £120,000	-	2
£120,001 - £130,000	2	-
£180,001- £190,000	-	1
£190,001 - £200,000	1	-
£210,001 - £220,000	1	1

Contributions of £960,225 (2024: £877,528) were made to the Teachers' Pension Scheme, which is a defined benefits scheme, for 49 (2024: 47) higher paid employees. Contributions of £111,253 (2024: £61,856 ) were also made to defined contribution schemes for 16 (2024: 10) higher paid employees.

Aggregate employee-benefits of key management personnel (including employer pension and national insurance contributions)	<b>£531,023</b>	£511,900
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5	TANGIBLE FIXED ASSETS	Freehold land and buildings	Buildings in the course of construction	Plant, Equipment, Fixtures and Fittings	Motor Vehicles	Total
		£'000	£'000	£'000	£'000	£'000
	<u>Cost:</u>					
	1 September 2024	34,154.4	476.0	2,576.0	120.6	<b>37,327.0</b>
	Additions	-	5,090.0	-	36.5	<b>5,126.5</b>
	31 August 2025	<u>34,154.4</u>	<u>5,566.0</u>	<u>2,576.0</u>	<u>157.1</u>	<b><u>42,453.5</u></b>
	<u>Depreciation:</u>					
	1 September 2024	5,383.4	-	2,505.2	92.5	<b>7,981.1</b>
	Charged in the year	731.3	-	32.0	22.1	<b>785.3</b>
	31 August 2025	<u>6,114.7</u>	<u>-</u>	<u>2,537.2</u>	<u>114.6</u>	<b><u>8,766.4</u></b>
	<u>Net book value:</u>					
	31 August 2025	<u>28,039.7</u>	<u>5,566.0</u>	<u>38.8</u>	<u>42.5</u>	<b><u>33,687.1</u></b>
	1 September 2024	<u>28,771.0</u>	<u>476.0</u>	<u>70.8</u>	<u>28.0</u>	<b><u>29,345.9</u></b>

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2025

### 5 TANGIBLE FIXED ASSETS (Continued)

Freehold land and buildings include an estimate by the Governors of the original cost of the land and buildings at £56,000 (2024: £56,000) of which £18,000 is estimated to be the original cost of the land. The School's buildings (excluding the value of freehold land) have been valued at £19,000,000 for insurance purposes. The Governors believe that the value of the School's land, comprising just under 3 hectares in North London, is very significantly in excess of its original cost.

### 6 INVESTMENTS

	2025 £'000	2024 £'000
Market value at 1 September		
Additions	531.0	484.6
Revaluation	20.5	22.2
	(3.4)	24.2
Market value at 31 August	<u>548.1</u>	<u>531.0</u>
Historical cost of Investments	<u>289.7</u>	<u>267.9</u>
Investments comprise the following:		
Listed on Stock Exchange	288.7	292.1
Cash deposits	259.4	238.9
	<u>548.1</u>	<u>531.0</u>
The School had investment holdings of greater than 5% of overall market value in the following:		
Charities Official Investment Fund	214.7	222.6
J.P. Morgan UK Strategic Equity Income Fund	40.7	37.3
M&G Equities Investment Fund for Charities	26.8	25.8
	<u>282.2</u>	<u>285.7</u>

### 7 DEBTORS

Fees receivable	122.6	4.7
Other debtors	436.1	24.8
Prepayments and accrued income	907.9	985.7
	<u>1,466.6</u>	<u>1,015.2</u>

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2025

8	CREDITORS: Amounts falling due within one year	<b>2025</b> <b>£'000</b>	2024 £'000
	Advanced Fees received 1 year in advance (see Note 9(a))	<b>5,190.8</b>	6,356.9
	Other Fees received in advance	<b>2,428.6</b>	1,611.7
	Bank Loans repayable within 1 year (see Note 9 (c))	<b>397.2</b>	381.6
	Tax including National Insurance Contributions and VAT	<b>529.6</b>	285.0
	Trade Creditors	<b>225.6</b>	621.2
	Other creditors	<b>252.4</b>	223.0
	Trips	<b>21.1</b>	170.8
	Accruals	<b>1,239.8</b>	705.5
		<b>10,285.1</b>	10,355.7
9	CREDITORS: Amounts falling due after more than one year		
	Advanced fees (see Note 9(a))	<b>4,271.5</b>	7,259.8
	Final term deposits (see Note 9(b))	<b>3,109.3</b>	2,931.4
	Bank loans (see Note 9(c))	<b>2,083.5</b>	2,481.2
		<b>9,464.3</b>	12,672.4
9 (a)	<b>Advanced fees</b>		
	Parents for many years have been offered the opportunity to pay for future years, tuition fees in advance. Some parents have taken advantage of this offer and have entered into an arrangement with the School to pay their tuition fees in advance. Assuming pupils will remain at the School the amounts paid in respect of future years' tuition fees will be applied to the future years' tuition fees as follows:		
	Fees due in 1 – 2 years	<b>3,305.8</b>	4,427.3
	Fees due in 2 – 5 years	<b>965.7</b>	2,832.5
		<b>4,271.5</b>	7,259.8
	Fees due within 1 year (see Note 8)	<b>5,190.8</b>	6,356.9
		<b>9,462.3</b>	13,616.7
	The movements during the year were as follows: -		
	Balance at 1 September	<b>13,616.7</b>	6,878.6
	Amounts received during the year	<b>2,202.5</b>	11,683.5
	Amounts utilised during the year	<b>(6,356.9)</b>	(4,945.4)
	Balance at 31 August	<b>9,462.3</b>	13,616.7

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2025

### 9 (b) Final Term Deposits

All new pupils are required to pay a deposit which is then applied against the pupil's final term's fee bill. Applying reasonable assumptions regarding the time pupils will remain with the School the deposits held will be applied to offset fees for their final term as follows: -

	2025 £'000	2024 £'000
Deposits due to be refunded in 1 – 2 years	541.2	533.0
Deposits due to be refunded in 2 – 5 years	800.9	760.7
Deposits due to be refunded in more than 5 years	1,767.2	1,637.7
	<hr/> 3,109.3	<hr/> 2,931.4

### 9 (c) Bank Loans

Bank Loans are repayable as follows as follows: -

Repayments within 1 – 2 years	413.5	397.2
Repayments within 2 – 5 years	1,202.9	1,292.0
Repayments in more than 5 years	467.0	792.0
	<hr/> 2,083.4	<hr/> 2,481.2
Repayments within 1 year (see Note 8)	397.2	381.6
	<hr/> 2,480.6	<hr/> 2,862.8

As at the 31 August 2025 the School has drawn down bank loan facilities totalling £7.5m to part fund the construction of the new Sports Hall and Sixth Form Centre, and the Performing Arts Building. These facilities are secured on the School's freehold land and buildings. Of the £7.5m loan facilities drawn down:

- £1m was converted to a fixed term loan repayable over 10 years commencing on 29 August 2014 at an interest rate fixed at 4.47% p.a. for the duration of the loan. This loan was fully repaid on 30 August 2024.
- £2m was converted to a fixed term loan repayable over 15 years commencing on 1 December 2015 at an interest rate fixed at 4.73% p.a. for the duration of the loan.
- £1.1m was converted to a fixed term loan repayable over 15 years commencing on 29 August 2015 at a variable interest rate of 2.0% p.a. above the Base Rate. This loan was subsequently, on 16 October 2016, converted to a fixed term loan repayable over 14 years at an interest rate fixed at 3.4% p.a. for the duration of the loan.
- £2.4m was drawn down on 20 December 2017 as a fixed term loan repayable over 15 years at an interest rate fixed at 3.64% p.a. for the duration of the loan.
- £1m was drawn down on 30 June 2020 as a fixed term loan repayable over 12 years and 7 months at a variable interest rate of 2% over Base Rate for the duration of the loan. This loan was repaid on 12 December 2022.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2025

10	RESTRICTED FUNDS	Balance 31 August 2024 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Loss on revaluation of investments £'000	Balance 31 August 2025 £'000
	Scholarship, Prize and Bursary Funds	448.9	47.0	(19.3)	-	(3.4)	473.2
	School Development Fund	-	2.4	-	(2.4)*	-	-
	Channing Alumnae	25.4	8.0	(6.6)	-	-	26.8
	Channing Association	56.7	67.7	(76.3)	-	-	48.1
		<u>531.0</u>	<u>125.1</u>	<u>(102.2)</u>	<u>(2.4)</u>	<u>(3.4)</u>	<u>548.1</u>

\* This transfer relates to donations received for the purpose of developing the Sports Hall, Sixth Form Centre, Music and Performing Arts facilities at the Senior School and the Junior School redevelopment. The restriction placed on the income received has been discharged in that expenditure has been incurred and capitalised within fixed assets. Consequently, the funds were transferred to unrestricted funds.

A description of each restricted fund and its use can be found on page 6.

11	FUNDS - ALLOCATION OF NET ASSETS	Tangible fixed assets £'000	Investments £'000	Net current Assets £'000	Creditors falling due after more than 1 year £'000	2025 Total £'000
	Restricted funds*	-	548.1	-	-	548.1
	Unrestricted funds	<u>33,687.1</u>	<u>-</u>	<u>14,000.3</u>	<u>(9,464.3)</u>	<u>38,223.1</u>
		<u>33,687.1</u>	<u>548.1</u>	<u>14,000.3</u>	<u>(9,464.3)</u>	<u>38,771.2</u>
	Restricted funds*	-	531.0	-	-	2024 Total 531.0
	Unrestricted funds	<u>29,345.9</u>	<u>-</u>	<u>16,638.4</u>	<u>(12,672.4)</u>	33,311.9
		<u>29,345.9</u>	<u>531.0</u>	<u>16,638.4</u>	<u>(12,672.4)</u>	<u>33,842.9</u>

\*Included in Restricted Funds are cumulative unrealised gains of £258,363 (2024: £261,823).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2025

### 12 SHARE CAPITAL

The company is limited by guarantee and has no share capital, members having a liability not exceeding £5 each.

### 13 PENSION COMMITMENTS

#### **a) Teachers**

Teachers who joined the School prior to November 2023 have the option to either join the School's defined contribution pension scheme or remain as members of the Teachers' Pension Scheme England and Wales (TPS). The TPS scheme was closed to teachers joining the School after 1 November 2023.

The TPS scheme is a multi-employer, statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

As the TPS is a multi-employer pension scheme, the School is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The School has set out within this note the scheme information available and the implications for the School in terms of the anticipated contribution rates.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation was carried out as at 31 March 2020 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published on 26 October 2023. The key results of the valuation are:

- Total scheme liabilities (the capital sum needed at 31 March 2020 to meet the stream of future cash flows) was £262 billion,
- Value of notional assets (the estimated future contributions together with the proceeds from the notional investments held) was £222.2 billion,
- Notional past service deficit of £39.8 billion (2016 £22 billion)
- Discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI). This change has had the greatest financial impact on the valuation.

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay (including a 0.08% employer administration charge) from April 2024 onwards. This compares to 23.68% previously.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2025

### 13 PENSION COMMITMENTS (continued)

During the year the employee contribution rate ranged between 7.4% and 11.7% depending on a member's salary.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

The pension charge includes employer contributions payable to the scheme, which amounted to £1,452,706 (2024: £1,540,110). As at 31 August 2025 there were outstanding contributions payable to the scheme of £170,701(2024: £171,644) included in other creditors. The contributions of the School represent a minor proportion of the payments into the scheme.

#### b) Staff not in the Teachers' Pension Scheme.

The School operates a defined contribution scheme for staff not in the Teachers' Pension Scheme. The assets of this scheme are held separately from those of the School in funds administered by an insurance company. The pension cost charge represents contributions payable in respect of this scheme and amount to £562,567 (2024: £391,282). £59,423 (2024: £50,540) included in other creditors was payable to the scheme at the year end.

### 14 COMMITMENTS

As at 31 August the School had the following capital commitments:

	<b>2025</b>	2024
	<b>£'000</b>	£'000
Contracted for	<b>4,575.0</b>	282.0
Authorised for	<b><u>2,000.0</u></b>	<u>8,400.0</u>
	<b><u>6,575.0</u></b>	<u>8,682.0</u>

### 15 OPERATING LEASE ARRANGEMENTS

As at 31 August the School had minimum lease payments under non-cancellable operating leases, in aggregate, as follows: -

	Buildings	Equipment	<b>2025</b>	2024
	£'000	£'000	<b>£'000</b>	£'000
Amounts payable:				
Within one year	133.8	22.8	<b>156.6</b>	161.5
Within 2-5 years	38.3	39.8	<b>78.1</b>	299.6
	<u>172.1</u>	<u>62.6</u>	<u><b>234.7</b></u>	<u>461.1</u>
2024:	<u>358.7</u>	<u>102.4</u>		

### 16 RELATED PARTY TRANSACTIONS

Two Governors each had a daughter at the School. Fees were charged at normal rates. There were no transactions with related parties during the year to 31 August 2025 or during the year to 31 August 2024.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2025

No member of the Association or Board of Governors received any remuneration or other benefits from the School. No (2024: five) Governors were reimbursed travelling and incidental expenses (2024: £1,520). The insurance premium paid by the School includes an element of indemnity cover for 'Directors' (Governors).

**CHANNING HOUSE INCORPORATED, HIGHGATE**

England & Wales - Charity number 312766

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# Accounts

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Channing House Incorporated, Highgate  
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

For the year ended  
31 August 2024

Company No: 00063121

Registered Charity No. 312766

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISORS

To be presented at the Annual General Meeting of the company to be held at Channing School, The Bank, Highgate Hill, London N6 5HF on 20 March 2025.

### GOVERNORS

The Board of Governors may appoint any member of the Association as a Governor, either to fill a casual vacancy or by way of addition to the board. All Governors are required to confirm that they will support the Unitarian traditions of the School. Except as otherwise indicated the following were Governors during the year and to the date of signing this report:

Mrs L Leigh*	FCA, BA (Hons)(Manchester) (Chair)	
Mr JAG Alexander *	FCA, BA and MA (London)	
Mrs C Chandler-Thompson*	BA (Exeter)	(Retired 31 August 2024)
Rev D Costley	BA (Open University)	
Mrs L Cristie *	BA (Bristol)	
Mr R Hirji	MBA (Manchester)	
Mrs C Hulme-McKibbin	B.Ed (Cantab)	
Mr D Oliver	M Phil (Oxford)	
Mrs P Peck	MBA (Oxon)	
Mr S Prior	BSc (Hons)(Reading)	
Ms B Rentoul *	MA (Yale)	
Ms A Rentoul	BA (Hons) Oxford	
Mr WJH Spears *	BA (SOAS), MBA	(Retired 14 March 2024)
Dr A Sutton	MB ChB	
Mr K Van der Sande	MA(Hons) Dip Arch RIBA	
Ms D Stone*	BA(Hons) Durham	

\* Members of the Finance and General Purposes Committee

### MEMBERS OF ASSOCIATION

The Members of the Association, except as otherwise indicated, throughout the year were, in addition to the Governors listed above:

Mr SD Barber	BSc (Econ) FCA
Professor HG Beale	MA (Oxon)
Mrs D Bond	BA (Cantab)
Mr S M D Brown	BA (Dunelm)
Ms CEA Budgett-Meakin	BA (Kent)
Mr JM Burns	MA (Oxon)
Baroness J Coussins	MA (Cantab)
Baroness C Cox	MSc (Econ) PhD
Dr J Dacre	BSc
Miss JAM Davidson	BSc (London)
Dr AP Hogg	MA (Oxon) PhD (London)
Mrs S Moloney	SRN RHV - Retired 20 May
Mrs J Otterburn Hall	BA (Bristol)
Mrs D Patman	FRICS ACI Arb
Mrs C Richards	BSc.Arch (London)
Miss M Rudland	BSc
Mrs VA Schilling	MCSP
Mr M Steiner	MA (Oxon)
Dr T Stone	MA (Cantab) PhD
Miss EM Tucker	MA (Cantab) - Deceased 18 May
Dr DJ Williams	MB BCh
Dr DL Wykes	BSc PhD

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISORS

### OFFICERS

The Headmistress Mrs L D J Hughes BA (Warwick)

The Bursar Mr R K J Hill OBE MA ACMA

Address Channing School  
Highgate Hill  
London  
N6 5HF

### BANKERS

Lloyds Bank plc  
Commercial Banking  
PO Box 1000  
BX1 1LT

### SOLICITORS

Dentons UKMEA LLP  
One Fleet Place  
London  
EC4M 7WS

Veale Wasbrough Vizards LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
S1 4QA

### AUDITOR

RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

### REGISTERED OFFICE

Channing School  
Highgate Hill  
Highgate  
London  
N6 5HF

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### REFERENCE AND ADMINISTRATIVE INFORMATION

The School was incorporated in England and Wales on 27 July 1899 and is a company limited by guarantee, its members being members of the Association, having a liability not exceeding £5 each. The School was established under a Memorandum of Association which established the objects and powers of the charitable School and is governed under its Articles of Association. The company is a registered charity with charity number 312766 and company number 00063121. The Governors of the School, who are also the charity trustees and company directors, and the School's principal officers and advisers are listed on pages 1 and 2. Whenever Governors are referred to in this report this subsumes their roles as both charity trustees and company directors of Channing House Incorporated, Highgate within the meaning of Company Law.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governors determine the general policy of the School. The day-to-day management of the School is delegated to the Headmistress and the Bursar. Governors determine the remuneration of key management personnel through a Remuneration Committee. In setting the remuneration of key personnel this committee takes note of national pay scales, individual performance and internal and external benchmarking as necessary.

There have been no transactions with the related parties of the School, with the exception of the key management personnel remuneration as disclosed in Note 4.

### RECRUITMENT AND TRAINING OF GOVERNORS

Governors are appointed as vacancies arise. In making appointments Governors take into account Charity Commission guidance and the skills that are required by the School. Potential candidates who possess the requisite personal and specialist skills are identified, including through the use of specialist recruitment agencies, discussed by Governors and invited to become a Governor as appropriate.

New Governors are provided with information about the School and appropriate training and induction is arranged. On appointment, Governors are briefed on their responsibilities as Directors, Trustees and Governors. They are also encouraged to attend training courses on the roles of Governors run by The Association of Governing Bodies of Independent Schools (AGBIS). Governors are also given regular presentations by Heads of Department and Key Management Personnel on specific curricular and pastoral developments.

### STATEMENT OF PROVISION OF INFORMATION TO AUDITORS

The Governors in office on the date of this report have confirmed, as far as they are aware, that there is no relevant audit information of which the charitable company's auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as Governors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

### PUBLIC BENEFIT

The Governors confirm that, to the best of their knowledge and belief, they have complied with the duty in the Charities (Accounts and Reports) Regulations 2008 in respect of having due regard to the public benefit guidance published by the Charity Commission.

The School provides public benefit in many ways. The School provides bursaries generally on entry to the School at Year 7 and Year 12. The School has a policy to make awards on the basis of ability to pay. Bursaries and concessions of £1,211,726, were given during the current year (2023: £1,177,960). The contribution is consistent with previous years.

Additionally, the School has continued to develop its partnership programme throughout the year. At the centre of the school's partnership is its relationship with Highgate Newtown Community Partners (HNCP) where they work closely with HNCP, Saint Aloysius College and Brookfield School to support other local schools under the umbrella of their Education Plus Programme. The Schools are currently working closely with 9 schools in total and in excess of 100 pupils per week attend clubs provided by Channing. In addition, Channing hosted its fourth successful Summer Camp in July for students from Partner Primary Schools. The School's partnership with HNCP also extends into the

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

community and throughout the year Channing has hosted monthly Community Teas as well as supporting lunch clubs in local venues. The School also enjoys a strong and mutually supportive partnership with St Aloysius College which as well as including a number of joint activities also extends to the sharing of resources and facilities. This also involves extending invitations to St Aloysius and other partner schools to attend workshops, training events and presentations from visiting speakers.

The School also makes available its facilities for use by the local community for sporting events and occasional conferences and meetings. The School is particularly supportive of girls' sport and provides its facilities for use both by Middlesex County, two local netball clubs and the local cricket club. The School's playing fields are also used by Hampstead Archery Club and the local community including use by The London Borough of Haringey to support local infrastructure projects. The School generally makes its facilities available to local community groups for free or for a nominal charge.

### OBJECTIVES AND ACTIVITIES

The School's principal purpose is to carry on a day School for girls. Pupils enjoy outstanding personal success at School and beyond, as a result of the School's balanced education. The School was inspected by the Independent Schools Inspectorate in June 2022 during which the quality of the School's academic and other achievements and the quality of the pupils personal development were both considered excellent. In addition it was considered that the School was compliant with the standards in the schedule to the Education (Independent School Standards) Regulations 2014, and relevant requirements of the statutory framework for the Early Years Foundation stage and associated requirements.

The School's success is achieved by a combination in equal measure of academic excellence, pastoral care and breadth of extra and co-curricular activities. The School's Unitarian ethos encourages its pupils to be intellectually curious, open-minded and respectful. Details of the School's strategic objectives to achieve this are provided in the Strategic Report that follows.

### STRATEGIC REPORT

#### REVIEW OF ACHIEVEMENTS AND PERFORMANCE

During the year the School has continued to work towards achieving its published strategic objectives which support the School's mission. The objectives were introduced from September 2020 and cover the period 2020 to 2025. The School continues to make progress against these objectives.

#### Strategic Objectives 2020 to 2025

- 1. To provide an excellent and relevant education, free from undue pressure, that inspires pupils to achieve their full potential.** The School continued to deliver excellent academic results in 2024. 89.3% (2023 83.1 %) of pupils gained A\*-B grades at A level and the percentage of all GCSE results graded 9/8/7 was 85.2% (2023: 85%) with 66% (2023: 64.6%) graded 9/8. The school has continued to build a culture of fearless effective study and has also undertaken a curriculum review at the Senior School, the first phase of which has been implemented. During the course of the year, a whole school reading initiative has also been introduced alongside the continued development of the Extra Curriculum offer at both the Senior and Junior schools to provide greater opportunities to all pupils.
- 2. To support personal development which puts wellbeing at the heart of our pastoral provision.** The School continues to develop its provision for pastoral care, further developing the support which the School can provide to support pupil Mental Health. The use of Child Protection On-line Monitoring System has significantly enhanced the ability of the school to provide better coordinated support to pupils whilst Tooled Up provides research based pastoral support for pupils and parents. The school introduced phone pouches during the year which has also helped the school better manage the use of mobile personal devices in school. The Channing Characters developed at the Junior School are firmly embedded in the everyday school life of the Junior pupils. Careers education and guidance as well as preparation for University in the UK and overseas remains an area of focus across the School and it has been pleased to welcome a wide selection of eminent speakers throughout the year. The School also welcomes students from local schools to share in these opportunities. The school's sports programme has continued to develop during the year with increasing number of opportunities available to all pupils including a growing number of competitive

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## GOVERNORS' REPORT

fixtures with other local schools.

3. **To embrace modern technology and use it as a means to enhance pupils' independence as learners to prepare them for the future.** The School continues to invest in and embrace new technology, recognising the opportunities it provides to enhance independence and collaboration amongst students and enhanced efficiency in the wider operation of the School. The school aspires to be a Google Reference School and many staff have actively committed to the Google Educator Programme. The School also remains aware of the risks that technology can present to young people and continues to address this through educating pupils and by supporting parents including offering digital safety information events. In addition to combat this the School has put in place the necessary policies and safeguards around the use of technology in School. These are being kept under regular review to ensure that the school meets the new standards for online Monitoring and Filtering in schools.
4. **To provide a secure, safe and healthy environment.** The School continues to put pupil safeguarding and the safety of its surroundings at the heart of the School's operation, ensuring that staff and pupils are aware of the strategies and procedures in place to minimise the risk to pupils. The new pastoral structure continues to prove highly effective with greater capacity to support the needs of pupils. Safeguarding provision continues to be kept under review to reflect developments in the School as well as legislative changes. The School also continues to develop its well-being strategies for both pupils and staff.
5. **To develop further opportunities for Science, Technology, Engineering & Maths (STEM).** The development of STEM is recognised as an ongoing priority for the School across all Key Stages and is reflected in the School making additional resources available to develop STEM provision within the School. The School recently reviewed its Science curriculum providing greater choice to students at GCSE. The School is always seeking new ways to supplement the core STEM curriculum with extra curricular provision which now includes a wide range of clubs and activities including Robotics, Design and Technology and the CREST Awards. The Senior School has appointed STEM Ambassadors in each form to help promote STEM across the student body. The school again enjoyed success as finalists in the Teen Tech competition
6. **To manage the School's resources effectively and to ensure that the School can continue to attract the brightest students.** As a result of exercising sound control over the School's finances, the School has been able to continue to invest in improving facilities both at the Senior and Junior School. The School recently commenced a development project to extend and upgrade Brunner House with a view to improving the provision of Science in the School.
7. **To recognise and promote our social responsibility.** The School is aware of its social responsibility to both the local and wider communities. The School continues to develop links with the local community including Highgate Newtown Community Partners and a number of local Schools including Brookfield Primary School, St Aloysius College and St Joseph's school. The volume of partnership work continues to increase and plans are in place to continue to develop this part of our provision. This objective also includes the School's wider commitment to sustainability. The pupils at both the Junior and Senior School are increasingly active at promoting sustainability initiatives in the School including Clean Air Days, meat free days and also striving to improve our recycling rates. The school declared a Climate Emergency during the year and has put in place a comprehensive plan of student-led actions to raise awareness of sustainability across the school community. The School was again awarded the Green Flag (with distinction) this year. The School completed work to identify its carbon footprint and is now considering what further action the school can now take to reduce its carbon footprint.

### Review of other achievements

The School continues to support a very large number of charitable and cultural activities. In particular it makes a significant contribution to the community through many local activities including musical and sporting events as well as participating in local sporting and community events. The Young Enterprise scheme and the Duke of Edinburgh Award programme continue to enjoy significant popularity and the Forest School learning programme has been further developed in the Junior School and forms a core part of the curriculum.

Additionally during the year the School raised funds for its chosen charities. These funds were either collected by the School and forwarded to the relevant charity or remitted directly to the relevant charity.

### FINANCIAL REVIEW

The Statement of Financial Activities on page 14 shows net income of £4,053,200 (2023: £3,539,400).

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## GOVERNORS' REPORT

The result for the year and the year end financial position of the School is considered satisfactory and is consistent with the School's planned target.

During the year capital expenditure of £476,000 (2023: £36,400) was incurred.

The Balance Sheet on page 15 shows net current assets of £16,638,400 (2023: £7,146,400). The significant increase in the School's net current asset position is attributable to the net income generated during the year and fees received in advance of academic year 2024/25.

### DONATIONS

Income for the year includes £8,200 (2023: £2,700) of restricted Donations, £6,250 of which was attributable to restricted Scholarship and Prize funds, and, £1,950 to the development of new Sport, Sixth Form, Music and Performing Arts facilities, and the Junior School redevelopment.

During the year the School has not undertaken any significant fundraising activities and no third party fundraisers have been engaged.

### FUTURE PLANS

The Governors have agreed to continue to develop the School in line with the strategic objectives above which all build on the overall aim that Channing pupils should enjoy success at School and beyond.

### FUNDS HELD

Notes 10 and 11 to the financial statements sets out an analysis of the School's restricted and unrestricted funds of £531,000 (2023: £484,600) and £33,311,900 (2023: £29,305,100) respectively and their attributable assets and liabilities. These net assets are sufficient to meet the obligations on a fund by fund basis. The School's tangible assets are all held for use in the School.

It is the School's long term policy to build and maintain the School's free reserves, though the Governors recognise that achieving any material increase in free reserves will not be possible whilst the School has bank loans to repay and continues to develop its buildings and facilities for the benefit of current and future generations of pupils. With this in mind, rather than set a specific target for free reserves, when considering the School's available reserves, Governors take into account the long term bank facilities/loans in place but undrawn at the year end, creditors falling due in more than one year and any contracted and authorised capital commitments. Creditors falling due in more than one year comprise the funds held in respect of final term deposits and advance fees, and long term bank loans drawn down. Capital commitments comprise costs authorised by Governors in respect of development projects in progress which are unspent at the year end.

Taking account of the above definition of the School's free reserves, the free reserves at the year end comprise the sum of the School's confirmed bank loan facilities undrawn plus net current assets less unspent development project expenditure. On this basis at the year end the School's free reserves were around £7,900,000 (2023: £7,100,000).

Substantial sums have been invested into the School over recent years and Governors have authorised a continuing programme of refurbishment, development and investment in order to maintain and enhance the facilities for pupils. Whilst this programme is continuing and the long term bank loans are being repaid, the School is unlikely to be in a position to build up free reserves on a long term basis.

The Governors consider that, given the strength of the School's balance sheet, forecast net income for the year to 31 August 2025 and the market value of the School's property, which is not currently reflected in the reserves, the School's level of reserves at the year end are satisfactory. This assessment reflects the intention of the governors to continue to develop the School estate and facilities and the nature of its creditors falling due in more than one year. Additionally, Governors ensure robust budgeting, cash flow monitoring and risk profiling are exercised to ensure the School can meet its ongoing educational needs and continue to invest in its estate and facilities. The Governors are satisfied that the School has sufficient available cash and borrowing facilities to meet its strategic objectives.

# Channing House Incorporated, Highgate GOVERNORS' REPORT

## Restricted Funds

### Scholarship, Prize and Bursary Funds

This represents bequests and donations received by the School, which are subject to the specific wishes of the donor. These funds are matched by investments. Movement in the fund during the year comprised donations, investment income and interest. The investment income and interest is used to fund Scholarships and Bursaries for pupils attending the School.

### School Development Fund

Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a new Performing Arts facility. The School is no longer actively promoting fundraising for The Capital Challenge, though donations continue to be received and credited to this fund. In addition, funds raised towards the Junior School redevelopment are also credited to this fund.

Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged.

The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment has been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.

### Channing Alumnae

The Channing Alumnae Fund is a restricted fund of the School held for the purpose of promoting School alumnae. The fund is used to promote communication between the School and alumnae and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae Committee, and an appropriate balance maintained.

### Channing Association

The Channing Association is a restricted fund of the School for the purpose of fostering support for the School from the wider Channing community including current and former parents and friends of the School. The Channing Association organises social events for both parents and pupils and also helps support a number of School events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year. The Channing Association fund is managed by the Channing Association committee and an appropriate balance maintained.

### Unrestricted Funds

The Governors intend to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

The School's funds continue to be reviewed annually by the Governors in the context of the School's needs and obligations and future plans.

## INVESTMENTS

The Governors have agreed that investments are held to create income to help fund the Scholarships and Bursaries awarded. Investments are held in a mixture of listed investments and cash deposits and are managed and benchmarked appropriately so as to maintain their contribution whilst preserving the real value of the investments. Governors have taken account of the ethical considerations of the investments held and adopted a low risk approach, such that the vast majority of the School's listed investments are held in recognised charity funds. During both the current and the previous year, no additional investments were received in respect of restricted funds. The market value of the School's investments have increased by £24,200 during the year (2023: decreased by £3,800).

## RISK MANAGEMENT

The School maintains a comprehensive risk register which is regularly reviewed and is presented to the Governors at every meeting. The Governors will continue to routinely consider both the major risks and other possible risks facing the School and the probability of the risks arising. They are assisted in this regard by the Headmistress, Bursar and

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other members of the School's Senior Leadership Team. General controls used by the Governors to identify and assess risks during the year include:

- Formal agenda items for Governors' Committee meetings
- Regular review of the School's Risk Register which is reviewed termly by the Governing Body
- Sub Committees to oversee key areas of School activity including education, estates, and finance. Ad hoc Committees are also established from time to time to review specific aspects of School activity including such areas as School strategy, the appointments of new governors and the School's pension arrangements for staff.
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal authorisation and approval levels for financial transactions and approval of contracts
- Regular Health and Safety and Safeguarding reviews and inspections
- Maintaining appropriate insurance
- Regular Inspection by the Independent Schools Inspectorate

Through the above risk management processes, the Governors are satisfied that major risks are identified and as far as practicable adequately mitigated. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The main risks that the Governors have identified and the plans to manage those risks are:

### **Reputational**

A risk to the reputation of the School brand such that there is a material impact on current and future pupil numbers and the ability of the School to attract high quality staff. In order to manage this risk, the School ensures that its policies for recruitment, safeguarding and Health and Safety put pupil safety and wellbeing at the heart of the School and that compliance with these policies is checked on an ongoing basis by the Leadership Team and the Governors. The school also ensures that it engages with pupils and parents to ensure that any Special Educational Needs (SEN) and English as an Additional Language (EAL) needs are identified and that appropriate support is put in place. A comprehensive training programme for staff, ongoing monitoring and management of policies and a culture of openness and trust between pupils and staff are also intended to safeguard against this risk. In addition the School ensures that the Governors exercise oversight over all of these important issues

### **Political Risk**

The independent education sector does not currently enjoy strong political support, despite the efforts of the Independent Schools Council (ISC) and member Schools to demonstrate the financial and other benefits to the economy independent schools provide. These benefits include reducing the overall costs of educational provision to the Exchequer, local employment of staff and the generation of overseas earnings. The sector also provides significant amounts of Public Benefit in the form of bursaries and also where independent schools work alongside and partner with maintained schools and other local organisations. On 29 July 2024, The Labour Government announced its intention to add 20% VAT on School Fees and other charges from 1 January 2025 as well as to remove Charitable Business Rate Relief for Independent Schools from 1 April 2025. In the Budget on 30 October 2024 the Government confirmed these intentions. In order to mitigate this risk and identify the potential financial impact such measures would have, the School continues to undertake its own internal risk modelling. The School recognises that there are some limited measures it can undertake to reduce its cost base, or increase its income to mitigate against the risk of increased taxation. The scope for such measures will not fully offset the impact of some of the measures being proposed if the School felt unable to pass on the costs to fee payers due to the potential impact on pupil numbers. In these scenarios the financial viability of the School and its ability to meet current legal and financial commitments would need careful consideration and if necessary appropriate action taken. In order to mitigate against the current lack

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## GOVERNORS' REPORT

of political support, the School will continue to work with the ISC, ISBA GSA, IAPS and HMC to articulate clearly the benefit the School provides to its students and the local community and to seek clarity on the practical implications of implementing VAT on school fees. There is a significant concern that Channing along with other schools will not have sufficient time to prepare for the implementation of VAT by December 2024 when fee bills for January are raised.

### Digital risks

There is a risk that with an increasing reliance on digital technology in all areas of the School, insufficient investment in system integrity, system security and resilience, training or human error makes the School increasingly susceptible to a cyber attack. The School considers that such a risk might result in the School operations being severely impacted which in turn would jeopardise the School's ability to effectively educate pupils and to support the wider activities of the School. The School manages this risk by continuing to update and invest in the School's information systems to ensure that they meet the School's needs and to provide enhanced resilience. The School also continues to educate staff, pupils and Governors how to use digital technology safely and effectively.

The School is also aware that it must continue to ensure that its digital provision is kept up to date such that the School can maintain its excellent provision of teaching and learning and to further improve the School's efficiency. The School is currently implementing its new Digital Strategy to ensure that its digital provision is consistent with the School's longer term strategic objectives. The first step in this process is to ensure that staff, pupils, parents and Governors are all given the right skills to optimise their use of the School's digital provision in a safe and effective manner.

### Financial Risk

In addition to these risks, the School must also ensure that the School remains financially viable. Financial stability is a key priority for the School. In particular the School must generate sufficient cash flow to provide adequate resources to ensure a safe, secure and engaging educational environment, to meet loan obligations and to continue investing in the School's facilities and estate. This risk is managed by ensuring sound long term planning with clear and challenging financial targets which not only consider the operation of the School, but also the wider context in which the School operates. Governors with significant financial and business experience provide oversight of the School's finances alongside the Finance Committee which reviews the detailed finances of the School at least termly drawing on external advice as required. The School continues to be vigilant in assessing the impact of identified risks on the School's finances. This has included modelling various scenarios as part of the School's financial planning. In particular, measures that the School keeps under consideration in order to mitigate this risk include changes to the School's provision and the associated cost implications, cost savings, adjustments to staffing and deferring or cancelling planned programmes of both revenue and capital investment. During the year, the school undertook a pension consultation with teaching staff. This has resulted in the school continuing to offer membership of the Teachers Pension Scheme (TPS) to existing staff. Newly appointed teaching staff are no longer enrolled in the TPS but instead are offered membership of the Aviva Pension Trust for Independent Schools (APTIS).

The Governors' Report and the Strategic Report incorporated within it were approved by the board of Governors (in their role as directors) and signed on its behalf by



L Leigh  
Chair of Governors  
21 November 2024



R K J Hill  
Bursar and Company Secretary  
21 November 2024

# Channing House Incorporated, Highgate

## GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Governors 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 charitable company 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 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; and
- 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 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.

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

### **Opinion**

We have audited the financial statements of Channing House Incorporated, Highgate (the 'charitable company') for the year ended 31 August 2024 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2024 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable company 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 other information comprises the information included in the Governors' Report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 Directors' Report and the Strategic 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

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- The Directors' Report and the Strategic 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 Directors' Report or the Strategic Report included within the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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**

As explained more fully in the Statement of Governors' responsibilities set out on page 10, the Governors (who are also the directors of the charitable company for the purposes of company 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 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 trustees 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;

# Channing House Incorporated, Hightate INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessments of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Governors' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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.

Nicholas Sladden (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

29 November 2024

RSM UK Audit LLP

# Channing House Incorporated, Highgate

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2024

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2024 £'000	Unrestricted Funds £'000	Restricted Funds £'000	2023 £'000
<b>INCOME FROM:</b>							
<b>Donations</b>		6.3	8.2	14.5	0.1	2.7	2.8
<b>Charitable Activities:</b>							
School Fees receivable	1	24,397.7	-	24,397.7	22,171.6	-	22,171.6
Other income	2	898.9	96.5	995.4	672.9	107.3	780.2
<b>Investments</b>							
Investment income		-	8.8	8.8	-	9.2	9.2
Bank interest		854.1	6.1	860.2	263.4	2.1	265.5
<b>Total Income</b>		26,157.0	119.6	26,276.6	23,108.0	121.3	23,229.3
<b>EXPENDITURE ON:</b>							
<b>Raising funds:</b>							
Bank loan interest		123.6	-	123.6	153.4	-	153.4
		123.6	-	123.6	153.4	-	153.4
<b>Charitable activities:</b>							
School operating costs		22,028.6	95.4	22,124.0	19,422.9	109.8	19,532.7
<b>Total Expenditure</b>	3	22,152.2	95.4	22,247.6	19,576.3	109.8	19,686.1
Gain/(Loss) on revaluation of investments - unrealised	6	-	24.2	24.2	-	(3.8)	(3.8)
<b>Net Income before transfers</b>		4,004.8	48.4	4,053.2	3,531.7	7.7	3,539.4
Transfers between funds	10	2.0	(2.0)	-	10.7	(10.7)	-
<b>Net movement in funds</b>		4,006.8	46.4	4,053.2	3,542.4	(3.0)	3,539.4
Balances brought forward at 1 September		29,305.1	484.6	29,789.7	25,762.7	487.6	26,250.3
<b>Balances carried forward at 31 August</b>	11	33,311.9	531.0	33,842.9	29,305.1	484.6	29,789.7

# Channing House Incorporated, Highgate

Company No: 00063121

## BALANCE SHEET

As at 31 August 2024

	<i>Notes</i>	<b>2024</b> <b>£'000</b>	<b>2023</b> <b>£'000</b>
<b>FIXED ASSETS:</b>			
Tangible assets	5	<b>29,345.9</b>	29,765.3
Investments	6	<b>531.0</b>	484.6
		<hr/>	<hr/>
		<b>29,876.9</b>	30,249.9
		<hr/>	<hr/>
<b>CURRENT ASSETS:</b>			
Debtors	7	<b>1,015.2</b>	628.7
Cash at bank and in hand		<b>25,978.9</b>	14,938.5
		<hr/>	<hr/>
		<b>26,994.1</b>	15,567.2
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year	8	<b>(10,355.7)</b>	(8,420.8)
		<hr/>	<hr/>
NET CURRENT ASSETS		<b>16,638.4</b>	7,146.4
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<b>46,515.3</b>	37,396.3
		<hr/>	<hr/>
CREDITORS: Amounts falling due after more than one year	9	<b>(12,672.4)</b>	(7,606.6)
		<hr/>	<hr/>
TOTAL NET ASSETS		<b>33,842.9</b>	29,789.7
		<hr/>	<hr/>
<b>REPRESENTED BY:</b>			
RESTRICTED FUNDS	10	<b>531.0</b>	484.6
		<hr/>	<hr/>
UNRESTRICTED FUNDS			
Retained Income		<b>33,311.9</b>	29,305.1
		<hr/>	<hr/>
TOTAL FUNDS		<b>33,842.9</b>	29,789.7
		<hr/>	<hr/>

These financial statements were approved by the Board of Governors and authorised for issue on 21 November 2024 and signed on its behalf by:

  
.....  
L Leigh (Chair)

# Channing House Incorporated, Highgate

## STATEMENT OF CASH FLOWS

For the year ended 31 August 2024

	Notes	2024 £'000	2023 £'000
Net cash from operating activities	(A)	11,281.4	2,786.5
Cash flows from investing activities	(B)	247.2	84.1
		<u>11,528.6</u>	<u>2,870.6</u>
Cash flows from financing activities	(C)	(488.2)	(1,316.9)
Increase in cash and cash equivalents in the year		11,040.4	1,553.7
Cash and cash equivalents at 1 September		14,938.5	13,384.8
<b>Total cash and cash equivalents at 31 August</b>		<u>25,978.9</u>	<u>14,938.5</u>
<b>(A) - Net cash provided by operating activities</b>			
Net Incoming Resources (as per the statement of financial activities)		4,053.2	3,539.4
<u>Adjusted for:</u>			
Unrealised Gain/Loss on revaluation of investments		(24.2)	3.8
Depreciation (note 5)		895.4	994.5
Bank loan interest payable		123.6	153.4
Investment income receivable		(8.8)	(9.2)
Bank interest receivable		(860.2)	(265.5)
(Increase) in debtors		(386.5)	(187.7)
Increase /(Decrease) in creditors		7,488.9	(1,442.2)
<b>Net cash provided by operating activities</b>		<u>11,281.4</u>	<u>2,786.5</u>
<b>(B) – Cash flows from investing activities</b>			
Investment Income		8.8	9.2
Bank interest received		860.2	265.5
Bank loan interest paid		(123.6)	(153.4)
Purchase of tangible assets		(476.0)	(36.4)
(Increase) in investment cash		(22.2)	(0.8)
		<u>247.2</u>	<u>84.1</u>
<b>(C) – Cash flows from financing activities</b>			
Repayments of bank loans		(488.2)	(1,316.9)
<b>(D) – Analysis of changes in net debt</b>			
	At 1 Sept 2023	Cash flows	At 31 Aug 2024
<b>Cash and cash equivalents</b>	14,938.5	11,040.4	25,978.9
<b>Borrowings:</b>			
Debt due within one year (note 8)	(487.9)	106.3	(381.6)
Debt due after one year (note 9 (c))	(2,863.1)	381.9	(2,481.2)
	<u>(3,351.0)</u>	<u>488.2</u>	<u>(2,862.8)</u>
	<u>11,587.5</u>	<u>11,528.6</u>	<u>23,116.1</u>

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2024

### **BASIS OF FINANCIAL STATEMENTS**

The accounts of the School are prepared in accordance with the Companies Act 2006, and with the Charities Statement of Recommended Practice ('SORP (FRS102)' effective 1 January 2019) and Financial Reporting Standard 102. The accounts are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value. The School meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

### **GOING CONCERN**

The nature of the School's activities is such that fee income represents the majority of the School's income. Fee income is billed and received one term in advance. Forecasts are produced taking account of the timing and quantity of fee income, likely expenditure profile. These forecasts are provided to the Governors. On this basis no material uncertainties that may cast significant doubt about the ability of the School to continue as a going concern have been identified by the Governors. Therefore, the Governors have concluded to prepare the accounts on a going concern basis.

### **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the accounting policies, where the value of assets and liabilities are not readily apparent from other sources, accounting estimates and judgements are made based on historical experience and other factors, including future expectations, which are considered to be reasonable in the circumstances.

The estimates and underlying assumptions concerning the future are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Accounting estimates and assumptions, will, by definition, seldom equal the actual results.

### **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.

Voluntary income for the School's general purpose is accounted for as unrestricted and is credited to Retained Income.

Where the donor or an appeal has imposed restrictions, voluntary income is credited to the relevant restricted fund.

### **FEES RECEIVABLE AND SIMILAR INCOME**

Fees receivable comprise fees charged to pupils net of Scholarships, Bursaries and allowances, and are accounted for in the year in which the service is provided.

Pupils joining the School are required to pay a deposit which is then applied against the pupil's final term's fee bill. Reasonable assumptions are made regarding the time pupils will remain with the School in assessing when the deposits held will be applied to offset the pupil's fees for their final term.

### **EXPENDITURE**

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned on the basis of the activities staff are involved in. Certain costs are netted off against related income when it is appropriate to do so.

The School is not registered for Value Added Tax. All expenditure is therefore included in the expense category to which it relates inclusive of any Value Added Tax.

### **TANGIBLE FIXED ASSETS**

Land and buildings are carried in the balance sheet at original cost less accumulated depreciation as the Governors consider that it is not appropriate to incur the expense of obtaining valuations of such assets. The cost

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2024

of new buildings is added to fixed assets although repairs, alterations and improvements that do not materially enhance the economic benefit of the buildings are expensed as incurred; such costs are often substantial. Costs incurred in arranging long term debt to fund material additions to the School's land and buildings are included in fixed asset additions. The insured value of the School's assets is shown in note 5.

Furniture and teaching equipment are expensed in the period of acquisition. Such items will generally cost less than £20,000 per individual item and will include computers, equipment, furniture and ancillary items.

### **DEPRECIATION**

Depreciation is calculated by reference to the cost of fixed assets using a straight line basis at rates considered appropriate having regard to the expected lives of the assets. Depreciation is not provided on freehold land.

The annual rates of depreciation in use are:

Freehold buildings (including landscaping)	1% - 5%
Buildings in the course of construction	Nil
Plant, Equipment, Fixtures and Fittings	10% - 33.3%
Motor Vehicles	25%

Governors have considered the impairment of those freehold buildings with an estimated useful life of over 50 years and are satisfied, having considered both realisable value and value in use, that the buildings have not been materially impaired.

### **INVESTMENTS**

Investments are initially recognised at cost. They are held as fixed assets to provide an investment return and are stated in the balance sheet at their open market value as at the balance sheet date. Any resulting unrealised gain or loss is taken to the fund to which it relates.

### **FUNDS**

The funds of the School are segregated between:

(i) Restricted Funds

- **Scholarship, Prize and Bursary Funds**  
The School receives some of its income primarily for the provision of Scholarships, Bursaries and Prizes. This income is credited directly to the relevant fund account. All expenditure in relation to this income is charged directly to the relevant fund account.
- **School Development Fund**  
Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a New Performing Arts Facility. The School is no longer actively promoting fundraising for the Capital Challenge, though donations continue to be received and credited to this fund. In addition, funds raised towards the Junior School redevelopment are also credited to this fund. Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged. The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment have been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.
- **Channing Alumnae**  
The Channing Alumnae Fund is a restricted fund of the School for the purpose of promoting School alumnae. The fund is used to promote communication between the School and alumnae and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae committee.

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2024

- Channing Association  
The Channing Association is a restricted fund of the School for the purpose of fostering support from the wider Channing community including current and former parents and friends of the School. The Channing Association organises social events for both parents and pupils and also helps support a number of School events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year.

(ii) Unrestricted Funds

- Retained Income  
The School seeks to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

### **FINANCIAL INSTRUMENTS**

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. As such, financial instruments are initially recognised at transaction value and subsequently measured and held at amortised cost using the effective interest rate method.

Financial assets comprise cash at bank and in hand together with debtors less prepayments and are recognised when the School becomes contractually entitled to receive cash or other financial assets from a third party.

Financial liabilities comprise creditors falling due both within and after one year excluding deferred income and other tax and social security liabilities and are recognised when the School incurs a legal or constructive obligation to deliver cash or another financial asset to a third party.

All financial instruments are held for the sole purpose of managing the cash flow of the School on a day-to-day basis or arise from normal operating activities.

### **PENSION COSTS**

Retirement benefits for teachers who joined the School prior to November 2023 are provided by the Teachers' Pension Scheme (TPS) unless they have opted out. The TPS is a multi employer defined benefit pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Scheme. Accordingly, as required by FRS102, the School has accounted for its contributions to the Scheme as if it were a defined contribution scheme.

The School also operates defined contribution schemes for staff not in the TPS. Contributions to these schemes are charged to the Statement of Financial Activities in the year in which they are incurred.

### **OPERATING LEASES**

Rental payments on operating leases are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

### 1 CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

Fees receivable are stated net of Scholarships and Bursaries awarded and allowances given. Scholarships, Bursaries and allowances totalled £2,053,374 (2023: £1,742,418 ).

2 CHARITABLE ACTIVITIES - OTHER INCOME	2024 £'000	2023 £'000
Educational visits and other recoverable items	662.2	491.9
Registration fees and fees in lieu of notice	232.4	179.4
Other income	100.8	108.9
	<u>995.4</u>	<u>780.2</u>

3 TOTAL EXPENDITURE	Staff costs (note 4) £'000	Depreciation £'000	Other costs £'000	2024 Total £'000	2023 Total £'000
<b>Raising funds:</b>					
Bank Loan interest	-	-	123.6	123.6	153.4
<b>Total Cost of Raising Funds</b>	<u>-</u>	<u>-</u>	<u>123.6</u>	<u>123.6</u>	<u>153.4</u>
<b>Charitable activities:</b>					
School operating costs:					
Teaching	11,650.4	-	2,401.3	14,051.7	12,363.9
Welfare and Catering	766.0	-	535.7	1,301.7	1,283.2
Premises and occupancy	337.5	895.4	2,143.8	3,376.7	2,693.9
Property repair and maintenance	-	-	1,075.8	1,075.8	1,121.1
Administration and support	1,253.9	-	964.3	2,218.2	1,978.7
Governance	48.8	-	38.9	87.7	81.6
Grants, awards and prizes	-	-	12.2	12.2	10.3
<b>Total Charitable expenditure</b>	<u>14,056.6</u>	<u>895.4</u>	<u>7,172.2</u>	<u>22,124.0</u>	<u>19,532.7</u>
<b>TOTAL EXPENDITURE</b>	<u>14,056.6</u>	<u>895.4</u>	<u>7,295.6</u>	<u>22,247.6</u>	<u>19,686.1</u>
2023:	<u>12,447.6</u>	<u>994.5</u>	<u>6,244.0</u>		

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

3	TOTAL EXPENDITURE (Continued)	<b>2024</b>	2023
		<b>£'000</b>	£'000
	Charitable expenditure includes:		
	Operating lease rentals	106.7	87.0
	Auditor's remuneration:		
	For audit services - RSM UK Audit LLP (exclusive of VAT)	29.7	28.3
	For payroll services - RSM Employer Services Limited	-	7.4
	For risk assurance service- RSM UK Risk Assurance Services LLP	5.4	6.9
	For VAT advice- RSM UK Tax and Advisory Services LLP	4.2	-
4	STAFF COSTS		
	The aggregate staff costs (note 3) were as follows:		
	Wages and salaries	10,985.4	9,777.9
	Social security costs	1,139.8	1,022.1
	Pension contributions	1,931.4	1,647.6
		<hr/>	<hr/>
		14,056.6	12,447.6
		<hr/>	<hr/>

Included in wages and salaries are termination payments totalling £62,400 (2023: £NIL).

The average monthly number of employees during the year was made up as follows:

	2024		2023	
	Full Time	Part Time	Full Time	Part Time
Teaching	84	39	88	38
Technical and support	8	8	9	8
Catering	16	3	15	3
Maintenance and caretaking	6	0	6	0
Administrative	15	7	13	8
	<hr/>	<hr/>	<hr/>	<hr/>
	129	57	131	57*
	<hr/>	<hr/>	<hr/>	<hr/>

\* Equivalent to approximately 30 (2023:29) number of full time employees. In addition to the above, the School also made payments to peripatetic music teachers 29 (2023:31).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

### 4 STAFF COSTS (continued)

The number of employees whose emoluments (excludes employer's pension contribution) exceeded £60,000 was:

	2024	2023
£60,001 – £70,000	34	30
£70,001 - £80,000	13	5
£80,001 - £90,000	3	3
£90,001 - £100,000	1	2
£100,001 - £110,000	2	2
£110,001 - £120,000	2	-
£170,001 - £180,000	-	1
£180,001- £190,000	1	-
£190,001 - £200,000	-	1
£210,001 - £220,000	1	-

Contributions of £877,528 (2023: £633,566) were made to the Teachers' Pension Scheme, which is a defined benefits scheme, for 47 (2023: 38) higher paid employees. Contributions of £61,856 (2023: £36,747) were also made to defined contribution schemes for 10 (2023: 5) higher paid employees.

Aggregate employee-benefits of key management personnel (including employer pension and national insurance contributions)	<b>£511,900</b>	£459,105
--	-----------------	----------

5 TANGIBLE FIXED ASSETS	Freehold land and buildings	Buildings in the course of construction	Plant, Equipment, Fixtures and Fittings	Motor Vehicles	Total
<u>Cost:</u>	£'000	£'000	£'000	£'000	£'000
1 September 2023	34,154.4	-	2,576.0	120.6	<b>36,851.0</b>
Additions	-	476.0	-	-	<b>476.0</b>
31 August 2024	<u>34,154.4</u>	<u>476.0</u>	<u>2,576.0</u>	<u>120.6</u>	<u><b>37,327.0</b></u>
<u>Depreciation:</u>					
1 September 2023	4,652.1	-	2,355.9	77.7	<b>7,085.7</b>
Charged in the year	731.3	-	149.3	14.8	<b>895.4</b>
31 August 2024	<u>5,383.4</u>	<u>-</u>	<u>2,505.2</u>	<u>92.5</u>	<u><b>7,981.1</b></u>
<u>Net book value:</u>					
31 August 2024	<u>28,771.0</u>	<u>476.0</u>	<u>70.8</u>	<u>28.0</u>	<u><b>29,345.9</b></u>
1 September 2023	<u>29,502.3</u>	<u>-</u>	<u>220.1</u>	<u>42.9</u>	<u><b>29,765.3</b></u>

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

### 5 TANGIBLE FIXED ASSETS (Continued)

Freehold land and buildings include an estimate by the Governors of the original cost of the land and buildings at £56,000 (2023: £56,000) of which £18,000 is estimated to be the original cost of the land. The School's buildings (excluding the value of freehold land) have been valued at £19,000,000 for insurance purposes. The Governors believe that the value of the School's land, comprising just under 3 hectares in North London, is very significantly in excess of its original cost.

6 INVESTMENTS	2024 £'000	2023 £'000
Market value at 1 September	484.6	487.6
Additions	22.2	0.8
Revaluation	24.2	(3.8)
	<hr/>	<hr/>
Market value at 31 August	531.0	484.6
	<hr/>	<hr/>
Historical cost of Investments	267.9	246.9
	<hr/>	<hr/>
Investments comprise the following:		
Listed on Stock Exchange	292.1	267.9
Cash deposits	238.9	216.7
	<hr/>	<hr/>
	531.0	484.6
	<hr/>	<hr/>
The School had investment holdings of greater than 5% of overall market value in the following:		
Charities Official Investment Fund	222.6	206.0
J.P. Morgan UK Strategic Equity Income Fund	37.3	31.4
M&G Equities Investment Fund for Charities	25.8	23.3
	<hr/>	<hr/>

### 7 DEBTORS

Fees receivable	4.7	9.3
Other debtors	24.8	14.9
Prepayments and accrued income	985.7	604.5
	<hr/>	<hr/>
	1,015.2	628.7
	<hr/>	<hr/>

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

8 CREDITORS: Amounts falling due within one year	2024 £'000	2023 £'000
Advanced Fees received 1 year in advance (see Note 9(a))	6,356.9	4,877.7
Other Fees received in advance	1,611.7	1,178.4
Bank Loans repayable within 1 year (see Note 9 (c))	381.6	487.9
Other taxes and National Insurance contributions	285.0	261.4
Trade Creditors	621.2	573.2
Other creditors	223.0	195.3
Trips	170.8	116.8
Accruals	705.5	730.1
	<u>10,355.7</u>	<u>8,420.8</u>
9 CREDITORS: Amounts falling due after more than one year		
Advanced fees (see Note 9(a))	7,259.8	2,000.9
Final term deposits (see Note 9(b))	2,931.4	2,742.6
Bank loans (see Note 9(c))	2,481.2	2,863.1
	<u>12,672.4</u>	<u>7,606.6</u>

### 9 (a) Advanced fees

Parents for many years have been offered the opportunity to pay for future years, tuition fees in advance. Some parents have taken advantage of this offer and have entered into an arrangement with the School to pay their tuition fees in advance. Assuming pupils will remain at the School the amounts paid in respect of future years' tuition fees will be applied to the future years' tuition fees as follows:

Fees due in 1 – 2 years	4,427.3	1,922.2
Fees due in 2 – 5 years	2,832.5	78.7
	<u>7,259.8</u>	<u>2,000.9</u>
Fees due within 1 year (see Note 8)	6,356.9	4,877.7
	<u>13,616.7</u>	<u>6,878.6</u>
The movements during the year were as follows: -		
Balance at 1 September	6,878.6	8,292.2
Amounts received during the year	11,683.5	3,378.9
Amounts utilised during the year	(4,945.4)	(4,792.5)
	<u>13,616.7</u>	<u>6,878.6</u>

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

### 9 (b) Final Term Deposits

All new pupils are required to pay a deposit which is then applied against the pupil's final term's fee bill. Applying reasonable assumptions regarding the time pupils will remain with the School the deposits held will be applied to offset fees for their final term as follows: -

	2024	2023
	£'000	£'000
Deposits due to be refunded in 1 – 2 years	533.0	484.8
Deposits due to be refunded in 2 – 5 years	760.7	682.0
Deposits due to be refunded in more than 5 years	1,637.7	1,575.8
	<hr/>	<hr/>
	2,931.4	2,742.6
	<hr/>	<hr/>

### 9 (c) Bank Loans

Bank Loans are repayable as follows as follows: -

Repayments within 1 – 2 years	397.2	381.6
Repayments within 2 – 5 years	1,292.0	1,241.1
Repayments in more than 5 years	792.0	1,240.4
	<hr/>	<hr/>
	2,481.2	2,863.1
	<hr/>	<hr/>
Repayments within 1 year (see Note 8)	381.6	487.9
	<hr/>	<hr/>
	2,862.8	3,351.0
	<hr/>	<hr/>

As at the 31 August 2024 the School has drawn down bank loan facilities totalling £7.5m to part fund the construction of the new Sports Hall and Sixth Form Centre, and the Performing Arts Building. These facilities are secured on the School's freehold land and buildings. Of the £7.5m loan facilities drawn down:

- £1m was converted to a fixed term loan repayable over 10 years commencing on 29 August 2014 at an interest rate fixed at 4.47% p.a. for the duration of the loan. This loan was fully repaid on 30 August 2024.
- £2m was converted to a fixed term loan repayable over 15 years commencing on 1 December 2015 at an interest rate fixed at 4.73% p.a. for the duration of the loan.
- £1.1m was converted to a fixed term loan repayable over 15 years commencing on 29 August 2015 at a variable interest rate of 2.0% p.a. above the Base Rate. This loan was subsequently, on 16 October 2016, converted to a fixed term loan repayable over 14 years at an interest rate fixed at 3.4% p.a. for the duration of the loan.
- £2.4m was drawn down on 20 December 2017 as a fixed term loan repayable over 15 years at an interest rate fixed at 3.64% p.a. for the duration of the loan.
- £1m was drawn down on 30 June 2020 as a fixed term loan repayable over 12 years and 7 months at a variable interest rate of 2% over Base Rate for the duration of the loan. This loan was repaid on 12 December 2022.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

10	RESTRICTED FUNDS	Balance 31 August 2023 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Loss on revaluation of investments £'000	Balance 31 August 2024 £'000
	Scholarship, Prize and Bursary Funds	421.4	21.1	(17.8)	-	24.2	<b>448.9</b>
	School Development Fund	-	2.0	-	(2.0)*	-	-
	Channing Alumnae	29.2	8.8	(12.6)	-	-	<b>25.4</b>
	Channing Association	34.0	87.7	(65.0)	-	-	<b>56.7</b>
		<u>484.6</u>	<u>119.6</u>	<u>(95.4)</u>	<u>(2.0)</u>	<u>(24.2)</u>	<u><b>531.0</b></u>

\* This transfer relates to donations received for the purpose of developing the Sports Hall, Sixth Form Centre, Music and Performing Arts facilities at the Senior School and the Junior School redevelopment. The restriction placed on the income received has been discharged in that expenditure has been incurred and capitalised within fixed assets. Consequently, the funds were transferred to unrestricted funds.

A description of each restricted fund and its use can be found on page 6.

11	FUNDS - ALLOCATION OF NET ASSETS	Tangible fixed assets £'000	Investments £'000	Net current Assets £'000	Creditors falling due after more than 1 year £'000	2024 Total £'000
	Restricted funds*	-	531.0	-	-	<b>531.0</b>
	Unrestricted funds	29,345.9	-	16,638.4	(12,672.4)	<b>33,311.9</b>
		<u>29,345.9</u>	<u>531.0</u>	<u>16,638.4</u>	<u>(12,672.4)</u>	<u><b>33,842.9</b></u>
	Restricted funds*	-	484.6	-	-	2023 Total 484.6
	Unrestricted funds	29,765.3	-	7,146.4	(7,606.6)	29,305.1
		<u>29,765.3</u>	<u>484.6</u>	<u>7,146.4</u>	<u>(7,606.6)</u>	<u>29,789.7</u>

\*Included in Restricted Funds are cumulative unrealised gains of £261,823 (2023: £237,626 ).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

### 12 SHARE CAPITAL

The company is limited by guarantee and has no share capital, members having a liability not exceeding £5 each.

### 13 PENSION COMMITMENTS

#### a. Teachers

Teachers who joined the School prior to November 2023 have the option to either join the School's defined contribution pension scheme or remain as members of the Teachers' Pension Scheme England and Wales (TPS). The TPS scheme was closed to teachers joining the School after 1 November 2023.

The TPS scheme is a multi-employer, statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

As the TPS is a multi-employer pension scheme, the School is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The School has set out within this note the scheme information available and the implications for the School in terms of the anticipated contribution rates.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional scheme deficit of £40 billion.

As a result of the valuation, new employer contribution rates were set at 28.68% of pensionable pay (including a 0.08% employer administration charge) from April 2024 onwards. This compares to 23.68% previously.

During the year the employee contribution rate ranged between 7.4% and 11.7% depending on a member's salary.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

The pension charge includes employer contributions payable to the scheme, which amounted to £1,540,110 (2023: £1,368,907). As at 31 August 2024 there were outstanding contributions

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2024

payable to the scheme of £171,644 (2023: £165,280) included in other creditors. The contributions of the School represent a minor proportion of the payments into the scheme.

b) Staff not in the Teachers' Pension Scheme.

The School operates defined contribution schemes for staff not in the Teachers' Pension Scheme. The assets of these schemes are held separately from those of the School in funds administered by insurance companies. The pension cost charge represents contributions payable in respect of these schemes and amount to £391,282 (2023: £278,660). £50,540 (2023: £25,183) included in other creditors was payable to these schemes at the year end.

### 14 COMMITMENTS

As at 31 August the School had the following capital commitments:

	2024 £'000	2023 £'000
Contracted for	282.0	-
Authorised for	<u>8,400.0</u>	<u>-</u>
	<u>8,682.0</u>	<u>-</u>

### 15 OPERATING LEASE ARRANGEMENTS

As at 31 August the School had minimum lease payments under non-cancellable operating leases, in aggregate, as follows: -

	Buildings £'000	Equipment £'000	2024 £'000	2023 £'000
Amounts payable:-				
Within one year	134.2	27.3	161.5	30.1
Within 2-5 years	224.5	75.1	299.6	102.4
	<u>358.7</u>	<u>102.4</u>	<u>461.1</u>	<u>132.5</u>
	<u>2023:</u>	<u>2.8</u>	<u>129.7</u>	

### 16 RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year to 31 August 2024 or during the year to 31 August 2023 and there were no balances outstanding at the previous or current year-end.

No member of the Association or Board of Governors received any remuneration or other benefits from the School. Five (2023: five) Governors were reimbursed travelling and incidental expenses totalling £1,520 (2023: £1,352). The insurance premium paid by the School includes an element of indemnity cover for 'directors' (Governors).

**CHANNING HOUSE INCORPORATED, HIGHGATE**

England & Wales - Charity number 312766

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# Accounts

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Channing House Incorporated, Highgate  
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

For the year ended  
31 August 2023

Company No: 00063121

Registered Charity No. 312766

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISORS

To be presented at the Annual General Meeting of the company to be held at Channing School, The Bank, Highgate Hill, London N6 5HF on 14 March 2024.

### GOVERNORS

The Board of Governors may appoint any member of the Association as a Governor, either to fill a casual vacancy or by way of addition to the board. All Governors are required to confirm that they will support the Unitarian traditions of the School. Except as otherwise indicated the following were Governors during the year and to the date of signing this report:

Mrs L Leigh*	FCA, BSc (Hons)(Manchester) (Chair)	(Appointed Chair 18 November 2022)
Ms C Peck	LLB (Bristol)	(Retired as Chair and as a Governor 18 November 2022)
Mr JAG Alexander *	FCA, BA and MA (London)	
Mr A Appleyard	BSc (Reading)	(Retired 16 March 2023)
Mrs J Burns	BA (Southampton)	(Retired 17 November 2022)
Mrs C Chandler-Thompson*	BA (Exeter)	
Rev D Costley	BA (Open University)	
Mrs L Cristie *	BA (Bristol)	
Mr R Hirji	MBA (Manchester)	
Mrs C Hulme-McKibbin	B.Ed (Cantab)	
Mr D Oliver	M Phil (Oxford)	
Mrs P Peck	MBA (Oxon)	
Mr S Prior	BSc (Hons)(Reading)	
Ms B Rentoul *	MA (Yale)	
Ms A Rentoul	BA (Hons) Oxford	(Appointed 24 March 2023)
Mr WJH Spears *	BA (SOAS), MBA	
Dr A Sutton	MB ChB	
Mr K Van der Sande	MA(Hons) Dip Arch RIBA	

\* Members of the Finance and General Purposes Committee

### MEMBERS OF ASSOCIATION

The Members of the Association, except as otherwise indicated, throughout the year were, in addition to the Governors listed above:

Mr SD Barber	BSc (Econ) FCA
Professor HG Beale	MA (Oxon)
Mrs D Bond	BA (Cantab)
Mr S M D Brown	BA (Dunelm)
Ms CEA Budgett-Meakin	BA (Kent)
Mr JM Burns	MA (Oxon)
Baroness J Coussins	MA (Cantab)
Baroness C Cox	MSc (Econ) PhD
Dr J Dacre	BSc
Miss JAM Davidson	BSc (London)
Dr AP Hogg	MA (Oxon) PhD (London)
Mrs S Moloney	SRN RHV
Mrs J Otterburn Hall	BA (Bristol)
Mrs D Patman	FRICS ACI Arb
Mrs C Richards	BSc Arch (London)
Miss M Rudland	BSc
Mrs VA Schilling	MCSP
Mr M Steiner	MA (Oxon)
Dr T Stone	MA (Cantab) PhD
Miss EM Tucker	MA (Cantab)
Dr DJ Williams	MB BCh
Dr DL Wykes	BSc PhD

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISORS

### OFFICERS

The Headmistress Mrs L D J Hughes BA (Warwick)

The Bursar Mr R K J Hill OBE MA ACMA

Address Channing School  
Highgate Hill  
London  
N6 5HF

### BANKERS

Lloyds Bank plc  
Commercial Banking  
PO Box 1000  
BX1 1LT

### SOLICITORS

Dentons UKMEA LLP  
One Fleet Place  
London  
EC4M 7WS

Veale Wasbrough Vizards LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
S1 4QA

### AUDITORS

RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

### REGISTERED OFFICE

Channing School  
Highgate Hill  
Highgate  
London  
N6 5HF

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### REFERENCE AND ADMINISTRATIVE INFORMATION

The School was incorporated in England and Wales on 27 July 1899 and is a company limited by guarantee, its members being members of the Association, having a liability not exceeding £5 each. The School was established under a Memorandum of Association which established the objects and powers of the charitable School and is governed under its Articles of Association. The company is a registered charity with charity number 312766 and company number 00063121. The Governors of the School, who are also the charity trustees and company directors, and the School's principal officers and advisers are listed on pages 1 and 2. Whenever Governors are referred to in this report this subsumes their roles as both charity trustees and company directors of Channing House Incorporated, Highgate within the meaning of Company Law.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governors determine the general policy of the School. The day-to-day management of the School is delegated to the Headmistress and the Bursar. Governors determine the remuneration of key management personnel through a Remuneration Committee. In setting the remuneration of key personnel this committee takes note of national pay scales, individual performance and internal and external benchmarking as necessary.

There have been no transactions with the related parties of the School, with the exception of the key management personnel remuneration as disclosed in Note 4.

### RECRUITMENT AND TRAINING OF GOVERNORS

Governors are appointed as vacancies arise. In making appointments Governors take into account Charity Commission guidance and the skills that are required by the School. Potential candidates who possess the requisite personal and specialist skills are identified, including through the use of specialist recruitment agencies, discussed by Governors and invited to become a Governor as appropriate.

New Governors are provided with information about the School and appropriate training and induction is arranged. On appointment, Governors are briefed on their responsibilities as Directors, Trustees and Governors. They are also encouraged to attend training courses on the roles of Governors run by The Association of Governing Bodies of Independent Schools (AGBIS). Governors are also given regular presentations by Heads of Department on specific curricular developments.

### STATEMENT OF PROVISION OF INFORMATION TO AUDITORS

The Governors in office on the date of this report have confirmed, as far as they are aware, that there is no relevant audit information of which the charitable company's auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as Governors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

### PUBLIC BENEFIT

The Governors confirm that, to the best of their knowledge and belief, they have complied with the duty in the Charities (Accounts and Reports) Regulations 2008 in respect to having due regard to the public benefit guidance published by the Charity Commission.

The School provides public benefit in many ways. The School provides bursaries generally on entry to the School at Year 7 and Year 12. The School has a policy to make awards on the basis of ability to pay. Bursaries and concessions of £1,177,960, were given during the current year (2022: £1,051,476). The contribution is consistent with previous years.

Additionally, the School has continued to develop its partnership programme throughout the year. At the centre of the school's partnership is its relationship with Highgate Newtown Community Partners (HNCP) where they work closely with HNCP and Brookfield School to support other local schools under the umbrella of their Education Plus Programme. The Schools are currently working closely with 10 schools in total and in excess of 100 pupils per week attend clubs provided by Channing. In addition, Channing hosted its third successful Summer Camp in July for students from Partner Primary Schools. The School's partnership with HNCP also extends into the community and

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

throughout the year Channing has hosted monthly Community Teas as well as supporting lunch clubs in local venues. The School was also particularly pleased to be invited to support a comfort box programme for displaced families during the year.

Separately, the School is delivering a strong and mutually supportive partnership with St Aloysius College involving a number of joint activities and the sharing of resources and facilities. This also involves extending invitations to St Aloysius and other partner schools to attend workshops, training events and presentations from visiting speakers.

The School also makes available its facilities for use by the local community for sporting events and occasional conferences and meetings. The School is particularly supportive of girls' sport and provides its facilities for use both by Middlesex County, two local netball clubs and the local cricket club. The School's playing fields are also used by Hampstead Archery Club and the local community. The School generally makes its facilities available to local community groups for free or for a nominal charge.

### OBJECTIVES AND ACTIVITIES

The School's principal purpose is to carry on a day School for girls. Pupils enjoy outstanding personal success at School and beyond, as a result of the School's holistic, balanced education. The School was inspected by the Independent Schools Inspectorate in June 2022 during which the quality of the School's academic and other achievements and the quality of the pupils personal development were both considered excellent. In addition it was considered that the School was compliant with the standards in the schedule to the Education (Independent School Standards) Regulations 2014, and relevant requirements of the statutory framework for the Early Years Foundation stage and associated requirements.

The School's success is achieved by a combination in equal measure of academic excellence, pastoral care and breadth of extra and co-curricular activities. The School's Unitarian ethos encourages its pupils to be intellectually curious, open-minded and respectful. Details of the School's strategic objectives to achieve this are provided in the Strategic Report that follows.

### STRATEGIC REPORT

#### REVIEW OF ACHIEVEMENTS AND PERFORMANCE

During the year the School has continued to work towards achieving its published strategic objectives which support the School's mission. The objectives were introduced from September 2020 and cover the period 2020 to 2025. The School continues to make progress against these objectives.

#### Strategic Objectives 2020 to 2025

- 1. To provide an excellent and relevant education, free from undue pressure, that inspires all pupils to achieve their full potential.** The School continued to deliver excellent academic results in 2023. These were the second exams which were undertaken under exam conditions since 2019 and no allowances were made for the impact of COVID. In Summer 2023 83.1 % (2022:87.1%) of pupils gained A\*-B grades at A level and the percentage of all GCSE results graded 9/8/7 was 85% (2022:85.2%) of which 64 % (2022: 68.3%) gained grades 9/8 at GCSE.
- 2. To support personal development which puts wellbeing at the heart of our pastoral provision.** The School continues to develop its provision for pastoral care, further developing the support which the School can provide to support pupil Mental Health. The School now uses CPOMS to support the provision of pastoral care as well as Tooled Up which provides research based pastoral support for pupils and parents. The School has also significantly enhanced the opportunities for pupil leadership at both the Senior and Junior Schools with a full review of Sixth Form responsibilities. The Channing Characters developed at the Junior School are now firmly embedded in the school life of the Junior pupils. Careers education and guidance as well as preparation for University in the UK and overseas remains an area of focus across the School and it has been pleased to welcome a wide selection of eminent speakers throughout the year. The School also welcomes students from local schools to share in these opportunities.
- 3. To embrace modern technology and use it as a means to enhance pupils' independence as learners to**

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

**prepare them for the future.** The School continues to invest in and embrace new technology, recognising the opportunities it provides to enhance independence and collaboration amongst students and enhanced efficiency in the wider operation of the School. The School completed a Strategic Review of its Digital provision during the year and is now implementing the new strategy across the School. The initial phases of this implementation are focused on ensuring that the whole community has the right skills to optimise the use of technology in the School. The School also remains aware of the risks that technology can present to young people and continues to address this through educating pupils and by supporting parents including offering digital safety information events. In addition to combat this the School has put in place the necessary policies and safeguards around the use of technology in School.

- 4. To provide a secure, safe and healthy environment.** The School continues to put pupil safeguarding and the safety of its surroundings at the heart of the School's operation, ensuring that staff and pupils are aware of the strategies and procedures in place to minimise the risk to pupils. The School has also implemented a new pastoral structures during the year providing greater capacity in this key area. Safeguarding provision continues to be kept under review to reflect developments in the School as well as legislative changes. The School also continues to develop its well-being strategies for both pupils and staff.
- 5. To develop further opportunities for Science, Technology, Engineering & Maths (STEM).** The development of STEM is recognised as an ongoing priority for the School across all Key Stages and is reflected in the School making additional resources available to develop STEM provision within the School. The School recently reviewed its Science curriculum providing greater choice to students at GCSE. The School is always seeking new ways to supplement the core STEM curriculum with extra curricular provision which now includes a wide range of clubs and activities including Robotics, Design and Technology and the CREST Awards. A level Computer Science is now firmly embedded in the curriculum.
- 6. To manage the School's resources effectively and to ensure that the School can continue to attract the brightest students.** As a result of exercising sound control over the School's finances, the School has been able to continue to invest in improving facilities both at the Senior and Junior School. The School is now developing plans to deliver the outcome of its strategic review of its estate and facilities.
- 7. To recognise and promote our social responsibility.** The School is aware of its social responsibility to both the local and wider communities. The School continues to develop links with the local community including Highgate Newtown Community Partners and a number of local Schools including Brookfield Primary School and St Aloysius College. The volume of partnership work continues to increase and plans are in place to continue to develop this part of our provision. This objective also includes the School's wider commitment to sustainability. The pupils at both the Junior and Senior School are increasingly active at promoting sustainability initiatives in the School including Clean Air Days, meat free days and also striving to improve our recycling rates. The School was also awarded the Green Flag (with distinction) this year. The School continues to work to identify its carbon footprint with a view to developing a net zero carbon strategy for the School.

### Review of other achievements

The School continues to support a very large number of charitable and cultural activities. In particular it makes a significant contribution to the community through many local activities including musical and sporting events as well as participating in local sporting and community events. The Young Enterprise scheme and the Duke of Edinburgh Award programme continue to enjoy significant popularity and the Forest School learning programme has been further developed in the Junior School and forms a core part of the curriculum.

Additionally during the year the School raised funds both directly and via Just Giving for its chosen charities of The Alexandra Wylie Tower Foundation, Young Womens Trust, Young Roots, Save the Children and Red for Ruth among others. The total raised for charities during the year was £14,049.

### FINANCIAL REVIEW

The Statement of Financial Activities on page 14 shows net income of £3,539,400 (2022: £3,305,100).

The result for the year and the year end financial position of the School is considered satisfactory and is consistent with the School's planned target.

During the year capital expenditure of £36,400 (2022: £1,141,500) was incurred.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

The Balance Sheet on page 15 shows net current assets of £7,146,400 (2022:£5,112,800 ). The significant increase in the School's net current asset position is attributable to the net income generated during the year.

### DONATIONS

Income for the year includes £2,700 (2022: £4,800) of restricted Donations, all of which were attributable to the development of new Sport, Sixth Form, Music and Performing Arts facilities, and the Junior School redevelopment.

During the year the School has not undertaken any significant fundraising activities and no third party fundraisers have been engaged.

### FUTURE PLANS

The Governors have agreed to continue to develop the School in line with the strategic objectives above which all build on the overall aim that Channing pupils should enjoy success at School and beyond.

### FUNDS HELD

Notes 10 and 11 to the financial statements sets out an analysis of the School's restricted and unrestricted funds of £484,600 (2022: £487,700) and £29,305,100 (2022: £25,762,700) respectively and their attributable assets and liabilities. These net assets are sufficient to meet the obligations on a fund by fund basis. The School's tangible assets are all held for use in the School.

It is the School's long term policy to build and maintain the School's free reserves, though the Governors recognise that achieving any material increase in free reserves will not be possible whilst the School has bank loans to repay and continues to develop its buildings and facilities for the benefit of current and future generations of pupils. With this in mind, rather than set a specific target for free reserves, when considering the School's available reserves, Governors take into account the long term bank facilities/loans in place but undrawn at the year end and creditors falling due in more than one year. Creditors falling due in more than one year comprise the funds held in respect of final term deposits and advance fees, and long term bank loans drawn down.

Taking account of the above definition of the School's free reserves, the free reserves at the year end comprise the sum of the School's confirmed bank loan facilities undrawn plus net current assets. On this basis at the year end the School's free reserves were around £7,100,000 (2022: £7,600,000).

Substantial sums have been invested into the School over recent years and Governors have authorised a continuing programme of refurbishment, development and investment in order to maintain and enhance the facilities for pupils. Whilst this programme is continuing and the long term bank loans are being repaid, the School is unlikely to be in a position to build up free reserves on a long term basis.

The Governors consider that, given the strength of the School's balance sheet, forecast net income for the year to 31 August 2024 and the market value of the School's property, which is not currently reflected in the reserves, the School's level of reserves at the year end are satisfactory. This assessment reflects the intention of the governors to continue to develop the School estate and facilities and the nature of its creditors falling due in more than one year. Additionally, Governors ensure robust budgeting, cash flow monitoring and risk profiling are exercised to ensure the School can meet its ongoing educational needs and continue to invest in its estate and facilities. The Governors are satisfied that the School has sufficient available cash and borrowing facilities to meet its strategic objectives.

### Restricted Funds

#### Scholarship, Prize and Bursary Funds

This represents bequests and donations received by the School, which are subject to the specific wishes of the donor. These funds are matched by investments. Movement in the fund during the year comprised donations, investment income and interest. The investment income and interest is used to fund Scholarships and Bursaries for pupils attending the School.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### **School Development Fund**

Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a new Performing Arts facility. The School is no longer actively promoting fundraising for The Capital Challenge, though donations continue to be received and credited to this fund. In addition, funds raised towards the Junior School redevelopment are also credited to this fund.

Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged.

The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment have been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.

### **Channing Alumnae**

The Channing Alumnae Fund is a restricted fund of the School held for the purpose of promoting School alumnae. The fund is used to promote communication between the School and alumnae and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae Committee, and an appropriate balance maintained.

### **Channing Association**

The Channing Association is a restricted fund of the School for the purpose of fostering support for the School from the wider Channing community including current and former parents and friends of the School. The Channing Association organises social events for both parents and pupils and also helps support a number of School events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year. The Channing Association fund is managed by the Channing Association committee and an appropriate balance maintained.

### **Unrestricted Funds**

The Governors intend to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

The School's funds continue to be reviewed annually by the Governors in the context of the School's needs and obligations and future plans.

## **INVESTMENTS**

The Governors have agreed that investments are held to create income to help fund the Scholarships and Bursaries awarded. Investments are held in a mixture of listed investments and cash deposits and are managed and benchmarked appropriately so as to maintain their contribution whilst preserving the real value of the investments. Governors have taken account of the ethical considerations of the investments held and adopted a low risk approach, such that the vast majority of the School's listed investments are held in recognised charity funds. During both the current and the previous year, no additional cash deposit investments were received in respect of restricted funds. The market value of the School's investments have decreased by £11,200 during the year (2021: increased by £48,100).

## **RISK MANAGEMENT**

The School maintains a comprehensive risk register which is regularly reviewed and is presented to the Governors at every meeting. The School developed a new approach to risk management during the year and undertook a fundamental review of both its approach to risk management and the major risks facing the School. The Governors will continue to routinely consider both the major risks and other possible risks facing the School and the probability of the risks arising. They are assisted in this regard by the Headmistress, Bursar and other members of the School's Senior Leadership Team. General controls used by the Governors to identify and assess risks during the year include:

- Formal agenda items for Governors' Committee meetings
- Regular review of the School's Risk Register which is reviewed termly by the Governing Body

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

- Sub Committees to oversee key areas of School activity including education, estates, and finance. Ad hoc Committees are also established from time to time to review specific aspects of School activity including such areas as the appointments of new governors and the School's pension arrangements for staff.
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal authorisation and approval levels for financial transactions and approval of contracts
- Regular Health and Safety and Safeguarding reviews and inspections
- Maintaining appropriate insurance
- Regular Inspection by the Independent Schools Inspectorate

Through the above risk management processes, the Governors are satisfied that major risks are identified and as far as practicable adequately mitigated. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The main risks that the Governors have identified and the plans to manage those risks are:

### **Reputational**

A risk to the reputation of the School brand such that there is a material impact on current and future pupil numbers and the ability of the School to attract high quality staff. In order to manage this risk, the School ensures that its policies for recruitment, safeguarding and Health and Safety put pupil safety and wellbeing at the heart of the School and that compliance with these policies is checked on an ongoing basis by the Leadership Team and the Governors. The school also ensures that it engages with pupils and parents to ensure that any Special Educational Needs (SEN) and English as an Additional Language (EAL) needs are identified and that appropriate support is put in place. A comprehensive training programme for staff, ongoing monitoring and management of policies and a culture of openness and trust between pupils and staff are also intended to safeguard against this risk. In addition the School ensures that the Governors exercise oversight over all of these important issues

### **Loss of the financial benefits of charitable status**

The independent education sector does not currently enjoy strong political support from any political party, despite the efforts of the Independent Schools Council (ISC) and member Schools to demonstrate the financial and other benefits to the economy independent schools provide. These benefits include reducing the overall costs of educational provision to the Exchequer, local employment of staff and the generation of overseas earnings. The sector also provides significant amounts of Public Benefit in the form of bursaries and also where independent schools work alongside and partner with maintained schools and other local organisations. The Labour Party are actively considering introducing measures that would result in additional costs or taxes on the sector in order to raise money for the Exchequer, including the payment of Corporation Tax, the loss of Charitable Business Rate Relief and the payment of VAT on fees. In order to mitigate this risk and identify the potential financial impact such measures would have, the School continues to undertake its own internal risk modelling. The School recognises that there are some limited measures it can undertake to reduce its cost base, or increase its income to mitigate against the risk of increased taxation. The scope for such measures would not fully offset the impact of some of the measures being proposed if the School felt unable to pass on the costs to fee payers due to the potential impact on pupil numbers. In these scenarios the financial viability of the School and its ability to meet current legal and financial commitments would need careful consideration and if necessary appropriate action taken. In order to mitigate against the current lack of political support, the School will continue to work with the ISC, GSA, IAPS and HMC to articulate clearly the Public Benefit the School provides and to identify further opportunities to demonstrate this to politicians and the public both locally and nationally.

### **Digital risks**

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

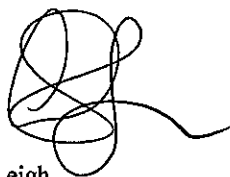
There is a risk that with an increasing reliance on digital technology in all areas of the School, insufficient investment in system integrity, system security and resilience, training or human error makes the School increasingly susceptible to a cyber attack. The School considers that such a risk might result in the School operations being severely impacted which in turn would jeopardise the School's ability to effectively educate pupils and to support the wider activities of the School. The School manages this risk by continuing to update and invest in the School's information systems to ensure that they meet the School's needs and to provide enhanced resilience. The School also continues to educate staff, pupils and Governors how to use digital technology safely and effectively.

The School is also aware that it must continue to ensure that its digital provision is kept up to date such that the School can maintain its excellent provision of teaching and learning and to further improve the School's efficiency. The School is currently implementing its new Digital Strategy to ensure that its digital provision is consistent with the School's longer term strategic objectives. The first step in this process is to ensure that staff, pupils, parents and Governors are all given the right skills to optimise their use of the School's digital provision in a safe and effective manner.

### Financial Risk

In addition to these risks, the School must also ensure that the School remains financially viable. Financial stability is a key priority for the School. In particular the School must generate sufficient cash flow to provide adequate resources to ensure a safe, secure and engaging educational environment, to meet loan obligations and to continue investing in the School's facilities and estate. This risk is managed by ensuring sound long term planning with clear and challenging financial targets which not only consider the operation of the School, but also the wider context in which the School operates. Governors with significant financial and business experience provide oversight of the School's finances alongside the Finance Committee which reviews the detailed finances of the School at least termly drawing on external advice as required. The School continues to be vigilant in assessing the impact of identified risks on the School's finances. This has included modelling various scenarios as part of the School's financial planning. In particular, measures that the School keeps under consideration in order to mitigate this risk include changes to the School's provision and the associated cost implications, cost savings, reductions in staffing and deferring or cancelling planned programmes of both revenue and capital investment.

The Governors' Report and the Strategic Report incorporated within it were approved by the board of Governors (in their role as directors) and signed on its behalf by



L Leigh  
Chair of Governors  
16 November 2023



R K Hill  
Bursar and Company Secretary  
16 November 2023

# Channing House Incorporated, Highgate

## GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Governors 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 charitable company 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 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; and
- 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 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.

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

### **Opinion**

We have audited the financial statements of Channing House Incorporated, Highgate (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2023 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable company 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 other information comprises the information included in the Governors' Report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 Directors' Report and the Strategic 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

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- The Directors' Report and the Strategic 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 Directors' Report or the Strategic Report included within the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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**

As explained more fully in the Statement of Governors' responsibilities set out on page 10, the Governors (who are also the directors of the charitable company for the purposes of company 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 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 trustees 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Governors' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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.

*RSM UK Audit LLP*

Nicholas Sladden (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

..... 21 November 2023

# Channing House Incorporated, Highgate

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2023

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2023 £'000	Unrestricted Funds £'000	Restricted Funds £'000	2022 £'000
<b>INCOME FROM:</b>							
<b>Donations</b>		0.1	2.7	2.8	4.5	4.8	9.3
<b>Charitable Activities:</b>							
School Fees receivable	1	22,171.6	-	22,171.6	20,877.8	-	20,877.8
Other income	2	672.9	107.3	780.2	590.1	101.0	691.1
<b>Investments</b>							
Investment income		-	9.2	9.2	-	8.3	8.3
Bank interest		263.4	2.1	265.5	1.2	0.5	1.7
<b>Total Income</b>		<u>23,108.0</u>	<u>121.3</u>	<u>23,229.3</u>	<u>21,473.6</u>	<u>114.6</u>	<u>21,588.2</u>
<b>EXPENDITURE ON:</b>							
<b>Raising funds:</b>							
Bank loan interest		153.4	--	153.4	188.6	-	188.6
		<u>153.4</u>	<u>-</u>	<u>153.4</u>	<u>188.6</u>	<u>-</u>	<u>188.6</u>
<b>Charitable activities:</b>							
School operating costs		19,422.9	109.8	19,532.7	17,985.8	97.5	18,083.3
<b>Total Expenditure</b>	3	<u>19,576.3</u>	<u>109.8</u>	<u>19,686.1</u>	<u>18,174.4</u>	<u>97.5</u>	<u>18,271.9</u>
(Loss) on revaluation of investments - unrealised	6	-	(3.8)	(3.8)	-	(11.2)	(11.2)
<b>Net Income before transfers</b>		3,531.7	7.7	3,539.4	3,299.2	5.9	3,305.1
Transfers between funds	10	10.7	(10.7)	-	4.8	(4.8)	-
<b>Net movement in funds</b>		<u>3,542.4</u>	<u>(3.0)</u>	<u>3,539.4</u>	<u>3,304.0</u>	<u>1.1</u>	<u>3,305.1</u>
Balances brought forward at 1 September		25,762.7	487.6	26,250.3	22,458.7	486.5	22,945.2
<b>Balances carried forward at 31 August</b>	11	<u>29,305.1</u>	<u>484.6</u>	<u>29,789.7</u>	<u>25,762.7</u>	<u>487.6</u>	<u>26,250.3</u>

# Channing House Incorporated, Highgate

Company No: 00063121

## BALANCE SHEET

As at 31 August 2023

	<i>Notes</i>	<b>2023</b> <b>£'000</b>	<b>2022</b> <b>£'000</b>
<b>FIXED ASSETS:</b>			
Tangible assets	5	29,765.3	30,723.4
Investments	6	484.6	487.6
		<hr/>	<hr/>
		<b>30,249.9</b>	<b>31,211.0</b>
		<hr/>	<hr/>
<b>CURRENT ASSETS:</b>			
Debtors	7	628.7	441.0
Cash at bank and in hand		14,938.5	13,384.8
		<hr/>	<hr/>
		<b>15,567.2</b>	<b>13,825.8</b>
		<hr/>	<hr/>
<b>CREDITORS: Amounts falling due within one year</b>	8	<b>(8,420.8)</b>	<b>(8,713.0)</b>
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>7,146.4</b>	<b>5,112.8</b>
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>37,396.3</b>	<b>36,323.8</b>
		<hr/>	<hr/>
<b>CREDITORS: Amounts falling due after more than one year</b>	9	<b>(7,606.6)</b>	<b>(10,073.5)</b>
		<hr/>	<hr/>
<b>TOTAL NET ASSETS</b>		<b>29,789.7</b>	<b>26,250.3</b>
		<hr/>	<hr/>
<b>REPRESENTED BY:</b>			
<b>RESTRICTED FUNDS</b>	10	<b>484.6</b>	<b>487.6</b>
<b>UNRESTRICTED FUNDS</b>			
Retained Income		29,305.1	25,762.7
		<hr/>	<hr/>
<b>TOTAL FUNDS</b>		<b>29,789.7</b>	<b>26,250.3</b>
		<hr/>	<hr/>

These financial statements were approved by the Board of Governors and authorised for issue on 16 November 2023 and signed on its behalf by:

  
.....  
L Leigh (Chair)

# Channing House Incorporated, Highgate

## STATEMENT OF CASH FLOWS

For the year ended 31 August 2023

	<i>Notes</i>	2023 £'000	2022 £'000
Net cash from by operating activities	(A)	2,786.5	4,878.5
Cash flows from investing activities	(B)	84.1	(1,332.4)
		<hr/>	<hr/>
Cash flows from financing activities	(C)	(1,316.9)	(530.0)
Increase in cash and cash equivalents in the year		<hr/> 1,553.7	<hr/> 3,016.2
Cash and cash equivalents at 1 September		13,384.8	10,368.6
		<hr/>	<hr/>
<b>Total cash and cash equivalents at 31 August</b>		<b>14,938.5</b>	<b>13,384.8</b>
		<hr/>	<hr/>
<b>(A) - Net cash provided by operating activities</b>			
Net Incoming Resources (as per the statement of financial activities)		3,539.4	3,305.1
<u>Adjusted for:</u>			
Unrealised Loss on revaluation of investments		3.8	11.2
Depreciation (note 5)		994.5	979.9
Bank loan interest payable		153.4	188.6
Investment income receivable		(9.2)	(8.3)
Bank interest receivable		(265.5)	(1.7)
(Increase) in debtors		(187.7)	(108.6)
(Decrease)/ Increase in creditors		(1,442.2)	512.4
		<hr/>	<hr/>
<b>Net cash provided by operating activities</b>		<b><u>2,786.5</u></b>	<b><u>4,878.6</u></b>
<b>(B) – Cash flows from investing activities</b>			
Investment Income		9.2	8.3
Bank interest received		265.5	1.7
Bank loan interest paid		(153.4)	(188.6)
Purchase of tangible assets		(36.4)	(1,141.5)
(Increase) in investment cash		<u>(0.8)</u>	<u>(12.3)</u>
		<hr/>	<hr/>
		<b><u>84.1</u></b>	<b><u>(1,332.4)</u></b>
<b>(C) – Cash flows from financing activities</b>			
Repayments of bank loans		(1,316.9)	(530.0)
		<hr/>	<hr/>
<b>(D) – Analysis of changes in net debt</b>			
	<b>At 1 Sept 2022</b>	<b>Cash flows</b>	<b>At 31 Aug 2023</b>
Cash and cash equivalents	13,384.8	1,553.7	14,938.5
	<hr/>	<hr/>	<hr/>
<b>Borrowings:</b>			
Debt due within one year (note 8)	(535.1)	47.2	(487.9)
Debt due after one year (note 9 (c))	<u>(4,132.8)</u>	<u>1,269.7</u>	<u>(2,863.1)</u>
	<hr/>	<hr/>	<hr/>
	<b><u>(4,667.9)</u></b>	<b><u>1,316.9</u></b>	<b><u>(3,351.0)</u></b>
	<hr/>	<hr/>	<hr/>
	<b>8,716.9</b>	<b>2,870.6</b>	<b><u>11,587.5</u></b>

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2023

### **BASIS OF FINANCIAL STATEMENTS**

The accounts of the School are prepared in accordance with the Companies Act 2006, and with the Charities Statement of Recommended Practice ('SORP (FRS102)' effective 1 January 2019) and Financial Reporting Standard 102. The accounts are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value. The School meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

### **GOING CONCERN**

The nature of the School's activities is such that fee income represents the majority of the School's income. Fee income is billed and received one term in advance. Forecasts are produced taking account of the timing and quantity of fee income, likely expenditure profile. These forecasts are provided to the Governors. On this basis no material uncertainties that may cast significant doubt about the ability of the School to continue as a going concern have been identified by the Governors. Therefore, the Governors have concluded to prepare the accounts on a going concern basis.

### **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the accounting policies, where the value of assets and liabilities are not readily apparent from other sources, accounting estimates and judgements are made based on historical experience and other factors, including future expectations, which are considered to be reasonable in the circumstances.

The estimates and underlying assumptions concerning the future are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Accounting estimates and assumptions, will, by definition, seldom equal the actual results.

### **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.

Voluntary income for the School's general purpose is accounted for as unrestricted and is credited to Retained Income.

Where the donor or an appeal has imposed restrictions, voluntary income is credited to the relevant restricted fund.

### **FEES RECEIVABLE AND SIMILAR INCOME**

Fees receivable comprise fees charged to pupils net of Scholarships, Bursaries and allowances, and are accounted for in the year in which the service is provided.

Pupils joining the School are required to pay a deposit which is then applied against the pupil's final term's fee bill. Reasonable assumptions are made regarding the time pupils will remain with the School in assessing when the deposits held will be applied to offset the pupil's fees for their final term.

### **EXPENDITURE**

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned on the basis of the activities staff are involved in. Certain costs are netted off against related income when it is appropriate to do so.

The School is not registered for Value Added Tax. All expenditure is therefore included in the expense category to which it relates inclusive of any Value Added Tax.

### **TANGIBLE FIXED ASSETS**

Land and buildings are carried in the balance sheet at original cost less accumulated depreciation as the

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2023

Governors consider that it is not appropriate to incur the expense of obtaining valuations of such assets. The cost of new buildings is added to fixed assets although repairs, alterations and improvements that do not materially enhance the economic benefit of the buildings are expensed as incurred; such costs are often substantial. Costs incurred in arranging long term debt to fund material additions to the School's land and buildings are included in fixed asset additions. The insured value of the School's assets is shown in note 5.

Furniture and teaching equipment are expensed in the period of acquisition. Such items will generally cost less than £18,000 per individual item and will include computers, equipment, furniture and ancillary items.

### **DEPRECIATION**

Depreciation is calculated by reference to the cost of fixed assets using a straight line basis at rates considered appropriate having regard to the expected lives of the assets. Depreciation is not provided on freehold land.

The annual rates of depreciation in use are:

Freehold buildings (including landscaping)	1% - 5%
Buildings in the course of construction	Nil
Plant, Equipment, Fixtures and Fittings	10% - 33.3%
Motor Vehicles	25%

Governors have considered the impairment of those freehold buildings with an estimated useful life of over 50 years and are satisfied, having considered both realisable value and value in use, that the buildings have not been materially impaired.

### **INVESTMENTS**

Investments are initially recognised at cost. They are held as fixed assets to provide an investment return and are stated in the balance sheet at their open market value as at the balance sheet date. Any resulting unrealised gain or loss is taken to the fund to which it relates.

### **FUNDS**

The funds of the School are segregated between:

(i) Restricted Funds

- Scholarship, Prize and Bursary Funds  
The School receives some of its income primarily for the provision of Scholarships, Bursaries and Prizes. This income is credited directly to the relevant fund account. All expenditure in relation to this income is charged directly to the relevant fund account.
- School Development Fund  
Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a New Performing Arts Facility. The School is no longer actively promoting fundraising for the Capital Challenge, though donations continue to be received and credited to this fund. In addition, funds raised towards the Junior School redevelopment are also credited to this fund. Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged. The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment have been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.
- Channing Alumnae

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2023

The Channing Alumnae Fund is a restricted fund of the School for the purpose of promoting School alumnae. The fund is used to promote communication between the School and alumnae and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae committee.

- **Channing Association**  
The Channing Association is a restricted fund of the School for the purpose of fostering support from the wider Channing community including current and former parents and friends of the School. The Channing Association organises social events for both parents and pupils and also helps support a number of School events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year.

### (ii) Unrestricted Funds

- **Retained Income**  
The School seeks to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

## **FINANCIAL INSTRUMENTS**

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. As such, financial instruments are initially recognised at transaction value and subsequently measured and held at amortised cost using the effective interest rate method.

Financial assets comprise cash at bank and in hand together with debtors less prepayments and are recognised when the School becomes contractually entitled to receive cash or other financial assets from a third party.

Financial liabilities comprise creditors falling due both within and after one year excluding deferred income and other tax and social security liabilities and are recognised when the School incurs a legal or constructive obligation to deliver cash or another financial asset to a third party.

All financial instruments are held for the sole purpose of managing the cash flow of the School on a day-to-day basis or arise from normal operating activities.

## **PENSION COSTS**

Retirement benefits for most teachers of the School are provided by the Teachers' Pension Scheme (TPS). The TPS is a multi employer defined benefit pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Scheme. Accordingly, as required by FRS102, the School has accounted for its contributions to the Scheme as if it were a defined contribution scheme.

The School also operates defined contribution schemes for other staff. Contributions to these schemes are charged to the Statement of Financial Activities in the year in which they are incurred.

## **OPERATING LEASES**

Rental payments on operating leases are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

### 1 CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

Fees receivable are stated net of Scholarships and Bursaries awarded and allowances given. Scholarships, Bursaries and allowances totalled £1,742,418 (2022: £1,555,782 ).

2 CHARITABLE ACTIVITIES - OTHER INCOME	2023 £'000	2022 £'000
Educational visits and other recoverable items	491.9	447.8
Registration fees and fees in lieu of notice	179.4	131.8
Other income	108.9	110.0
Profit on sale of motor vehicle	-	1.5
	<b>780.2</b>	<b>691.1</b>

3 TOTAL EXPENDITURE	Staff costs (note 4) £'000	Depreciation £'000	Other costs £'000	2023 Total £'000	2022 Total £'000
<b>Raising funds:</b>					
Bank Loan interest	-	-	153.4	153.4	188.6
<b>Total Cost of Raising Funds</b>	<b>-</b>	<b>-</b>	<b>153.4</b>	<b>153.4</b>	<b>188.6</b>
<b>Charitable activities:</b>					
<b>School operating costs:</b>					
Teaching	10,182.1	-	2,181.8	12,363.9	11,569.0
Welfare and Catering	690.3	-	592.9	1,283.2	1,062.3
Premises and occupancy	274.1	994.5	1,425.3	2,693.9	2,445.7
Property repair and maintenance	-	-	1,121.1	1,121.1	1,277.3
Administration and support	1,256.4	-	722.3	1,978.7	1,645.8
Governance	44.7	-	36.9	81.6	74.6
Grants, awards and prizes	-	-	10.3	10.3	8.6
<b>Total Charitable expenditure</b>	<b>12,447.6</b>	<b>994.5</b>	<b>6,090.6</b>	<b>19,532.7</b>	<b>18,083.3</b>
<b>TOTAL EXPENDITURE</b>	<b>12,447.6</b>	<b>994.5</b>	<b>6,244.0</b>	<b>19,686.1</b>	<b>18,271.9</b>
2022:	11,491.6	979.9	5,800.4		

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

3	TOTAL EXPENDITURE (Continued)	2023	2022
		£'000	£'000
	Charitable expenditure includes:		
	Operating lease rentals	87.0	126.3
	Auditor's remuneration:		
	For audit services - RSM UK Audit LLP (exclusive of VAT)	28.3	25.6
	For payroll services - RSM Employer Services Limited	7.4	15.4
	For risk assurance service- RSM UK Risk Assurance Services LLP	6.9	9.9
		<hr/>	<hr/>
4	STAFF COSTS		
	The aggregate staff costs (note 3) were as follows:		
	Wages and salaries	9,777.9	8,989.0
	Social security costs	1,022.1	963.8
	Pension contributions	1,647.6	1,538.8
		<hr/>	<hr/>
		12,447.6	11,491.6
		<hr/>	<hr/>

Included in wages and salaries are termination payments totalling £NIL (2022: £70,244).

The average monthly number of employees during the year was made up as follows:

	2023		2022	
	Full Time	Part Time	Full Time	Part Time
Teaching	88	38	79	42
Technical and support	9	8	9	6
Catering	15	3	13	3
Maintenance and caretaking	6	0	4	1
Administrative	13	8	18	7
	<hr/>	<hr/>	<hr/>	<hr/>
	131	57*	123	59*
	<hr/>	<hr/>	<hr/>	<hr/>

\* Equivalent to approximately 29 (2023:30) number of full time employees. In addition to the above, the School also made payments to 31 peripatetic music teachers (2022:29).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

### 4 STAFF COSTS (continued)

The number of employees whose emoluments (excludes employer's pension contribution) exceeded £60,000 was:

	2023	2022
£60,001 – £70,000	30	21
£70,001 - £80,000	5	1
£80,001 - £90,000	3	3
£90,001 - £100,000	2	2
£100,001 - £110,000	2	1
£160,001 - £170,000	-	1
£170,001 - £180,000	1	-
£180,001- £190,000	-	1
£190,001 - £200,000	1	-

Contributions of £633,566 (2022: £469,974) were made to the Teachers' Pension Scheme, which is a defined benefits scheme, for 38 (2022: 28) higher paid employees. Contributions of £36,747 (2022: £7,815) were also made to defined contribution schemes for 5 (2022: 1) higher paid employees.

Aggregate employee-benefits of key management personnel (including employer pension and national insurance contributions)	<b>£459,105</b>	£440,748
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5	TANGIBLE FIXED ASSETS	Freehold land and buildings	Plant, Equipment, Fixtures and Fittings	Motor Vehicles	Total
	Cost:	£'000	£'000	£'000	£ '000
	1 September 2022	34,154.4	2,576.0	84.2	36,814.6
	Additions	-	-	36.4	36.4
	31 August 2023	<u>34,154.4</u>	<u>2,576.0</u>	<u>120.6</u>	<u>36,851.0</u>
	Depreciation:				
	1 September 2022	3,920.8	2,101.5	68.9	6,091.2
	Charged in the year	731.3	254.4	8.8	994.5
	31 August 2023	<u>4,652.1</u>	<u>2,355.9</u>	<u>77.7</u>	<u>7,085.7</u>
	Net book value:				
	31 August 2023	<u>29,502.3</u>	<u>220.1</u>	<u>42.9</u>	<u>29,765.3</u>
	1 September 2022	<u>30,233.6</u>	<u>474.5</u>	<u>15.3</u>	<u>30,723.4</u>



# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

8 CREDITORS: Amounts falling due within one year	2023 £'000	2022 £'000
Advanced Fees received 1 year in advance (see Note 9(a))	4,877.7	4,792.5
Other Fees received in advance	1,178.4	1,075.6
Bank Loans repayable within 1 year (see Note 9 (c))	487.9	535.1
Other taxes and National Insurance contributions	261.4	269.5
Trade Creditors	573.2	358.5
Other creditors	195.3	186.0
Trips	116.8	84.6
Accruals	730.1	1,411.2
	<u>8,420.8</u>	<u>8,713.0</u>
9 CREDITORS: Amounts falling due after more than one year		
Advanced fees (see Note 9(a))	2,000.9	3,499.7
Final term deposits (see Note 9(b))	2,742.6	2,441.0
Bank loans (see Note 9(c))	2,863.1	4,132.8
	<u>7,606.6</u>	<u>10,073.5</u>

### 9 (a) Advanced fees

Parents are offered the opportunity to pay tuition fees in advance. Certain parents have taken advantage of this offer and have entered into an arrangement with the School to pay tuition fees in advance. Advance Fee payments are paid direct to the School and may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming pupils will remain with the School the amounts held in respect of fees falling due in more than one year will be applied to offset tuition fees as follows:

Fees due in 1 – 2 years	1,922.2	3,279.8
Fees due in 2 – 5 years	78.7	219.9
	<u>2,000.9</u>	<u>3,499.7</u>
Fees due within 1 year (see Note 8)	4,877.7	4,792.5
	<u>6,878.6</u>	<u>8,292.2</u>
The movements during the year were as follows: -		
Balance at 1 September	8,292.2	8,990.5
Amounts received (net of refunds) during the year	3,378.9	3,602.1
Amounts utilised in payment of fees	(4,792.5)	(4,300.4)
	<u>6,878.6</u>	<u>8,292.2</u>

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

### 9 (b) Final Term Deposits

All new pupils are required to pay a deposit which is then applied against the pupil's final term's fee bill. Applying reasonable assumptions regarding the time pupils will remain with the School the deposits held will be applied to offset fees for their final term as follows: -

	2023	2022
	£'000	£'000
Deposits due to be refunded in 1 – 2 years	484.8	356.0
Deposits due to be refunded in 2 – 5 years	682.0	609.1
Deposits due to be refunded in more than 5 years	1,575.8	1,475.9
	<hr/>	<hr/>
	2,742.6	2,441.0
	<hr/>	<hr/>

### 9 (c) Bank Loans

Bank Loans are repayable as follows as follows: -

Repayments within 1 – 2 years	381.6	557.2
Repayments within 2 – 5 years	1,241.1	1,419.3
Repayments in more than 5 years	1,240.4	2,156.3
	<hr/>	<hr/>
	2,863.1	4,132.8
Repayments within 1 year (see Note 8)	487.9	535.1
	<hr/>	<hr/>
	3,351.0	4,667.9
	<hr/>	<hr/>

As at the 31 August 2023 the School has drawn down bank loan facilities totalling £7.5m to part fund the construction of the new Sports Hall and Sixth Form Centre, and the Performing Arts Building. These facilities are secured on the School's freehold land and buildings. Of the £7.5m loan facilities drawn down:

- £1m was converted to a fixed term loan repayable over 10 years commencing on 29 August 2014 at an interest rate fixed at 4.47% p.a. for the duration of the loan.
- £2m was converted to a fixed term loan repayable over 15 years commencing on 1 December 2015 at an interest rate fixed at 4.73% p.a. for the duration of the loan.
- £1.1m was converted to a fixed term loan repayable over 15 years commencing on 29 August 2015 at a variable interest rate of 2.0% p.a. above the Base Rate. This loan was subsequently, on 16 October 2016, converted to a fixed term loan repayable over 14 years at an interest rate fixed at 3.4% p.a. for the duration of the loan.
- £2.4m was drawn down on 20 December 2017 as a fixed term loan repayable over 15 years at an interest rate fixed at 3.64% p.a. for the duration of the loan.
- £1m was drawn down on 30 June 2020 as a fixed term loan repayable over 12 years and 7 months at a variable interest rate of 2% over Base Rate for the duration of the loan. This loan was repaid on 12 December 2022.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

10	RESTRICTED FUNDS	Balance 31 August 2022 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Loss on revaluation of investments £'000	Balance 31 August 2023 £'000
	Scholarship, Prize and Bursary Funds	429.0	11.3	(15.1)	-	(3.8)	421.4
	School Development Fund	-	2.7	-	(2.7)*	-	-
	Channing Alumnae	24.5	9.4	(4.7)	-	-	29.2
	Channing Association	34.1	97.9	(90.0)	(8.0)	-	34.0
		<u>487.6</u>	<u>121.3</u>	<u>(109.8)</u>	<u>(10.7)</u>	<u>(3.8)</u>	<u>484.6</u>

\* This transfer relates to donations received for the purpose of developing the Sports Hall, Sixth Form Centre, Music and Performing Arts facilities at the Senior School and the Junior School redevelopment. The restriction placed on the income received has been discharged in that expenditure has been incurred and capitalised within fixed assets. Consequently, the funds were transferred to unrestricted funds.

A description of each restricted fund and its use can be found on page 6.

11	FUNDS - ALLOCATION OF NET ASSETS	Tangible fixed assets £'000	Investments £'000	Net current Assets £'000	Creditors falling due after more than 1 year £'000	2023 Total £'000
	Restricted funds*	-	484.6	-	-	484.6
	Unrestricted funds	29,765.3	-	7,146.4	(7,606.6)	29,305.1
		<u>29,765.3</u>	<u>484.6</u>	<u>7,146.4</u>	<u>(7,606.6)</u>	<u>29,789.7</u>
	Restricted funds*	-	487.7	-	-	487.7
	Unrestricted funds	30,723.4	-	5,112.8	10,073.5	25,762.7
		<u>30,723.4</u>	<u>487.7</u>	<u>5,112.8</u>	<u>10,073.5</u>	<u>26,250.3</u>

\*Included in Restricted Funds are cumulative unrealised gains of £237,626 (2022: £241,430).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

### 12 SHARE CAPITAL

The company is limited by guarantee and has no share capital, members having a liability not exceeding £5 each.

### 13 PENSION COMMITMENTS

#### a. Teachers

Teachers are members of the Teachers' Pension Scheme England and Wales (TPS). This scheme is a multi-employer, statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

As the TPS is a multi-employer pension scheme, the School is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The School has set out within this note the scheme information available and the implications for the School in terms of the anticipated contribution rates.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay (including a 0.08% employer administration charge) from September 2019 onwards. This compares to 16.48% previously.

During the year the employee contribution rate ranged between 7.4% and 11.7% depending on a member's salary.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

The pension charge includes employer contributions payable to the scheme, which amounted to £1,368,907 (2022: £1,308,073). As at 31 August 2023 there were outstanding contributions payable to the scheme of £165,280 (2022: £155,834) included in other creditors. The contributions of the School represent a minor proportion of the payments into the scheme.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2023

### b) Other staff

The School also operates defined contribution schemes for other staff. The assets of these schemes are held separately from those of the School in funds administered by insurance companies. The pension cost charge represents contributions payable in respect of these schemes and amount to £278,660 (2022: £230,713). £25,183 (2022: £20,162) included in other creditors was payable to these schemes at the year end.

## 14 COMMITMENTS

As at 31 August the School had the following capital commitments:

	2023 £'000	2022 £'000
Authorised and contracted for	NIL	NIL

## 15 OPERATING LEASE ARRANGEMENTS

As at 31 August the School had minimum lease payments under non-cancellable operating leases, in aggregate, as follows: -

	Buildings £'000	Equipment £'000	2023 £'000	2022 £'000
Amounts payable:-				
Within one year	2.8	27.3	30.1	93.1
Within 2-5 years	-	102.4	102.4	-
	<u>2.8</u>	<u>129.7</u>	<u>132.5</u>	<u>93.1</u>
	<u>2022:</u>	<u>2.8</u>	<u>90.3</u>	

## 16 RELATED PARTY TRANSACTIONS

There were no transactions with related parties during the year to 31 August 2023 or during the year to 31 August 2022 and there were no balances outstanding at the previous or current year-end.

No member of the Association or Board of Governors received any remuneration or other benefits from the School. Five (2022: three) Governors were reimbursed travelling and incidental expenses totalling £1,352 (2022: £1,270). The insurance premium paid by the School includes an element of cover for 'directors' (Governors).

**CHANNING HOUSE INCORPORATED, HIGHGATE**

England & Wales - Charity number 312766

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# Accounts

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Channing House Incorporated, Highgate  
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

For the year ended  
31 August 2022

Company No: 00063121

Registered Charity No. 31276

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISORS

To be presented at the Annual General Meeting of the company to be held at Channing School, The Bank, Highgate Hill, London N6 5HF on 16 March 2023.

### GOVERNORS

The Board of Governors may appoint any member of the Association as a Governor, either to fill a casual vacancy or by way of addition to the board. All Governors are required to confirm that they will support the Unitarian traditions of the School. Except as otherwise indicated the following were Governors during the year and to the date of signing this report:

Ms C Peck *	LLB (Bristol) (Chair)	
Mr JAG Alexander *	FCA, BA and MA (London)	
Mr A Appleyard *	BSc (Reading)	
Mrs J Burns *	BA (Southampton)	
Mrs C Chandler-Thompson	BA (Exeter)	(Appointed 1 September 2021)
Rev D Costley	BA (Open University)	
Mrs L Cristie *	BA (Bristol)	
Mr R Hirji	MBA (Manchester)	(Appointed 1 September 2021)
Mrs C Hulme-McKibbin	B.Ed (Cantab)	(Appointed 1 September 2021)
Mrs L Leigh+	BSc (Hons)(Manchester)	(Appointed 19 April 2022)
Mr D Oliver	M Phil (Oxford)	
Mrs J Otterburn Hall	BA (Bristol)	(Retired 17 March 2022)
Mrs P Peck	MBA (Oxon)	
Mr S Prior	BSc (Hons)(Reading)	(Appointed 7 June 2022)
Ms B Rentoul	MA (Yale)	
Mr WJH Spears	BA (SOAS), MBA	
Dr A Sutton	MB ChB	
Mr K Van der Sande	CIMA (BPP)	(Appointed 1 September 2021)

\* Members of the Finance and General Purposes Committee

+ Subsequent to the year end on 26 September 2022, Mrs L Leigh was appointed Chair of Governors with effect from 18 November 2022.

### MEMBERS OF ASSOCIATION

The Members of the Association, except as otherwise indicated, throughout the year were, in addition to the Governors listed above:

Mr SD Barber	BSc (Econ) FCA
Professor HG Beale	MA (Oxon)
Mrs D Bond	BA (Cantab)
Mr S M D Brown	BA (Dunelm)
Ms CEA Budgett-Meakin	BA (Kent)
Mr JM Burns	MA (Oxon)
Baroness J Coussins	MA (Cantab)
Baroness C Cox	MSc (Econ) PhD
Dr J Dacre	BSc
Miss JAM Davidson	BSc (London)
Dr AP Hogg	MA (Oxon) PhD (London)
Mrs S Moloney	SRN RHV
Mrs J Otterburn Hall	BA (Bristol)
Mrs D Patman	FRICS ACI Arb
Mrs C Richards	BSc.Arch (London)
Miss M Rudland	BSc
Mrs VA Schilling	MCSP
Mr M Steiner	MA (Oxon)
Dr T Stone	MA (Cantab) PhD
Miss EM Tucker	MA (Cantab)
Dr DJ Williams	MB BCh
Dr DL Wykes	BSc PhD

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISORS

### OFFICERS

The Headmistress Mrs L D J Hughes BA (Warwick)

The Bursar Mr R K J Hill OBE MA ACMA

Address Channing School  
Highgate Hill  
London  
N6 5HF

### BANKERS

Lloyds Bank plc  
Commercial Banking  
PO Box 1000  
BX1 1LT

### SOLICITORS

Dentons UKMEA LLP  
One Fleet Place  
London  
EC4M 7WS

Veale Wasbrough Vizards LLP  
Narrow Quay House  
Narrow Quay  
Bristol  
S1 4QA

### AUDITORS

RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

### REGISTERED OFFICE

Channing School  
Highgate Hill  
Highgate  
London  
N6 5HF

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### REFERENCE AND ADMINISTRATIVE INFORMATION

The School was incorporated in England and Wales on 27 July 1899 and is a company limited by guarantee, its members being members of the Association, having a liability not exceeding £5 each. The School was established under a Memorandum of Association which established the objects and powers of the charitable School and is governed under its Articles of Association. The company is a registered charity with charity number 312766 and company number 00063121. The Governors of the School, who are also the charity trustees and company directors, and the School's principal officers and advisers are listed on pages 1 and 2. Whenever Governors are referred to in this report this subsumes their roles as both charity trustees and company directors of Channing House Incorporated, Highgate within the meaning of Company Law.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governors determine the general policy of the School. The day-to-day management of the School is delegated to the Headmistress and the Bursar. Governors determine the remuneration of key management personnel through a Remuneration Committee. In setting the remuneration of key personnel this committee takes note of national pay scales, individual performance and internal and external benchmarking as necessary.

There have been no transactions with the related parties of the School, with the exception of the key management personnel remuneration as disclosed in Note 4.

### RECRUITMENT AND TRAINING OF GOVERNORS

Governors are appointed as vacancies arise. In making appointments Governors take into account Charity Commission guidance and the skills that are required by the School. Potential candidates who possess the requisite personal and specialist skills are identified, including through the use of specialist recruitment agencies, discussed by Governors and invited to become a Governor as appropriate.

New Governors are provided with information about the School and appropriate training and induction is arranged. On appointment, Governors are briefed on their responsibilities as Directors, Trustees and Governors. They are also encouraged to attend training courses on the roles of Governors run by The Association of Governing Bodies of Independent Schools (AGBIS). Governors are also given regular presentations by Heads of Department on specific curricular developments.

### STATEMENT OF PROVISION OF INFORMATION TO AUDITORS

The Governors in office on the date of this report have confirmed, as far as they are aware, that there is no relevant audit information of which the charitable company's auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as Governors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

### PUBLIC BENEFIT

The Governors confirm that, to the best of their knowledge and belief, they have complied with the duty in the Charities (Accounts and Reports) Regulations 2008 in respect to having due regard to the public benefit guidance published by the Charity Commission.

The School provides public benefit in many ways. The School provides bursaries generally on entry to the School at Year 7 and Year 12. The School has a policy to make awards on the basis of ability to pay. Bursaries and concessions of £1,051,476, were given during the current year (2021: £1,213,457). The decrease is primarily attributable to a reducing need for hardship support for families of current pupils whose circumstances changed significantly during the COVID pandemic.

Additionally, the School actively participates in the East London Consortium ISSP, an Independent/State School Partnership. The School also makes available its facilities for use by the local community for sporting events and occasional conferences and meetings. The School is particularly supportive of girls' sport and provides its facilities for use both by Middlesex County, two local netball clubs and the local cricket club. The School's playing fields are also used by Hampstead Archery Club and the local community. The School generally makes its facilities available to

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

local community groups) for these purposes for a minimal or no charge. The school is also building Partnerships with a number of local organisations including Highgate Newtown Community Centre (HNCP), Brookfield School, St Aloysius School and Highbury Fields School. These relationships have developed during 2021/22 and the School now supports a number of joint activities with these organisations including extra curricular activities, an annual Summer camp and community teas. In addition invitations are extended to partner schools and other local schools to attend workshops, training events and presentations from visiting speakers. The School recently signed a Memorandum of Understanding with HNCP with a view to further strengthening this relationship.

### **OBJECTIVES AND ACTIVITIES**

The School's principal purpose is to carry on a day School for girls. Pupils enjoy outstanding personal success at School and beyond, as a result of the School's holistic, balanced education. The School was inspected by the Independent Schools Inspectorate in June 2022 during which the quality of the School's academic and other achievements and the quality of the pupils personal development were both considered excellent. In addition it was considered that the School was compliant with the standards in the schedule to the 'Education (Independent School Standards) Regulations 2014, and relevant requirements of the statutory framework for the Early Years Foundation stage and associated requirements.

The School's success is achieved by a combination in equal measure of academic excellence, pastoral care and breadth of extra and co-curricular activities. The School's Unitarian ethos encourages its pupils to be intellectually curious, open-minded and respectful. Details of the School's strategic objectives to achieve this are provided in the Strategic Report that follows.

### **STRATEGIC REPORT**

#### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE**

During the year the School has continued to work towards achieving its published strategic objectives which support the School's mission. The objectives were introduced from September 2020 and cover the period 2020 to 2025. The School continues to make progress against these objectives.

#### **Strategic Objectives 2020 to 2025**

- 1. To provide an excellent and relevant education, free from undue pressure, that inspires all pupils to achieve their full potential.** The School continues to deliver outstanding academic results in 2022. These were the first exams which were undertaken under exam conditions since 2019, hence comparison to results for this year rather than 2021 have been provided. In Summer 2022 87.1 % (2019 91.4%) of pupils gained A\*-B grades at A level and the percentage of all GCSE results graded 9/8/7 was 88.2% ( 2019 85.2%) of which 68.3 % (2019: 64.6%) gained 9/8 at GCSE. The School is very proud that these results have been achieved and continue to improve compared to the last results under exam conditions, whilst at the same time identifying ways to reduce the pressure on students. During the year the School has also taken forward a programme of 'Fearless Learners' at the Senior School whilst the Junior School has continued to develop its 'Character Education' programme.
- 2. To support personal development which puts wellbeing at the heart of our pastoral provision.** The School has continued to develop its provision for pastoral care, further developing the support which the School can provide to support pupil Mental Health. The School is also continuing to extend opportunities for pupil leadership at both the Senior and Junior Schools. Careers education and guidance remains an area of focus across the School and it has been pleased to welcome a wide selection of eminent speakers to the School including Baroness Nicki Morgan, Baroness Tanni-Grey Thompson and Professor Dieter Helm. The School also welcomes the opportunity to invite students from local schools to share in these opportunities.
- 3. To embrace modern technology and use it as a means to enhance pupils' independence as learners to prepare them for the future.** The School continues to invest in new technology, recognising the opportunities it provides to enhance independence as well as collaboration amongst students. The School has continued to draw on the experiences of COVID in developing its use of technology in the School. This has also included a review of workflow using technology. The School remains aware of the risks that technology can present to young people and continues to address these through educating pupils and by supporting parents including offering digital safety information events. In addition to combat this the School has put in place the necessary policies and safeguards around the use of technology in School and has

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

provided guidance to ensure that staff and pupils are aware of the risks associated with the use of digital devices.

4. **To provide a secure, safe and healthy environment.** The School continues to put pupil safeguarding at the heart of the School's operation, ensuring that staff and pupils are aware of the strategies and procedures in place to minimise the risk to pupils. The School undertook a review of its Safeguarding provision during the year which resulted in the further development of its policies and procedures for the oversight and governance of safeguarding in School. The School also continues to develop well-being strategies for both pupils and staff.
5. **To develop further opportunities for Science, Technology, Engineering & Maths (STEM).** The development of STEM is recognised as an ongoing priority for the School across all Key Stages and is reflected in continuing to upgrade and improve Science facilities as well as making additional resources available to develop STEM provision within the School. The School has introduced A level Computer Science and has also reviewed the resourcing and teaching of Key Stage 4 Science which when implemented will provide an improved experience for pupils.
6. **To manage the School's resources effectively and to ensure that the School can continue to attract the brightest students.** As a result of exercising sound control over the School's finances, the School has been able to continue to invest in improving facilities both at the Senior and Junior School. The School is currently considering the outcome of its strategic review of its estate and facilities with a view to further development of the estate to meet the future needs of the School.
7. **To recognise and promote our social responsibility.** The School is aware of its social responsibility to both the local and wider communities. The School continues to develop links with the local community including Highgate Newtown Community Partners and a number of local Schools including Brookfield Primary School and St Aloysius College. This objective also includes the School's wider commitment to sustainability. The pupils at both the Junior and Senior School are increasingly active at promoting sustainability initiatives in the School including Clean Air Days. The School has also engaged with consultants to help the School identify its carbon footprint with a view to developing a net zero carbon strategy for the School. It is expected that further progress will be made during 2022/23 following the groundwork undertaken this year.

### Review of other achievements

The School continues to support a very large number of charitable and cultural activities. In particular it makes a significant contribution to the community through many local activities including musical and sporting events as well as participating in local sporting and community events. The Young Enterprise scheme and the Duke of Edinburgh Award programme continue to enjoy significant popularity and the Forest School learning programme has been further developed in the Junior School. The School is also increasing its involvement in the local community with pupils across the School undertaking a wide variety of activities. Additionally during the year the School raised funds both directly and via Just Giving for its chosen charities of CAMFEED, Marie Curie and Ukraine Humanitarian Appeal among others. The total raised for charities during the year was £25,491.

### FINANCIAL REVIEW

The Statement of Financial Activities on page 14 shows net income of £3,305,100 (2021: £3,699,500).

The result for the year and the year end financial position of the School is considered satisfactory and is consistent with the School's planned target.

During the year capital expenditure of £1,141,500 (2021: £2,087,600) was incurred of which £1,027,100 was in respect of the grounds of the Junior School following its redevelopment.

The Balance Sheet on page 15 shows net current assets of £5,112,800 (2021:£3,360,400). The significant increase in the School's net current asset position is attributable to the net income generated during the year.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### **DONATIONS**

Income for the year includes £4,800 (2021: £43,600) of restricted Donations, all of which were attributable to the new Sport, Sixth Form, Music and Performing Arts facilities, and the Junior School redevelopment.

During the year the School has not undertaken any significant fundraising activities and no third party fundraisers have been engaged.

### **FUTURE PLANS**

The Governors have agreed to continue to develop the School in line with the strategic objectives above which all build on the overall aim that Channing pupils should enjoy success at School and beyond.

### **FUNDS HELD**

Notes 10 and 11 to the financial statements sets out an analysis of the School's restricted and unrestricted funds of £487,700 (2021: £486,500) and £25,762,700 (2021: £22,458,700) respectively and their attributable assets and liabilities. These net assets are sufficient to meet the obligations on a fund by fund basis. The School's tangible assets are all held for use in the School.

It is the School's long term policy to build and maintain the School's free reserves, though the Governors recognise that achieving any material increase in free reserves will not be possible whilst the School has bank loans to repay and continues to develop its buildings and facilities for the benefit of current and future generations of pupils. With this in mind, rather than set a specific target for free reserves, when considering the School's available reserves, Governors take into account the long term bank facilities/loans in place but undrawn at the year end and creditors falling due in more than one year. Creditors falling due in more than one year comprise the funds held in respect of final term deposits and advance fees, and long term bank loans drawn down.

Taking account of the above definition of the School's free reserves, the free reserves at the year end comprise the sum of the School's confirmed bank loan facilities undrawn plus net current assets or less net current liabilities. On this basis at the year end the School's free reserves were around £7,600,000 (2021: £5,900,000).

Substantial sums have been invested into the School over recent years and Governors have authorised a continuing programme of refurbishment, development and investment in order to maintain and enhance the facilities for pupils. Whilst this programme is continuing and the long term bank loans are being repaid, the School is unlikely to be in a position to build up free reserves on a long term basis.

The Governors consider that, given the strength of the School's balance sheet, forecast net income for the year to 31 August 2023 and the market value of the School's property, which is not currently reflected in the reserves, the School's level of reserves at the year end are satisfactory given that the School has an ongoing development programme and the nature of its creditors falling due in more than one year. Additionally, Governors ensure robust budgeting, cash flow monitoring and risk profiling are exercised to ensure the School can meet its ongoing educational needs and continue to invest in its estate and facilities. The Governors are satisfied that the School has sufficient available cash and borrowing facilities to meet its strategic objectives.

### **Restricted Funds**

#### **Scholarship, Prize and Bursary Funds**

This represents bequests and donations received by the School, which are subject to the specific wishes of the donor. These funds are matched by investments. Movement in the fund during the year comprised donations, investment income and interest. The investment income and interest is used to fund Scholarships and Bursaries for pupils attending the School.

#### **School Development Fund**

Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a new Performing Arts facility. The School is no longer actively promoting fundraising for The Capital Challenge, though donations continue to be received and credited to this fund. In addition, funds raised towards the Junior School redevelopment are also credited to this fund.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged.

The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment have been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.

### **Channing Alumnae**

The Channing Alumnae Fund is a restricted fund of the School held for the purpose of promoting School alumnae. The fund is used to promote communication between the School and alumnae and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae Committee, and an appropriate balance maintained.

### **Channing Association**

The Channing Association is a restricted fund of the School for the purpose of fostering support for the School from the wider Channing community including current and former parents and friends of the School. The Channing Association organises social events for both parents and pupils and also helps support a number of School events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year. The Channing Association fund is managed by the Channing Association committee and an appropriate balance maintained.

### **Unrestricted Funds**

The Governors intend to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

The School's funds continue to be reviewed annually by the Governors in the context of the School's needs and obligations and future plans.

## **INVESTMENTS**

The Governors have agreed that investments are held to create income to help fund the Scholarships and Bursaries awarded. Investments are held in a mixture of listed investments and cash deposits and are managed and benchmarked appropriately so as to maintain their contribution whilst preserving the real value of the investments. Governors have taken account of the ethical considerations of the investments held and adopted a low risk approach, such that the vast majority of the School's listed investments are held in recognised charity funds. During both the current and the previous year, no additional cash deposit investments were received in respect of restricted funds. The market value of the School's investments have decreased by £11,200 during the year (2021: increased by £48,100).

## **RISK MANAGEMENT**

The School maintains a comprehensive risk register which is regularly reviewed and is presented to the Governors at every meeting. The School developed a new approach to risk management during the year and undertook a fundamental review of both its approach to risk management and the major risks facing the School. The Governors will continue to routinely consider both the major risks and other possible risks facing the School and the probability of the risks arising. They are assisted in this regard by the Headmistress, Bursar and other members of the School's Senior Leadership Team. General controls used by the Governors to identify and assess risks during the year include:

- Formal agenda items for Governors' Committee meetings
- Regular review of the School's Risk Register which is reviewed termly by the Governing Body
- Sub Committees to oversee key areas of School activity including education, strategy, estates, marketing and finance. Ad hoc Committees are also established from time to time to review specific aspects of School activity including such areas as the appointments of new governors and the School's pension arrangements for staff.
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

- Formal authorisation and approval levels for financial transactions and approval of contracts
- Regular Health and Safety and Safeguarding reviews and inspections
- Maintaining appropriate insurance
- Regular Inspection by the Independent Schools Inspectorate

The School also recently commissioned a review of the School's governance by the Association of the Governing Bodies for Independent Schools and this will report in 2022/23.

Through the above risk management processes, the Governors are satisfied that major risks are identified and as far as practicable adequately mitigated. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The main risks that the Governors have identified and the plans to manage those risks are:

### **Reputational**

A risk to the reputation of the School brand such that there is a material impact on current and future pupil numbers and the ability of the School to attract high quality staff. In order to manage this risk, the School ensures that its policies for recruitment, safeguarding and Health and Safety put pupil safety and wellbeing at the heart of the School. The school also ensures that it engages with pupils and parents to ensure that any Special Educational Needs (SEN) are identified and that appropriate support is put in place. A comprehensive training programme for staff, ongoing monitoring and management of policies and a culture of openness and trust between pupils and staff are also intended to safeguard against this risk.

### **Loss of the financial benefits of charitable status.**

The independent education sector does not currently enjoy strong political support from any political party, despite the efforts of the Independent Schools Council (ISC) and member Schools to demonstrate the financial benefits to the economy independent schools provide. These benefits include reducing the overall costs of educational provision to the Exchequer, local employment of staff and the generation of overseas earnings. The sector also provides significant amounts of Public Benefit in the form of bursaries and also where independent schools work alongside maintained schools such as the East London Consortium of which the School is an active participant as well as work with our other Partner schools. Some political parties are actively considering introducing measures that would result in additional costs or taxes on the sector in order to raise money for the Exchequer, e.g a fees levy or taxation of surpluses, the loss of Charitable Business Rate Relief and the payment of VAT on fees. In order to mitigate this risk and identify the potential financial impact such measures would have, the School continues to undertake its own internal risk modelling. The School recognises that there are some limited measures it can undertake to reduce its cost base, or increase its income to mitigate against the risk of increased taxation. The scope for such measures would not, however, offset the impact of some of the measures being expressed if the School felt unable to pass on the costs to fee payers due to the potential impact on pupil numbers. In these scenarios the financial viability of the School and its ability to meet current legal and financial commitments would need careful consideration and if necessary appropriate action taken. In order to mitigate against the current lack of political support, the School will continue to work with the ISC, GSA and HMC to articulate clearly the Public Benefit the School provides and to identify further opportunities to demonstrate this to politicians and the public both locally and nationally.

### **Digital risks**

There is a risk that with an increasing reliance on digital technology in all areas of the School that insufficient investment in system integrity, system security and resilience, training or human error makes the School increasingly susceptible to a cyber attack. The School considers that such a risk might result in the School operations being severely impacted which in turn would jeopardise the School's ability to effectively educate pupils and to support the wider activities of the School. The School manages this risk by continuing to update and invest in the School's information systems to ensure that they meet the School's needs and to provide enhanced resilience. The School also continues to educate staff, pupils and Governors how to use digital technology safely and effectively.

# Channing House Incorporated, Highgate

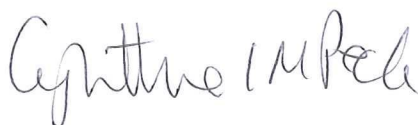
## GOVERNORS' REPORT

The School is also aware that it must continue to ensure that its digital provision is kept up to date such that the School can maintain its excellent provision of teaching and learning and to further improve the School's efficiency. The School is currently undertaking a review of its Digital Strategy such that it can make long term plans for its digital provision to ensure that these are consistent with the School's longer term strategic objectives.

### Financial Risk

In addition to these risks, the School must also ensure that the School remains financially viable. Financial stability is a key priority for the School. In particular the School must generate sufficient cash flow to provide adequate resources to ensure a safe and secure educational environment, to meet loan obligations and to continue investing in the School's facilities and estate. This risk is managed by ensuring sound long term planning with clear and challenging financial targets which not only consider the operation of the School, but also the wider context in which the School operates. Governors with significant financial and business experience provide oversight of the School's finances alongside the Finance Committee which reviews the detailed finances of the School at least termly drawing on external advice as required. The School continues to be vigilant in assessing the impact of identified risks on the School's finances. This has included modelling various scenarios as part of the School's financial planning. In particular, measures that the School keeps under consideration in order to mitigate this risk include changes to the School's provision and the associated cost implications, cost savings, reductions in staffing and deferring or cancelling planned programmes of both revenue and capital investment.

The Governors' Report and the Strategic Report incorporated within it were approved by the board of Governors (in their role as directors) and signed on its behalf by



C Peck  
Chair of Governors  
17 November 2022



R K J Hill  
Bursar and Company Secretary  
17 November 2022

# Channing House Incorporated, Highgate

## GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Governors 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 charitable company 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 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; and
- 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 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.

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

### **Opinion**

We have audited the financial statements of Channing House Incorporated, Highgate (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable company 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 other information comprises the information included in the Governors' Report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 Directors' Report and the Strategic 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

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- the Directors' Report and the Strategic 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 Directors' Report or the Strategic Report included within the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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**

As explained more fully in the Statement of Governors' responsibilities set out on page 10, the Governors (who are also the directors of the charitable company for the purposes of company 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 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 trustees 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Governors' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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.

*RSM UK Audit LLP*

Nicholas Sladden (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

*23 November* 2022

# Channing House Incorporated, Highgate

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2022

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2022 £'000	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000
<b>INCOME FROM:</b>							
<b>Donations</b>		4.5	4.8	<b>9.3</b>	13.3	43.6	56.9
<b>Charitable Activities:</b>							
School Fees receivable	1	20,877.8	-	<b>20,877.8</b>	19,829.7	-	19,829.7
Other income	2	590.1	101.0	<b>691.1</b>	455.4	31.5	486.9
<b>Investments</b>							
Investment income		-	8.3	<b>8.3</b>	-	7.3	7.3
Bank interest		1.2	0.5	<b>1.7</b>	2.7	0.2	2.9
<b>Total Income</b>		<b>21,473.6</b>	<b>114.6</b>	<b>21,588.2</b>	<b>20,301.1</b>	<b>82.6</b>	<b>20,383.7</b>
<b>EXPENDITURE ON:</b>							
<b>Raising funds:</b>							
Fundraising and Development		-	-	-	12.3	-	12.3
Bank loan interest		188.6	-	<b>188.6</b>	204.7	-	204.7
		<b>188.6</b>	-	<b>188.6</b>	217.0	-	217.0
<b>Charitable activities:</b>							
School operating costs		17,985.8	97.5	<b>18,083.3</b>	16,474.7	40.7	16,515.4
<b>Total Expenditure</b>	3	<b>18,174.4</b>	<b>97.5</b>	<b>18,271.9</b>	<b>16,691.7</b>	<b>40.7</b>	<b>16,732.4</b>
(Loss)/Gain on revaluation of investments - unrealised	6	-	(11.2)	<b>(11.2)</b>	-	48.2	48.2
<b>Net Income before transfers</b>		<b>3,299.2</b>	<b>5.9</b>	<b>3,305.1</b>	<b>3,609.4</b>	<b>90.1</b>	<b>3,699.5</b>
Transfers between funds	10	4.8	(4.8)	-	43.6	(43.6)	-
<b>Net movement in funds</b>		<b>3,304.0</b>	<b>1.1</b>	<b>3,305.1</b>	<b>3,653.0</b>	<b>46.5</b>	<b>3,699.5</b>
Balances brought forward at 1 September		22,458.7	486.5	<b>22,945.2</b>	18,805.7	440.0	19,245.7
<b>Balances carried forward at 31 August</b>	11	<b>25,762.7</b>	<b>487.6</b>	<b>26,250.3</b>	<b>22,458.7</b>	<b>486.5</b>	<b>22,945.2</b>

# Channing House Incorporated, Highgate

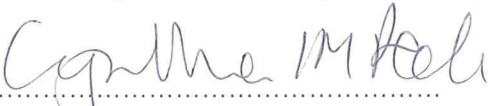
Company No: 00063121

## BALANCE SHEET

As at 31 August 2022

	<i>Notes</i>	<b>2022</b> <b>£'000</b>	2021 £'000
<b>FIXED ASSETS:</b>			
Tangible assets	5	<b>30,723.4</b>	30,561.9
Investments	6	<b>487.6</b>	486.5
		<hr/>	<hr/>
		<b>31,211.0</b>	31,048.4
		<hr/>	<hr/>
<b>CURRENT ASSETS:</b>			
Debtors	7	<b>441.0</b>	332.4
Cash at bank and in hand		<b>13,384.8</b>	10,368.6
		<hr/>	<hr/>
		<b>13,825.8</b>	10,701.0
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year	8	<b>(8,713.0)</b>	(7,340.6)
		<hr/>	<hr/>
NET CURRENT ASSETS		<b>5,112.8</b>	3,360.4
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<b>36,323.8</b>	34,408.8
		<hr/>	<hr/>
CREDITORS: Amounts falling due after more than one year	9	<b>(10,073.5)</b>	(11,463.6)
		<hr/>	<hr/>
TOTAL NET ASSETS		<b>26,250.3</b>	22,945.2
		<hr/>	<hr/>
REPRESENTED BY:			
RESTRICTED FUNDS	10	<b>487.6</b>	486.5
		<hr/>	<hr/>
UNRESTRICTED FUNDS			
Retained Income		<b>25,762.7</b>	22,458.7
		<hr/>	<hr/>
TOTAL FUNDS		<b>26,250.3</b>	22,945.2
		<hr/>	<hr/>

These financial statements were approved by the Board of Governors and authorised for issue on 17 November 2022 and signed on its behalf by:

  
.....  
C Peck (Chair)

# Channing House Incorporated, Highgate

## STATEMENT OF CASH FLOWS

For the year ended 31 August 2022

	Notes	2022 £'000	2021 £'000
Net cash from by operating activities	(A)	4,878.6	7,061.8
Cash flows from investing activities	(B)	(1,332.4)	(2,280.4)
		<u>3,546.2</u>	<u>4,781.4</u>
Cash flows from financing activities	(C)	(530.0)	(507.3)
Increase in cash and cash equivalents in the year		<u>3,016.2</u>	<u>4,274.1</u>
Cash and cash equivalents at 1 September		10,368.6	6,094.5
Total cash and cash equivalents at 31 August		<u>13,384.8</u>	<u>10,368.6</u>
<b>(A) - Net cash provided by operating activities</b>			
Net Incoming Resources (as per the statement of financial activities)		3,305.1	3,699.5
<u>Adjusted for:</u>			
Unrealised (Gain)/Loss on revaluation of investments		11.2	(48.2)
Depreciation (note 5)		979.9	804.2
Bank loan interest payable		188.6	204.7
Investment income receivable		(8.3)	(7.3)
Bank interest receivable		(1.7)	(2.9)
(Increase)/Decrease in debtors		(108.6)	150.8
Increase in creditors		512.4	2,261.0
Net cash provided by operating activities		<u>4,878.6</u>	<u>7,061.8</u>
<b>(B) – Cash flows from investing activities</b>			
Investment Income		8.3	7.3
Bank interest received		1.7	2.9
Bank loan interest paid		(188.6)	(204.7)
Purchase of tangible assets		(1,141.5)	(2,087.6)
(Increase)/Decrease in investment cash		<u>(12.3)</u>	<u>1.7</u>
		<u>(1,332.4)</u>	<u>(2,280.4)</u>
<b>(C) – Cash flows from financing activities</b>			
Repayments of bank loans		(530.0)	(507.3)
Cash inflows from new bank borrowing		-	-
		<u>(530.0)</u>	<u>(507.3)</u>
<b>(D) – Analysis of changes in net debt</b>			
	At 1 Sept 2021	Cash flows	At 31 Aug 2022
Cash and cash equivalents	10,368.6	3,016.2	13,384.8
<b>Borrowings:</b>			
Debt due within one year (note 8)	(528.5)	(6.6)	(535.1)
Debt due after one year (note 9 (c))	<u>(4,669.4)</u>	<u>536.6</u>	<u>(4,132.8)</u>
	<u>(5,197.9)</u>	<u>530.0</u>	<u>(4,667.9)</u>
	<u>5,170.7</u>	<u>3,546.2</u>	<u>8,716.9</u>

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2022

### **BASIS OF FINANCIAL STATEMENTS**

The accounts of the School are prepared in accordance with the Companies Act 2006, and with the Charities Statement of Recommended Practice ('SORP (FRS102)' effective 1 January 2019) and Financial Reporting Standard 102. The accounts are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value. The School meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

### **GOING CONCERN**

The nature of the School's activities is such that fee income represents the majority of the School's income. Fee income is billed and received one term in advance. Forecasts are produced taking account of the timing and quantity of fee income, likely expenditure profile, the cost of completing the new Junior School facilities and the bank facilities available. In preparing these forecasts the School has also been vigilant in assessing the impact of Coronavirus on the School's finances. These forecasts are provided to the Governors. On this basis no material uncertainties that may cast significant doubt about the ability of the School to continue as a going concern have been identified by the Governors. Therefore, the Governors have concluded to prepare the accounts on a going concern basis.

### **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the accounting policies, where the value of assets and liabilities are not readily apparent from other sources, accounting estimates and judgements are made based on historical experience and other factors, including future expectations, which are considered to be reasonable in the circumstances.

The estimates and underlying assumptions concerning the future are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Accounting estimates and assumptions, will, by definition, seldom equal the actual results.

### **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.

Voluntary income for the School's general purpose is accounted for as unrestricted and is credited to Retained Income.

Where the donor or an appeal has imposed restrictions, voluntary income is credited to the relevant restricted fund.

### **FEES RECEIVABLE AND SIMILAR INCOME**

Fees receivable comprise fees charged to pupils net of Scholarships, Bursaries and allowances, and are accounted for in the year in which the service is provided.

Pupils joining the School are required to pay a deposit which is then applied against the pupil's final term's fee bill. Reasonable assumptions are made regarding the time pupils will remain with the School in assessing when the deposits held will be applied to offset the pupil's fees for their final term.

### **EXPENDITURE**

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned on the basis, of the activities staff are involved in. Certain costs are netted off against related income when it is appropriate to do so.

The School is not registered for Value Added Tax. All expenditure is therefore included in the expense category to which it relates inclusive of any Value Added Tax.

# Channing House Incorporated, Highgate

## ACCOUNTING POLICES

For the year ended 31 August 2022

### **TANGIBLE FIXED ASSETS**

Land and buildings are carried in the balance sheet at original cost less accumulated depreciation as the Governors consider that it is not appropriate to incur the expense of obtaining valuations of such assets. The cost of new buildings is added to fixed assets although repairs, alterations and improvements that do not materially enhance the economic benefit of the buildings are expensed as incurred; such costs are often substantial. Costs incurred in arranging long term debt to fund material additions to the School's land and buildings are included in fixed asset additions. The insured value of the School's assets is shown in note 5.

Furniture and teaching equipment are expensed in the period of acquisition. Such items will generally cost less than £15,000 per individual item and will include computers, equipment, furniture and ancillary items.

### **DEPRECIATION**

Depreciation is calculated by reference to the cost of fixed assets using a straight line basis at rates considered appropriate having regard to the expected lives of the assets. Depreciation is not provided on freehold land.

The annual rates of depreciation in use are:

Freehold buildings (including landscaping)	1% - 5%
Buildings in the course of construction	Nil
Plant, Equipment, Fixtures and Fittings	10% - 33.3%
Motor Vehicles	25%

Governors have considered the impairment of those freehold buildings with an estimated useful life of over 50 years and are satisfied, having considered both realisable value and value in use, that the buildings have not been materially impaired.

### **INVESTMENTS**

Investments are initially recognised at cost. They are held as fixed assets to provide an investment return and are stated in the balance sheet at their open market value as at the balance sheet date. Any resulting unrealised gain or loss is taken to the fund to which it relates.

### **FUNDS**

The funds of the School are segregated between:

(i) Restricted Funds

- Scholarship, Prize and Bursary Funds  
The School receives some of its income primarily for the provision of Scholarships, Bursaries and Prizes. This income is credited directly to the relevant fund account. All expenditure in relation to this income is charged directly to the relevant fund account.
- School Development Fund  
Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a New Performing Arts Facility. The School is no longer actively promoting fundraising for the Capital Challenge, though donations continue to be received and credited to this fund. In addition, funds raised towards the Junior School redevelopment are also credited to this fund. Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged. The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment have been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.

# Channing House Incorporated, Highgate

## ACCOUNTING POLICES

For the year ended 31 August 2022

- **Channing Alumnae**  
The Channing Alumnae Fund is a restricted fund of the School for the purpose of promoting School alumnae. The fund is used to promote communication between the School and alumnae and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae committee.
- **Channing Association**  
The Channing Association is a restricted fund of the School for the purpose of fostering support from the wider Channing community including current and former parents and friends of the School. The Channing Association organises social events for both parents and pupils and also helps support a number of School events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year.

### (ii) Unrestricted Funds

- **Retained Income**  
The School seeks to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

## **FINANCIAL INSTRUMENTS**

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. As such, financial instruments are initially recognised at transaction value and subsequently measured and held at amortised cost using the effective interest rate method.

Financial assets comprise cash at bank and in hand together with debtors less prepayments and are recognised when the School becomes contractually entitled to receive cash or other financial assets from a third party.

Financial liabilities comprise creditors falling due both within and after one year excluding deferred income and other tax and social security liabilities and are recognised when the School incurs a legal or constructive obligation to deliver cash or another financial asset to a third party.

All financial instruments are held for the sole purpose of managing the cash flow of the School on a day-to-day basis or arise from normal operating activities.

## **PENSION COSTS**

Retirement benefits for most teachers of the School are provided by the Teachers' Pension Scheme (TPS). The TPS is a multi employer defined benefit pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Scheme. Accordingly, as required by FRS102, the School has accounted for its contributions to the Scheme as if it were a defined contribution scheme.

The School also operates defined contribution schemes for other staff. Contributions to these schemes are charged to the Statement of Financial Activities in the year in which they are incurred.

## **OPERATING LEASES**

Rental payments on operating leases are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

### 1 CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

Fees receivable are stated net of Scholarships and Bursaries awarded and allowances given. Scholarships, Bursaries and allowances totalled £1,555,782 (2021: £1,748,083).

2 CHARITABLE ACTIVITIES - OTHER INCOME	2022 £'000	2021 £'000
Educational visits and other recoverable items	447.8	192.9
Registration fees and fees in lieu of notice	131.8	130.9
Coronavirus Job Retention Scheme	-	123.0
Other income	110.0	40.1
Profit on sale of motor vehicle	1.5	-
	<u>691.1</u>	<u>486.9</u>

3 TOTAL EXPENDITURE	Staff costs (note 4) £'000	Depreciation £'000	Other costs £'000	2022 Total £'000	2021 Total £'000
<b>Raising funds:</b>					
Fundraising and Development	-	-	-	-	12.3
Bank Loan interest	-	-	188.6	188.6	204.7
<b>Total Cost of Raising Funds</b>	<u>-</u>	<u>-</u>	<u>188.6</u>	<u>188.6</u>	<u>217.0</u>
<b>Charitable activities:</b>					
School operating costs:					
Teaching	9,557.5	-	2,011.5	11,569.0	10,422.4
Welfare and Catering	614.5	-	447.8	1,062.3	969.8
Premises and occupancy	194.0	979.9	1,271.8	2,445.7	2,202.4
Property repair and maintenance	-	-	1,277.3	1,277.3	1,237.9
Administration and support	1,084.3	-	561.5	1,645.8	1,598.8
Governance	41.3	-	33.3	74.6	76.6
Grants, awards and prizes	-	-	8.6	8.6	7.5
<b>Total Charitable expenditure</b>	<u>11,491.6</u>	<u>979.9</u>	<u>5,611.8</u>	<u>18,083.3</u>	<u>16,515.4</u>
<b>TOTAL EXPENDITURE</b>	<u>11,491.6</u>	<u>979.9</u>	<u>5,800.4</u>	<u>18,271.9</u>	<u>16,732.4</u>
<i>2021:</i>	<u>10,815.4</u>	<u>804.2</u>	<u>5,112.8</u>		

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

3	TOTAL EXPENDITURE (Continued)	<b>2022</b>	2021
		<b>£'000</b>	£'000
	Charitable expenditure includes:		
	Operating lease rentals	<b>126.3</b>	289.7
	Auditor's remuneration:		
	For audit services - RSM UK Audit LLP (exclusive of VAT)	<b>25.6</b>	24.4
	For payroll services - RSM Employer Services Limited	<b>15.4</b>	21.7
	For risk assurance service- RSM UK Risk Assurance Services LLP	<b>9.9</b>	-
		<hr/>	<hr/>
4	STAFF COSTS		
	The aggregate staff costs (note 3) were as follows:		
	Wages and salaries	<b>8,989.0</b>	8,455.0
	Social security costs	<b>963.8</b>	871.4
	Pension contributions	<b>1,538.8</b>	1,489.0
		<hr/>	<hr/>
		<b>11,491.6</b>	10,815.4
		<hr/>	<hr/>

Included in wages and salaries are termination payments totalling £70,244 (2021: £119,407).

The average monthly number of employees during the year was made up as follows:

	2022		2021	
	Full Time	Part Time	Full Time	Part Time
Teaching	79	42	79	34
Technical and support	9	6	8	7
Catering	13	3	15	4
Maintenance and caretaking	4	1	4	-
Administrative	18	7	14	8
	<hr/>	<hr/>	<hr/>	<hr/>
	123	59*	120	53*
	<hr/>	<hr/>	<hr/>	<hr/>

\* Equivalent to approximately 30 (2021:26) number of full time employees. In addition to the above, the School also made payments to 29 peripatetic music teachers (2021:30).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

### 4 STAFF COSTS (continued)

The number of employees whose emoluments (excludes employer's pension contribution) exceeded £60,000 was:

	2022	2021
£60,001 – £70,000	21	15
£70,001 - £80,000	1	3
£80,001 - £90,000	3	1
£90,001 - £100,000	2	2
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	-	1
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-
£170,001 - £180,000	-	1
£180,001 - 190,000	1	-

Contributions of £469,974 (2021: £375,435) were made to the Teachers' Pension Scheme, which is a defined benefits scheme, for 30 (2021: 23) higher paid employees. Contributions of £7,815 (2021: £20,707) were also made to defined contribution schemes for 1 (2021: 2) higher paid employees.

Aggregate employee-benefits of key management personnel (including employer pension and national insurance contributions)	£440,748	£424,129
--	----------	----------

5 TANGIBLE FIXED ASSETS	Freehold land and buildings	Plant, Equipment, Fixtures and Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£ '000
Cost:				
1 September 2021	33,127.3	2,461.6	102.9	35,691.8
Additions	1,027.1	114.4	-	1,141.5
Disposals	-	-	(18.6)	(18.6)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
31 August 2022	<u>34,154.4</u>	<u>2,576.0</u>	<u>84.2</u>	<u>36,814.6</u>
Depreciation:				
1 September 2021	3,210.1	1,840.4	79.4	5,129.9
Charged in the year	710.7	261.1	8.1	979.9
Disposals	-	-	(18.6)	(18.6)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
31 August 2022	<u>3,9208.8</u>	<u>2,101.5</u>	<u>68.9</u>	<u>6,091.2</u>
Net book value:				
31 August 2022	<u>30,233.6</u>	<u>474.5</u>	<u>15.3</u>	<u>30,723.4</u>
1 September 2021	<u>29,917.2</u>	<u>621.2</u>	<u>23.5</u>	<u>30,561.9</u>

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

### 5 TANGIBLE FIXED ASSETS (Continued)

Freehold land and buildings include an estimate by the Governors of the original cost of the land and buildings at £56,000 (2021: £56,000) of which £18,000 is estimated to be the original cost of the land. The School's buildings (excluding the value of freehold land) have been valued at £19,000,000 for insurance purposes. The Governors believe that the value of the School's land, comprising just under 3 hectares in North London, is very significantly in excess of its original cost.

6 INVESTMENTS	2022 £'000	2021 £'000
Market value at 1 September	486.5	440.0
Additions/(Disposals)	12.3	(1.7)
Revaluations	(11.2)	48.2
	<hr/>	<hr/>
Market value at 31 August	487.6	486.5
	<hr/>	<hr/>
Historical cost of Investments	246.2	233.8
	<hr/>	<hr/>
Investments comprise the following:		
Listed on Stock Exchange	271.7	282.9
Cash deposits	215.9	203.6
	<hr/>	<hr/>
	487.6	486.5
	<hr/>	<hr/>
The School had investment holdings of greater than 5% of overall market value in the following:		
Charities Official Investment Fund	210.1	219.9
J.P. Morgan UK Strategic Equity Income Fund	30.5	32.4
M&G Equities Investment Fund for Charities	24.6	26.2
	<hr/>	<hr/>

### 7 DEBTORS

Fees receivable	61.5	6.2
Other debtors *	14.5	12.3
Prepayments and accrued income	365.0	313.9
	<hr/>	<hr/>
	441.0	332.4
	<hr/>	<hr/>

\* Included in other debtors is £7,880 (2021: £4,160) falling due in more than one year

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

8	CREDITORS: Amounts falling due within one year	2022	2021
		£'000	£'000
	Advanced Fees received 1 year in advance (see Note 9(a))	4,792.5	4,300.4
	Other Fees received in advance	1,075.6	954.0
	Bank Loans repayable within 1 year (see Note 9 (c))	535.1	528.5
	Other taxes and National Insurance contributions	269.5	224.5
	Trade Creditors	358.5	92.3
	Other creditors	186.0	170.1
	Deferred Income	84.6	63.6
	Accruals	1,411.2	1,007.2
		<hr/>	<hr/>
		8,713.0	7,340.6
		<hr/>	<hr/>
9	CREDITORS: Amounts falling due after more than one year		
	Advanced fees (see Note 9(a))	3,499.7	4,690.1
	Final term deposits (see Note 9(b))	2,441.0	2,104.1
	Bank loans (see Note 9(c))	4,132.8	4,669.4
		<hr/>	<hr/>
		10,073.5	11,463.6
		<hr/>	<hr/>
9 (a)	Advanced fees		
	Parents are offered the opportunity to pay tuition fees in advance. Certain parents have taken advantage of this offer and have entered into an arrangement with the School to pay tuition fees in advance. Advance Fee payments are paid direct to the School and may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming pupils will remain with the School the amounts held in respect of fees falling due in more than one year will be applied to offset tuition fees as follows:		
	Fees due in 1 – 2 years	3,279.8	2,657.3
	Fees due in 2 – 5 years	219.9	2,014.1
	Fees due in more than 5 years	-	18.7
		<hr/>	<hr/>
		3,499.7	4,690.1
		<hr/>	<hr/>
	Fees due within 1 year (see Note 8)	4,792.5	4,300.4
		<hr/>	<hr/>
		8,292.2	8,990.5
		<hr/>	<hr/>
	The movements during the year were as follows: -		
	Balance at 1 September	8,990.5	6,892.9
	Amounts received (net of refunds) during the year	3,602.1	5,893.3
	Amounts utilised in payment of fees	(4,300.4)	(3,795.7)
		<hr/>	<hr/>
	Balance at 31 August	8,292.2	8,990.5

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

### 9 (b) **Final Term Deposits**

All new pupils are required to pay a deposit which is then applied against the pupil's final term's fee bill. Applying reasonable assumptions regarding the time pupils will remain with the School the deposits held will be applied to offset fees for their final term as follows: -

	2022	2021
	£'000	£'000
Deposits due to be refunded in 1 – 2 years	356.0	289.6
Deposits due to be refunded in 2 – 5 years	609.1	552.7
Deposits due to be refunded in more than 5 years	1,475.9	1,261.8
	<hr/>	<hr/>
	2,441.0	2,104.1
	<hr/>	<hr/>

### 9 (c) **Bank Loans**

Bank Loans are repayable as follows as follows: -

Repayments within 1 – 2 years	557.2	541.6
Repayments within 2 – 5 years	1,419.3	1,496.5
Repayments in more than 5 years	2,156.3	2,631.3
	<hr/>	<hr/>
	4,132.8	4,669.4
Repayments within 1 year (see Note 8)	535.1	528.5
	<hr/>	<hr/>
	4,667.9	5,197.9
	<hr/>	<hr/>

As at the 31 August 2022 the School has drawn down bank loan facilities totalling £7.5m to part fund the construction of the new Sports Hall and Sixth Form Centre, and the Performing Arts Building. These facilities are secured on the School's freehold land and buildings. Of the £7.5m loan facilities drawn down:

- £1m was converted to a fixed term loan repayable over 10 years commencing on 29 August 2014 at an interest rate fixed at 4.47% p.a. for the duration of the loan.
- £2m was converted to a fixed term loan repayable over 15 years commencing on 1 December 2015 at an interest rate fixed at 4.73% p.a. for the duration of the loan.
- £1.1m was converted to a fixed term loan repayable over 15 years commencing on 29 August 2015 at a variable interest rate of 2.0% p.a. above the Base Rate. This loan was subsequently, on 16 October 2016, converted to a fixed term loan repayable over 14 years at an interest rate fixed at 3.4% p.a. for the duration of the loan.
- £2.4m was drawn down on 20 December 2017 as a fixed term loan repayable over 15 years at an interest rate fixed at 3.64% p.a. for the duration of the loan.
- £1m was drawn down on 30 June 2020 as a fixed term loan repayable over 12 years and 7 months at a variable interest rate of 2% over Base Rate for the duration of the loan.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

10	RESTRICTED FUNDS	Balance 31 August 2021 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Loss on revaluation of investments £'000	Balance 31 August 2022 £'000
	Scholarship, Prize and Bursary Funds	443.2	8.8	(11.7)	-	(11.2)	429.1
	School Development Fund	-	4.8	-	(4.8)*	-	-
	Channing Alumnae	20.9	9.3	(5.7)	-	-	24.5
	Channing Association	22.4	91.7	(80.0)	-	-	34.1
		<u>486.5</u>	<u>114.6</u>	<u>(97.4)</u>	<u>(4.8)</u>	<u>(11.2)</u>	<u>487.7</u>

\* This transfer relates to donations received for the purpose of developing the Sports Hall, Sixth Form Centre, Music and Performing Arts facilities at the Senior School and the Junior School redevelopment. The restriction placed on the income received has been discharged in that expenditure has been incurred and capitalised within fixed assets. Consequently, the funds were transferred to unrestricted funds.

A description of each restricted fund and its use can be found on page 6.

11	FUNDS - ALLOCATION OF NET ASSETS	Tangible fixed assets £'000	Investments £'000	Net current Assets £'000	Creditors falling due after more than 1 year £'000	2022 Total £'000
	Restricted funds*	-	487.7	-	-	487.7
	Unrestricted funds	30,723.4	-	5,112.8	(10,073.5)	25,762.7
		<u>30,723.4</u>	<u>487.7</u>	<u>5,112.8</u>	<u>(10,073.5)</u>	<u>26,250.3</u>
	Restricted funds*	-	486.5	-	-	486.5
	Unrestricted funds	30,561.9	-	3,360.5	(11,463.6)	22,458.7
		<u>30,561.9</u>	<u>486.5</u>	<u>3,360.5</u>	<u>(11,463.6)</u>	<u>22,945.2</u>

\*Included in Restricted Funds are cumulative unrealised gains of £241,430 (2021: £252,643).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

### 12 SHARE CAPITAL

The company is limited by guarantee and has no share capital, members having a liability not exceeding £5 each.

### 13 PENSION COMMITMENTS

#### a. Teachers

Teachers are members of the Teachers' Pension Scheme England and Wales (TPS). This scheme is a multi-employer, statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

As the TPS is a multi-employer pension scheme, the School is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The School has set out within this note the scheme information available and the implications for the School in terms of the anticipated contribution rates.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay (including a 0.08% employer administration charge) from September 2019 onwards. This compares to 16.48% previously.

During the year the employee contribution rate ranged between 7.4% and 11.7% depending on a member's salary.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

The pension charge includes employer contributions payable to the scheme, which amounted to £1,308,073 (2021: £1,264,815). As at 31 August 2022 there were outstanding contributions payable to the scheme of £155,834 (2021: £151,560) included in other creditors. The contributions of the School represent a minor proportion of the payments into the scheme.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2022

b) Other staff

The School also operates defined contribution schemes for other staff. The assets of these schemes are held separately from those of the School in funds administered by insurance companies. The pension cost charge represents contributions payable in respect of these schemes and amount to £230,713 (2021: £224,220). £20,162 (2021: £18,997) included in other creditors was payable to these schemes at the year end.

### 14 COMMITMENTS

As at 31 August the School had the following capital commitments:

	<b>2022</b>	2021
	<b>£'000</b>	£'000
Authorised and contracted for	<b>NIL</b>	NIL
	<hr/>	<hr/>

### 15 OPERATING LEASE ARRANGEMENTS

As at 31 August the School had minimum lease payments under non-cancellable operating leases, in aggregate, as follows: -

	Buildings	Equipment	2022	2021
	£'000	£'000	£'000	£'000
Amounts payable:-				
Within one year	2.8	90.3	<b>93.1</b>	<b>126.0</b>
Within 2-5 years	-	-	-	<b>86.0</b>
	<hr/>	<hr/>	<hr/>	<hr/>
	2.8	90.3	93.1	212.0
	<hr/>	<hr/>	<hr/>	<hr/>
2021:	<u>11.3</u>	<u>200.7</u>		

### 16 RELATED PARTY TRANSACTIONS

There were no other transactions with related parties during the year to 31 August 2022 or during the year to 31 August 2021 and there were no balances outstanding at the previous or current year-end.

No member of the Association or Board of Governors received any remuneration or other benefits from the School. Three (2021: two) Governors were reimbursed travelling and incidental expenses totalling £1,270 (2021: £626). The insurance premium paid by the School includes an element of cover for 'directors' (Governors).

**CHANNING HOUSE INCORPORATED, HIGHGATE**

England & Wales - Charity number 312766

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# Accounts

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**Channing House Incorporated, Highgate**  
(Limited by Guarantee)

**REPORT AND FINANCIAL STATEMENTS**

For the year ended  
31 August 2021

Company No: 00063121

Registered Charity No. 312766

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISERS

To be presented at the Annual General Meeting of the company to be held at Channing School, The Bank, Highgate Hill, London N6 5HF on 17 March 2022.

### GOVERNORS

The Board of Governors may appoint any member of the Association as a Governor, either to fill a casual vacancy or by way of addition to the board. All Governors are required to confirm that they will support the Unitarian traditions of the School. Except as otherwise indicated the following were Governors during the year and to the date of signing this report:

Ms C Peck *	LLB (Bristol) (Chair)	
Mr JAG Alexander *	FCA	
Mr A Appleyard *	BSc (Reading)	
Mrs J Burns *	BA (Southampton)	
Mrs C Chandler-Thompson	BA (Exeter)	(Appointed 1 September 2021)
Rev D Costley	BA (Open University)	
Mrs L Cristie *	BA (Bristol)	
Mr R Hirji	MBA (Manchester)	(Appointed 1 September 2021)
Mrs C Hulme-McKibbin	B.Ed (Cantab)	(Appointed 1 September 2021)
Mr D Oliver	M Phil (Oxford)	
Mrs J Otterburn Hall	BA (Bristol)	
Ms D Patman *	FRICS ACI Arb	(Retired 18 March 2021)
Mrs P Peck	MBA (Oxon)	
Ms B Rentoul	MA (Yale)	
Mr WJH Spears	BA (SOAS), MBA	
Dr A Sutton	MB ChB	
Dr H Stringer	MA, DPHIL	(Retired 31 August 2021)
Dr I Wassenaar	MA, DPhil	(Retired 31 August 2021)
Mr K Van der Sande	CIMA (BPP)	(Appointed 1 September 2021)

\* Members of the Finance and General Purposes Committee

### MEMBERS OF ASSOCIATION

The Members of the Association, except as otherwise indicated, throughout the year were, in addition to the Governors listed above:

Mr SD Barber	BSc (Econ) FCA
Professor HG Beale	MA (Oxon)
Mrs D Bond	BA (Cantab)
Mr S M D Brown	BA (Dunelm)
Ms CEA Budgett-Meakin	BA (Kent)
Mr JM Burns	MA (Oxon)
Baroness J Coussins	MA (Cantab)
Baroness C Cox	MSc (Econ) PhD
Dr J Dacre	BSc
Miss JAM Davidson	BSc (London)
Dr AP Hogg	MA (Oxon) PhD (London)
Mrs S Moloney	SRN RHV
Mrs C Richards	BSc.Arch (London)
Miss M Rudland	BSc
Mrs VA Schilling	MCSP
Mr M Steiner	MA (Oxon)
Dr T Stone	MA (Cantab) PhD
Miss EM Tucker	MA (Cantab)
Dr DJ Williams	MB BCh
Dr DL Wykes	BSc PhD

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISORS

### OFFICERS

The Headmistress Mrs L D J Hughes BA (Warwick)

The Bursar Mr R K J Hill OBE MA ACMA

Address Channing School  
Highgate Hill  
London  
N6 5HF

BANKERS Lloyds Bank plc  
Commercial Banking  
PO Box 1000  
BX1 1LT

SOLICITORS Dentons UKMEA LLP  
One Fleet Place  
London  
EC4M 7WS

AUDITORS RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

REGISTERED OFFICE Channing School  
Highgate Hill  
Highgate  
London  
N6 5HF

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### REFERENCE AND ADMINISTRATIVE INFORMATION

The School was incorporated in England and Wales on 27 July 1899 and is a company limited by guarantee, its members being members of the Association, having a liability not exceeding £5 each. The School was established under a Memorandum of Association which established the objects and powers of the charitable School and is governed under its Articles of Association. The company is a registered charity with charity number 312766 and company number 00063121. The Governors of the School, who are also the charity trustees and company directors, and the School's principal officers and advisers are listed on pages 1 and 2. Whenever Governors are referred to in this report this subsumes their roles as both charity trustees and company directors of Channing House Incorporated, Highgate within the meaning of Company Law.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governors determine the general policy of the School. The day-to-day management of the School is delegated to the Headmistress and the Bursar. Governors determine the remuneration of key management personnel through a Remuneration Committee. In setting the remuneration of key personnel this committee takes note of national pay scales, individual performance and internal and external benchmarking as necessary.

There have been no transactions with the related parties of the School, with the exception of the key management personnel remuneration as disclosed in Note 4.

### RECRUITMENT AND TRAINING OF GOVERNORS

Governors are appointed as vacancies arise. In making appointments Governors take into account Charity Commission guidance and the skills that are required by the School. Potential candidates who possess the requisite personal and specialist skills are identified, including through the use of specialist recruitment agencies, discussed by Governors and invited to become a Governor as appropriate.

New Governors are provided with information about the School and appropriate training and induction is arranged. On appointment, Governors are briefed on their responsibilities as Directors, Trustees and Governors. They are also encouraged to attend training courses on the roles of Governors run by The Association of Governing Bodies of Independent Schools (AGBIS). Governors are also given regular presentations by Heads of Department on specific curricular developments and they are invited and encouraged to link up with a Department and observe lessons and activities at first hand.

### STATEMENT OF PROVISION OF INFORMATION TO AUDITORS

The Governors in office on the date of this report have confirmed, as far as they are aware, that there is no relevant audit information of which the charitable company's auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as Governors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

### PUBLIC BENEFIT

The Governors confirm that, to the best of their knowledge and belief, they have complied with the duty in the Charities (Accounts and Reports) Regulations 2008 in respect to having due regard to the public benefit guidance published by the Charity Commission.

The School provides public benefit in many ways. The School provides bursaries generally on entry to the School at Year 7 and Year 12. The School implemented, in 2010, a revised policy of the Governing Body designed to increase the availability of awards made on the basis of ability to pay. This has resulted in bursaries and concessions increasing to £1,213,457 during the current year (2020: £896,703). Part of this increase is attributable to hardship support for families of current pupils whose circumstances changed significantly during the Covid pandemic such that their ability to pay was and continues to be affected.

Additionally, the School actively participates in the East London Consortium ISSP, an Independent/State School Partnership. Invitations are extended to local Schools to attend workshops, training events and presentations from visiting speakers. The School also makes available its facilities for use by the local community for sporting events and occasional conferences and meetings. The School is particularly supportive of girls' sport and provides its facilities for

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

use both by Middlesex County and two local netball clubs and the School's playing fields are widely used by Hampstead Archery Club and the local community. The School generally makes its facilities available (to local community groups) for these purposes for a minimal or no charge. The school is also building Partnerships with a number of local organisations including Highgate Newtown Community Centre, Brookfield School and Highbury Fields School. These relationships are at a formative stage and further development is expected during 2021/22

### OBJECTIVES AND ACTIVITIES

The School's principal purpose is to carry on a day School for girls. Pupils enjoy outstanding personal success at school and beyond, as a result of the School's holistic, balanced education. This is achieved by a combination in equal measure of academic excellence, pastoral care and breadth of extra and co-curricular activities. The School's Unitarian ethos encourages our pupils to be intellectually curious, open-minded and respectful. Details of the School's strategic objectives to achieve this are provided in the Strategic Report that follows.

### STRATEGIC REPORT:

#### REVIEW OF ACHIEVEMENTS AND PERFORMANCE

On 1 September 2020 Mrs Lindsey Hughes succeeded Mrs Barbara Elliott as Headmistress of Channing. Mrs Hughes has not only achieved a seamless transition in leadership but also in welcoming pupils back to school with the added constraints of the current environment and on steering the School through another turbulent year.

During the year the School has continued to work towards achieving its published strategic objectives which support the School's mission. The objectives were introduced from September 2020 and cover the period 2020 to 2025. The School continues to make progress against these objectives.

#### Strategic Objectives 2020 to 2025

- 1. To provide an excellent and relevant education, free from undue pressure, that inspires all pupils to achieve their full potential.** The School continues to deliver outstanding academic results. In Summer 2021 97.5% (2020 95.2%) of pupils gained A\*-B grades at A level and the percentage of all GCSE results graded 9/8/7 was 92.4% (2020: 89.1%) of which 78.1% (2020: 67%) gained 9/8 at GCSE. The School is very proud that these results have been achieved and continue to improve whilst at the same time identifying ways to reduce the pressure on students.
- 2. To support personal development which puts wellbeing at the heart of our pastoral provision.** The School has continued to identify means to improve its reputation for pastoral care, which places pupils at the heart of the school. The School is continuing to extend opportunities for pupil leadership at both the Senior and Junior Schools. The School has also continued to make significant improvements in its SEND provision across the school and continues to recognise the importance of supporting the mental health of the School community. The School has delivered a programme of Mental Health First Aid Training to support both pupils and staff as well as increasing access to counselling services for both pupils and staff.
- 3. To embrace modern technology and use it as a means to enhance pupils' independence as learners to prepare them for the future.**

The School continues to invest in new technology, recognising the opportunities it provides to enhance independence as well as collaboration amongst students. The renewed focus on technology as a result of COVID 19 has been of significant benefit to the school throughout the COVID pandemic and pupils have continued to access excellent teaching and learning during periods when the School has been forced to close. The School is also aware of the risks that technology can present to young people and is working to address these through educating pupils and by supporting parents including offering technology information events. To combat this the School has put in place the necessary policies and safeguards around the use of technology in school and has provided guidance to ensure that staff and pupils are aware of the risks associated with the use of Information Technology.

- 4. To provide a secure, safe and healthy environment.** The School continues to put pupil safeguarding at the heart of the School's operation ensuring that staff and pupils are aware of the strategies and procedures in place to minimise the risk to pupils. The School is also continuing to develop well-being strategies for both pupils and staff.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

5. **To develop further opportunities for Science, Technology, Engineering & Maths (STEM).** The development of STEM is recognised as an ongoing priority for the School across all Key Stages and is reflected in continuing to upgrade and improve Science facilities as well as making additional resources available to develop STEM provision within the School.
6. **To manage the School's resources effectively and to ensure that the School can continue to attract the brightest students.** As a result of exercising sound control over the School's finances, the School has been able to continue to invest in improved facilities in the Junior school as well as further enhancing provision for the Performing Arts at the Senior School. The School has also commissioned a strategic review of its estate and facilities with a view to further development of the estate to meet the future needs of the School.
7. **To recognise and promote our social responsibility.** The school is aware of its social responsibility to both the local and wider communities. The School continues to develop links with the local community including the Highgate Newtown Community Centre with whom the school worked to host a highly successful Summer Camp at the School. The School also undertook an in depth review of its approach to Diversity, Equality and Inclusion. The review incorporated the views of pupils, staff and alumnae. The recommendations will be taken from 2021/22.

### Review of other achievements

The School continues to support a very large number of charitable and cultural activities. In particular makes a significant contribution to the community through many local activities including musical and sporting events as well as participating in local sporting and community events. The Young Enterprise scheme and the Duke of Edinburgh Awards programme continue to enjoy significant popularity and The Forest School learning programme has been further developed in the Junior School. The School is also increasing its involvement in the local community with pupils across the school undertaking a wide variety of activities. Additionally during the year the School raised funds both directly and via Just Giving for its chosen charities of Refuge, Cancer Research UK and All Dogs Matter among others.

The school, despite the challenges of dealing with COVID-19, has maintained its performance against Key Financial Performance Indicators set at the start of the year.

### FINANCIAL REVIEW

The Statement of Financial Activities on page 14 shows net income of £3,699,500 (2020: £3,360,500).

The result for the year and the year end financial position of the School is considered satisfactory and is consistent with the School's planned target. This has been achieved by the School continuing to take appropriate action in response to COVID-19 which, significantly impacted the Spring Term when the School's activities had to once again switch to a virtual platform providing remote learning as well as staying open for pupils of key workers.

During the year capital expenditure of £2,087,600 (2020: £5,685,200) was incurred of which £1,633,300 was in respect of the completion of the Junior School redevelopment. The School's major programme of redevelopment at the Junior School which included a new Sports Pavilion, a new School Hall and also new and refurbished classrooms completed as planned in December 2020 in readiness for the start of the Spring Term. Further, less extensive work has also been undertaken during the year to refurbish other parts of the Junior School and to enhance the landscaping and outside sports facilities, including the creation of a Multi Use Games Area at the Junior School.

The Balance Sheet on page 15 shows net current assets of £3,360,400 (2020: net current liabilities of £393,500). The significant increase in the School's net current asset position is attributable to the net income generated during the year.

### DONATIONS

Income for the year includes £43,600 (2020: £111,000) of restricted Donations, all of which were attributable to the new Sport, Sixth Form, Music and Performing Arts facilities, and the Junior School redevelopment.

During the year the School has not undertaken any significant fundraising activities. No third party fundraisers have been engaged and no complaints have been received.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### **FUTURE PLANS**

The Governors have agreed to continue to develop the School in line with the strategic objectives above which all build on the overall aim, that Channing pupils should enjoy success at School and beyond.

### **FUNDS HELD**

Notes 10 and 11 to the financial statements sets out an analysis of the School's restricted and unrestricted funds of £486,500 (2020: £440,000) and £22,458,700 (2020: £18,805,700) respectively and their attributable assets and liabilities. These net assets are sufficient to meet the obligations on a fund by fund basis. The School's tangible assets are all held for use in the School.

It is the School's long term policy to build and maintain the School's free reserves, though the Governors recognise that achieving any material increase in free reserves will not be possible whilst the School has bank loans to repay and continues to develop its buildings and facilities for the benefit of current and future generations of pupils. With this in mind, rather than set a specific target for free reserves, when considering the School's available reserves, Governors take into account the long term bank facilities/loans in place but undrawn at the year end and creditors falling due in more than one year. Creditors falling due in more than one year comprise the funds held in respect of final term deposits and advance fees, and long term bank loans drawn down.

Taking account of the above definition of the School's free reserves, the free reserves at the year end comprise the sum of the School's confirmed bank loan facilities undrawn plus net current assets or less net current liabilities. On this basis at the year end the School's free reserves were around £5,900,000 (2020: £2,100,000).

Governors have invested substantial sums into the School over recent years and have a continuing programme of refurbishment, development and investment in order to maintain and enhance the facilities for pupils. Whilst this programme is continuing and the long term bank loans are being repaid, the School is unlikely to be in a position to build up free reserves on a long term basis.

The Governors consider that, given the strength of the School's balance sheet, forecast net income for the year to 31 August 2022 and the market value of the School's property, which is not currently reflected in the reserves, the School's level of reserves at the year end are satisfactory given that the School has an ongoing development programme and the nature of its creditors falling due in more than one year. Additionally, Governors ensure robust budgeting, cash flow monitoring and risk profiling are exercised to ensure the School can meet its ongoing educational needs and continue to invest in its estate and facilities. The Governors are satisfied that the School has sufficient available cash and borrowing facilities to meet its strategic objectives.

### **Restricted Funds**

#### **Scholarship, Prize and Bursary Funds**

This represents bequests and donations received by the School, which are subject to the specific wishes of the donor. These funds are matched by investments. Movement in the fund during the year comprised donations, investment income and interest. The investment income and interest is used to fund Scholarships and Bursaries for pupils attending the School.

#### **School Development Fund**

Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a New Performing Arts Facility. The School is no longer actively promoting fundraising for The Capital Challenge, though donations continue to be received and credited to this fund. In addition, funds raised towards the Junior School redevelopment are also credited to this fund.

Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged.

The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment have been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### **Channing Alumnae**

The Channing Alumnae Fund is a restricted fund of the School held for the purpose of promoting school alumnae. The fund is used to promote communication between the School and alumnae and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae Committee, and an appropriate balance maintained.

### **Channing Association**

The Channing Association is a restricted fund of the School for the purpose of fostering support for the School from the wider Channing community including current and former parents and friends of the School. The Channing Association organises social events for both parents and pupils and also helps support a number of school events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year. The Channing Association fund is managed by the Channing Association committee and an appropriate balance maintained.

### **Unrestricted Funds**

The Governors intend to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

The School's funds continue to be reviewed annually by the Governors in the context of the School's needs and obligations and future plans.

## **INVESTMENTS**

The Governors have agreed that investments are held to create income to help fund the Scholarships and Bursaries awarded. Investments are held in a mixture of listed investments and cash deposits and are managed and benchmarked appropriately so as to maintain their contribution whilst preserving the real value of the investments. Governors have taken account of the ethical considerations of the investments held and adopted a low risk approach, such that the vast majority of the School's listed investments are held in recognised charity funds. During the year, no additional cash deposit investments were received in respect of restricted funds (2020: £4,400). The market value of the School's investments have increased by £48,100 (2020: decreased by £9,600).

## **RISK MANAGEMENT**

The School maintains a comprehensive risk register which is regularly reviewed and is presented to the Governors at every meeting. The Governors routinely consider both the major risks and other possible risks facing the School and the probability of the risks arising. They are assisted in this regard by the Headmistress, Bursar and other members of the School's Senior Leadership Team. The Governors also considered the risks associated with COVID 19 throughout the year. General controls used by the Governors to identify and assess risks during the year include:

- Formal agenda items for Governors' Committee meetings
- Regular review of the School's Risk Register which is reviewed termly by the Governing Body
- Sub Committees to oversee key areas of School activity including education, strategy, estates and finance. Ad hoc Committees are also established from time to time to review specific aspects of School activity including such areas as marketing, the appointments of new governors and the school's pension arrangements for staff.
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal authorisation and approval levels for financial transactions and approval of contracts
- Regular Health and Safety and Safeguarding reviews and inspections
- Maintaining appropriate insurance
- Regular Inspection by the Independent Schools' Inspectorate

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

Through the above risk management processes, the Governors are satisfied that major risks are identified and as far as practicable adequately mitigated. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The main risks that the Governors have identified and the plans to manage those risks are:

- A risk to the reputation of the School brand such that there is a material impact on current and future pupil numbers and the ability of the School to attract high quality staff. In order to manage this risk, the School ensures that its policies for recruitment, safeguarding and Health and Safety put pupil safety and wellbeing at the heart of the School. A comprehensive training programme for staff, ongoing monitoring and management of policies and a culture of openness and trust between pupils and staff are also intended to safeguard against this risk.
- A risk that the School ceases to be financially viable as a result of deteriorating finances. Financial stability is a key priority for the School, in particular to generate sufficient cash flow to provide adequate resources to ensure a safe and secure educational environment, to meet loan obligations and to continue investing in the School's facilities and estate. This risk is managed by ensuring sound long term planning with clear and challenging financial targets which not only consider the operation of the School, but also the wider context in which the School operates. Governors with significant financial and business experience provide oversight of the School's finances alongside the Finance Committee which reviews the detailed finances of the School at least termly drawing on external advice as required. The School continues to be vigilant in assessing the impact of identified risks on the School's finances. This has included modelling various scenarios as part of the School's financial planning. In particular, measures that the School keeps under consideration in order to mitigate this risk include changes to the School's provision and the associated cost implications, cost savings, reductions in staffing and deferring or cancelling planned programmes of both revenue and capital investment.
- Political risk. The independent education sector does not currently enjoy strong political support from any political party, despite the efforts of the Independent School's Council (ISC) and member schools to demonstrate the financial benefits to the economy Independent Schools provide. These benefits include reducing the overall costs of educational provision to the exchequer, local employment of staff and the generation of overseas earnings. The sector also provides significant amounts of Public Benefit in the form of bursaries and also where independent schools work alongside maintained schools such as the East London Partnership of which the School is an active participant. There continues to be political pressure to introduce measures that would result in additional costs or taxes on the sector in order to raise money for the exchequer, these have included a fees levy, and possible loss of Charitable Business Rate Relief, loss of charitable status and the payment of VAT on fees. In order to mitigate this risk and identify the potential financial impact such measures would have, the School continues to undertake its own internal risk modelling. The School recognises that there are some limited measures it can undertake to reduce its cost base, or increase its income to mitigate against the risk of increased taxation. The scope for such measures would not, however, offset the impact of some of the measures being expressed if the School felt unable to pass on the costs to fee payers due to the potential impact on pupil numbers. In these scenarios the financial viability of the School and its ability to meet current legal and financial commitments would need careful consideration. In order to mitigate against current lack of political support, the School will continue to work with the ISC to articulate clearly the Public Benefit the School provides and to identify further opportunities to demonstrate this to politicians and the public both locally and nationally
- Information Technology. A risk that with an increasing reliance on Information Technology in all aspects of the School that insufficient investment in system integrity, system security and resilience jeopardises the School's ability to effectively educate pupils. The School manages this risk by continuing to update and invest in the School's information systems to ensure they meet the School's needs and in educating staff and pupils how to use Information Technology safely and effectively.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

- Coronavirus COVID 19 remains a present though currently reducing risk to the school. COVID 19 does present a risk to the School's reputation if sufficient measures are not put in place to ensure the safety of the School community and the continuity of quality education for all pupils in different scenarios including learning in School and in virtual classrooms. The School manages this risk by investing in the necessary training and providing additional resources to ensure the safety of the School community and the continuity of quality education in all foreseeable circumstances. In addition, there remains a financial risk associated with COVID 19. This includes the costs of additional measures in school to ensure safety and continuity of education and also the ongoing impact on parents' and potential parents' finances which may continue to be adversely affected by COVID 19. The School manages this risk by prudent forecasting for the current and future years.

The Governors' Report and the Strategic Report incorporated within it were approved by the board of Governors (in their role as directors) and signed on its behalf by



C Peck  
Chair of Governors  
18 November 2021



R K J Hill  
Bursar and Company Secretary  
18 November 2021

# Channing House Incorporated, Highgate

## GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Governors 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 charitable company 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 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; and
- 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 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.

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

### **Opinion**

We have audited the financial statements of Channing House Incorporated, Highgate (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable company 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 other information comprises the information included in the Governors' Report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within 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.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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 Directors' Report and the Strategic 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

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- the Directors' Report and the Strategic 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 Directors' Report or the Strategic Report included within the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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**

As explained more fully in the Statement of Governors' responsibilities set out on page 10, the Governors (who are also the directors of the charitable company for the purposes of company 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 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 trustees 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011 and the charitable company's governing document. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Governors' Report and remaining alert to new or unusual transactions which may not be in accordance with the governing documents.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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.

*RSM UK Audit LLP*

Nicholas Sladden (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

*24 November* 2021

# Channing House Incorporated, Highgate

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2021

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2021 £'000	Unrestricted Funds £'000	Restricted Funds £'000	2020 £'000
<b>INCOME FROM:</b>							
<b>Donations</b>		13.3	43.6	<b>56.9</b>	20.3	111.0	131.3
<b>Charitable Activities:</b>							
School Fees receivable	1	19,829.7	-	<b>19,829.7</b>	17,709.9	-	17,709.9
Other income	2	455.4	31.5	<b>486.9</b>	796.0	44.1	840.1
<b>Investments</b>							
Investment income		-	7.3	<b>7.3</b>	-	8.6	8.6
Bank interest		2.7	0.2	<b>2.9</b>	48.7	3.3	52.0
<b>Total Income</b>		<u>20,301.1</u>	<u>82.6</u>	<u><b>20,383.7</b></u>	<u>18,574.9</u>	<u>167.0</u>	<u>18,741.9</u>
<b>EXPENDITURE ON:</b>							
<b>Raising funds:</b>							
Fundraising and Development		12.3	-	<b>12.3</b>	13.7	-	13.7
Bank loan interest		204.7	-	<b>204.7</b>	204.6	-	204.6
		<u>217.0</u>	<u>-</u>	<u><b>217.0</b></u>	<u>218.3</u>	<u>-</u>	<u>218.3</u>
<b>Charitable activities:</b>							
School operating costs		16,474.7	40.7	<b>16,515.4</b>	15,101.9	51.6	15,153.5
<b>Total Expenditure</b>	3	<u>16,691.7</u>	<u>40.7</u>	<u><b>16,732.4</b></u>	<u>15,320.2</u>	<u>51.6</u>	<u>15,371.8</u>
Gain/(Loss) on revaluation of investments - unrealised	6	-	48.2	<b>48.2</b>	-	(9.6)	(9.6)
<b>Net Income before transfers</b>		3,609.4	90.1	<b>3,699.5</b>	3,254.7	105.8	3,360.5
Transfers between funds	10	43.6	(43.6)	-	111.0	(111.0)	-
<b>Net movement in funds</b>		<u>3,653.0</u>	<u>46.5</u>	<u><b>3,699.5</b></u>	<u>3,365.7</u>	<u>(5.2)</u>	<u>3,360.5</u>
Balances brought forward at 1 September		18,805.7	440.0	<b>19,245.7</b>	15,440.0	445.2	15,885.2
<b>Balances carried forward at 31 August</b>	11	<u>22,458.7</u>	<u>486.5</u>	<u><b>22,945.2</b></u>	<u>18,805.7</u>	<u>440.0</u>	<u>19,245.7</u>

# Channing House Incorporated, Highgate

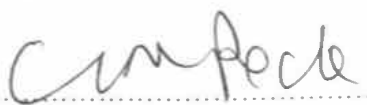
Company No: 00063121

## BALANCE SHEET

As at 31 August 2021

	<i>Notes</i>	2021 £'000	2020 £'000
<b>FIXED ASSETS:</b>			
Tangible assets	5	30,561.9	29,278.5
Investments	6	486.5	440.0
		<hr/>	<hr/>
		31,048.4	29,718.5
		<hr/>	<hr/>
<b>CURRENT ASSETS:</b>			
Debtors	7	332.4	483.2
Cash at bank and in hand		10,368.6	6,094.5
		<hr/>	<hr/>
		10,701.0	6,577.7
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year	8	(7,340.6)	(6,971.2)
		<hr/>	<hr/>
NET CURRENT ASSETS/(LIABILITIES)		3,360.4	(393.5)
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		34,408.8	29,325.0
		<hr/>	<hr/>
CREDITORS: Amounts falling due after more than one year	9	(11,463.6)	(10,079.3)
		<hr/>	<hr/>
TOTAL NET ASSETS		22,945.2	19,245.7
		<hr/>	<hr/>
<b>REPRESENTED BY:</b>			
RESTRICTED FUNDS	10	486.5	440.0
		<hr/>	<hr/>
UNRESTRICTED FUNDS			
Retained Income		22,458.7	18,805.7
		<hr/>	<hr/>
TOTAL FUNDS		22,945.2	19,245.7
		<hr/>	<hr/>

These financial statements were approved by the Board of Governors and authorised for issue on 18 November 2021 and signed on its behalf by:



C Peck (Chair)

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2021

	<i>Notes</i>	<b>2021</b> £'000	2020 £'000
<b>Net cash from by operating activities</b>	(A)	<b>7,061.8</b>	4,848.7
<b>Cash flows from investing activities</b>	(B)	<b>(2,280.4)</b>	(5,833.6)
		<hr/>	<hr/>
<b>Cash flows from financing activities</b>	(C)	<b>(507.3)</b>	581.1
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>		<b>4,274.1</b>	(403.8)
Cash and cash equivalents at 1 September		<b>6,094.5</b>	6,498.3
		<hr/>	<hr/>
<b>Total cash and cash equivalents at 31 August</b>		<b>10,368.6</b>	6,094.5
		<hr/>	<hr/>
<b>(A) - Net cash provided by operating activities</b>			
Net Incoming Resources (as per the statement of financial activities)		<b>3,699.5</b>	3,360.5
<u>Adjusted for:</u>			
Unrealised (Gain)/Loss on revaluation of investments		<b>(48.2)</b>	9.6
Depreciation (note 5)		<b>804.2</b>	653.8
Bank loan interest payable		<b>204.7</b>	204.6
Investment income receivable		<b>(7.3)</b>	(8.6)
Bank interest receivable		<b>(2.9)</b>	(52.0)
Decrease in debtors		<b>150.8</b>	53.1
Increase in creditors		<b>2,261.0</b>	627.7
		<hr/>	<hr/>
<b>Net cash provided by operating activities</b>		<b>7,061.8</b>	4,848.7
		<hr/>	<hr/>
<b>(B) – Cash flows from investing activities</b>			
Investment Income		<b>7.3</b>	<b>8.6</b>
Bank interest received		<b>2.9</b>	<b>52.0</b>
Bank loan interest paid		<b>(204.7)</b>	<b>(204.6)</b>
Purchase of tangible assets		<b>(2,087.6)</b>	<b>(5,685.2)</b>
Decrease/(Increase) in investment cash		<b>1.7</b>	<b>(4.4)</b>
		<hr/>	<hr/>
		<b>(2,280.4)</b>	<b>(5,833.6)</b>
		<hr/>	<hr/>
<b>(C) – Cash flows from financing activities</b>			
Repayments of bank loans		<b>(507.3)</b>	<b>(418.9)</b>
Cash inflows from new bank borrowing		<b>-</b>	<b>1,000.0</b>
		<hr/>	<hr/>
		<b>(507.3)</b>	<b>581.1</b>
		<hr/>	<hr/>
<b>(D) – Analysis of changes in net debt</b>			
	<b>At 1 Sept 2020</b>	<b>Cash flows</b>	<b>At 31 Aug 2021</b>
<b>Cash and cash equivalents</b>	6,094.5	<b>4,274.1</b>	<b>10,368.6</b>
	<hr/>	<hr/>	<hr/>
<b>Borrowings:</b>			
Debt due within one year (note 8)	(514.6)	<b>(13.9)</b>	<b>(528.5)</b>
Debt due after one year (note 9 (c) )	(5,190.6)	<b>521.2</b>	(4,669.4)
	<hr/>	<hr/>	<hr/>
	<b>(5,705.2)</b>	<b>507.3</b>	<b>(5,197.9)</b>
	<hr/>	<hr/>	<hr/>
<b>Total</b>	389.3	<b>4,781.4</b>	<b>5,170.7</b>
	<hr/>	<hr/>	<hr/>

## **BASIS OF FINANCIAL STATEMENTS**

# Channing House Incorporated, Highgate

## ACCOUNTING POLICES

For the year ended 31 August 2021

The accounts of the School are prepared in accordance with the Companies Act 2006, and with the Charities Statement of Recommended Practice ('SORP (FRS102)' effective 1 January 2019) and Financial Reporting Standard 102. The accounts are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value. The School meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

### **GOING CONCERN**

The nature of the School's activities is such that fee income represents the majority of the School's income. Fee income is billed and received one term in advance. Forecasts are produced taking account of the timing and quantity of fee income, likely expenditure profile, the cost of completing the new Junior School facilities and the bank facilities available. In preparing these forecasts the School has also been vigilant in assessing the impact of Coronavirus on the School's finances. These forecasts are provided to the Governors. On this basis no material uncertainties that may cast significant doubt about the ability of the School to continue as a going concern have been identified by the Governors. Therefore, the Governors have concluded to prepare the accounts on a going concern basis.

### **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the accounting policies, where the value of assets and liabilities are not readily apparent from other sources, accounting estimates and judgements are made based on historical experience and other factors, including future expectations, which are considered to be reasonable in the circumstances.

The estimates and underlying assumptions concerning the future are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Accounting estimates and assumptions, will, by definition, seldom equal the actual results.

### **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.

Voluntary income for the School's general purpose is accounted for as unrestricted and is credited to Retained Income.

Where the donor or an appeal has imposed restrictions, voluntary income is credited to the relevant restricted fund.

### **FEES RECEIVABLE AND SIMILAR INCOME**

Fees receivable comprise fees charged to pupils net of Scholarships, Bursaries and allowances, and are accounted for in the year in which the service is provided.

Pupils joining the School are required to pay a deposit which is then applied against the pupil's final term's fee bill. Reasonable assumptions are made regarding the time pupils will remain with the School in assessing when the deposits held will be applied to offset the pupil's fees for their final term.

### **EXPENDITURE**

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned on the basis, of the activities staff are involved in. Certain costs are netted off against related income when it is appropriate to do so.

The School is not registered for Value Added Tax. All expenditure is therefore included in the expense category to which it relates inclusive of any Value Added Tax.

# Channing House Incorporated, Highgate

## ACCOUNTING POLICES

For the year ended 31 August 2021

### **TANGIBLE FIXED ASSETS**

Land and buildings are carried in the balance sheet at original cost less accumulated depreciation as the Governors consider that it is not appropriate to incur the expense of obtaining valuations of such assets. The cost of new buildings is added to fixed assets although repairs, alterations and improvements that do not materially enhance the economic benefit of the buildings are expensed as incurred; such costs are often substantial. Costs incurred in arranging long term debt to fund material additions to the School's land and buildings are included in fixed asset additions. The insured value of the School's assets is shown in note 5.

Furniture and teaching equipment are expensed in the period of acquisition. Such items will generally cost less than £14,000 per individual item and will include computers and ancillary items.

### **DEPRECIATION**

Depreciation is calculated by reference to the cost of fixed assets using a straight line basis at rates considered appropriate having regard to the expected lives of the assets. Depreciation is not provided on freehold land.

The annual rates of depreciation in use are:

Freehold buildings (including landscaping)	1% - 5%
Buildings in the course of construction	Nil
Plant, Equipment, Fixtures and Fittings	10% - 33.3%
Motor Vehicles	25%

Governors have considered the impairment of those freehold buildings with an estimated useful life of over 50 years and are satisfied, having considered both realisable value and value in use, that the buildings have not been materially impaired.

### **INVESTMENTS**

Investments are initially recognised at cost. They are held as fixed assets to provide an investment return and are stated in the balance sheet at their open market value as at the balance sheet date. Any resulting unrealised gain or loss is taken to the fund to which it relates.

### **FUNDS**

The funds of the School are segregated between:

(i) Restricted Funds

- Scholarship, Prize and Bursary Funds  
The School receives some of its income primarily for the provision of Scholarships, Bursaries and Prizes. This income is credited directly to the relevant fund account. All expenditure in relation to this income is charged directly to the relevant fund account.
- School Development Fund  
Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a New Performing Arts Facility. The school is no longer actively promoting fundraising for the Capital Challenge, though donations continue to be received and credited to this fund. In addition, funds raised towards the Junior School redevelopment are also credited to this fund. Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged. The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment have been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.
- Channing Alumnae  
The Channing Alumnae Fund is a restricted fund of the School for the purpose of promoting school alumnae. The fund is used to promote communication between the School and alumnae

# Channing House Incorporated, Highgate

## ACCOUNTING POLICES

For the year ended 31 August 2021

and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae committee.

- Channing Association  
The Channing Association is a restricted fund of the School for the purpose of fostering support from the wider Channing community including current and former parents and friends of the school. The Channing Association organises social events for both parents and pupils and also helps support a number of school events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year.

### (ii) Unrestricted Funds

- Retained Income  
The School seeks to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

## **FINANCIAL INSTRUMENTS**

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. As such, financial instruments are initially recognised at transaction value and subsequently measured and held at amortised cost using the effective interest rate method.

Financial assets comprise cash at bank and in hand together with debtors less prepayments and are recognised when the School becomes contractually entitled to receive cash or other financial assets from a third party.

Financial liabilities comprise creditors falling due both within and after one year excluding deferred income and other tax and social security liabilities and are recognised when the School incurs a legal or constructive obligation to deliver cash or another financial asset to a third party.

All financial instruments are held for the sole purpose of managing the cash flow of the School on a day-to-day basis or arise from normal operating activities.

## **PENSION COSTS**

Retirement benefits for most teachers of the School are provided by the Teachers' Pension Scheme (TPS). The TPS is a multi employer defined benefit pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Scheme. Accordingly, as required by FRS102, the School has accounted for its contributions to the Scheme as if it were a defined contribution scheme.

The School also operates defined contribution schemes for other staff. Contributions to these schemes are charged to the Statement of Financial Activities in the year in which they are incurred.

## **OPERATING LEASES**

Rental payments on operating leases are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

### 1 CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

Fees receivable are stated net of Scholarships and Bursaries awarded and allowances given. Scholarships, Bursaries and allowances totalled £1,748,083 (2020: £1,450,637).

2	CHARITABLE ACTIVITIES - OTHER INCOME		<b>2021</b> <b>£'000</b>	2020 £'000
	Educational visits and other recoverable items		<b>192.9</b>	247.3
	Registration fees and fees in lieu of notice		<b>130.9</b>	168.5
	Coronavirus Job Retention Scheme		<b>123.0</b>	369.7
	Other income		<b>40.1</b>	54.6
			<b>486.9</b>	840.1

3	TOTAL EXPENDITURE	Staff costs (note 4) £'000	Depreciation £'000	Other costs £'000	<b>2021</b> <b>Total</b> <b>£'000</b>	2020 Total £'000
	<b>Raising funds:</b>					
	Fundraising and Development	11.2	-	1.1	<b>12.3</b>	13.7
	Bank Loan interest	-	-	204.7	<b>204.7</b>	204.6
	<b>Total Cost of Raising Funds</b>	<b>11.2</b>	<b>-</b>	<b>205.8</b>	<b>217.0</b>	218.3
	<b>Charitable activities:</b>					
	School operating costs:					
	Teaching	8,856.7	-	1,565.7	<b>10,422.4</b>	9,849.4
	Welfare and Catering	619.4	-	350.4	<b>969.8</b>	801.8
	Premises and occupancy	177.6	804.2	1,220.6	<b>2,202.4</b>	2,137.0
	Property repair and maintenance	-	-	1,237.9	<b>1,237.9</b>	695.2
	Administration and support	1,105.1	-	493.7	<b>1,598.8</b>	1,579.5
	Governance	45.4	-	31.2	<b>76.6</b>	77.1
	Grants, awards and prizes	-	-	7.5	<b>7.5</b>	13.5
	<b>Total Charitable expenditure</b>	<b>10,804.2</b>	<b>804.2</b>	<b>4,907.0</b>	<b>16,515.4</b>	15,153.5
	TOTAL EXPENDITURE	10,815.4	804.2	5,112.8	<b>16,732.4</b>	15,371.8
	2020:	10,305.8	653.8	4,410.0		

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

3	TOTAL EXPENDITURE (Continued)	<b>2021</b>	2020
		<b>£'000</b>	£'000
	Charitable expenditure includes:		
	Operating lease rentals	<b>289.7</b>	352.3
	Auditor's remuneration:		
	For audit services - RSM UK Audit LLP (exclusive of VAT)	<b>24.4</b>	23.8
	For payroll services - RSM Employer Services Limited	<b>21.7</b>	21.1
		<hr/>	<hr/>
4	STAFF COSTS		
	The aggregate staff costs (note 3) were as follows:		
	Wages and salaries	<b>8,455.0</b>	8,062.8
	Social security costs	<b>871.4</b>	843.7
	Pension contributions	<b>1,489.0</b>	1,399.3
		<hr/>	<hr/>
		<b>10,815.4</b>	10,305.8
		<hr/>	<hr/>

Included in wages and salaries are termination payments totalling £119,407 (2020: £50,381).

The average monthly number of employees during the year was made up as follows:

	2021		2020	
	Full Time	Part Time	Full Time	Part Time
Teaching	<b>79</b>	<b>34</b>	77	34
Technical and support	<b>8</b>	<b>7</b>	8	6
Catering	<b>15</b>	<b>4</b>	16	4
Maintenance and caretaking	<b>4</b>	<b>-</b>	4	-
Administrative	<b>14</b>	<b>7</b>	12	8
	<hr/>	<hr/>	<hr/>	<hr/>
	<b>120</b>	<b>52*</b>	117	52*
	<hr/>	<hr/>	<hr/>	<hr/>

\* Equivalent to approximately 26 (2020: 27) number of full time employees. In addition to the above, the School also made payments to 30 peripatetic music teachers (2020: 31).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

### 4 STAFF COSTS (continued)

The number of employees whose emoluments (excludes employer's pension contribution) exceeded £60,000 was:

	2021	2020
£60,001 – £70,000	15	15
£70,001 - £80,000	3	4
£80,001 - £90,000	1	2
£90,001 - £100,000	2	-
£100,001 - £110,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	1	-
£150,001 - £160,000	1	-
£170,001 - £180,000	1	-
£180,001 - 190,000	-	1
£270,000 - £280,000	-	1

Contributions of £375,435(2020: £321,599) were made to the Teachers' Pension Scheme, which is a defined benefits scheme, for 23 (2020: 22) higher paid employees. Contributions of £20,707 (2020: £20,587) were also made to defined contribution schemes for 2 (2020: 2) higher paid employees.

Aggregate employee-benefits of key management personnel (including employer pension and national insurance contributions)	£424,129	£530,468
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5 TANGIBLE FIXED ASSETS	Freehold land and buildings	Buildings in the course of construction	Plant, Equipment, Fixtures and Fittings	Motor Vehicles	Total
Cost:	£'000	£'000	£'000	£'000	£ '000
31 August 2020	22,122.5	9,488.8	1,913.2	79.7	<b>33,604.2</b>
Transfers	11,004.8	(11,122.1)	117.3	-	-
Additions	-	1,633.3	431.1	23.2	<b>2,087.6</b>
31 August 2021	<u>33,127.3</u>	<u>-</u>	<u>2,461.6</u>	<u>102.9</u>	<u><b>35,691.8</b></u>
Depreciation:					
31 August 2020	2,536.1	-	1,726.3	63.3	<b>4,325.7</b>
Charged in the year	674.0	-	114.1	16.1	<b>804.2</b>
31 August 2021	<u>3,210.1</u>	<u>-</u>	<u>1,840.4</u>	<u>79.4</u>	<u><b>5,129.9</b></u>
Net book value:					
31 August 2021	<b>29,917.2</b>	<b>-</b>	<b>621.2</b>	<b>23.5</b>	<b>30,561.9</b>
31 August 2020	<u>19,586.4</u>	<u>9,488.8</u>	<u>186.9</u>	<u>16.4</u>	<u>29,278.5</u>

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

### 5 TANGIBLE FIXED ASSETS (Continued)

Freehold land and buildings include an estimate by the Governors of the original cost of the land and buildings at £56,000 (2020: £56,000) of which £18,000 is estimated to be the original cost of the land. The School's buildings (excluding the value of freehold land) have been valued at £19,000,000 for insurance purposes. The Governors believe that the value of the School's land, comprising just under 3 hectares in North London is very significantly in excess of its original cost.

6 INVESTMENTS	2021 £'000	2020 £'000
Market value at 1 September	440.0	445.2
(Disposals)/Additions	(1.7)	4.4
Revaluations	48.2	(9.6)
	<hr/>	<hr/>
Market value at 31 August	486.5	440.0
	<hr/>	<hr/>
Historical cost of Investments	233.8	235.4
	<hr/>	<hr/>
Investments comprise the following:		
Listed on Stock Exchange	282.9	234.8
Cash deposits	203.6	205.2
	<hr/>	<hr/>
	486.5	440.0
	<hr/>	<hr/>
The School had investment holdings of greater than 5% of overall market value in the following:		
Charities Official Investment Fund	219.9	186.8
J.P. Morgan UK Strategic Equity Income Fund	32.4	23.3
M&G Equities Investment Fund for Charities	26.2	20.7
	<hr/>	<hr/>

### 7 DEBTORS

Fees receivable	6.2	55.2
Other debtors *	12.3	80.4
Prepayments and accrued income	313.9	347.6
	<hr/>	<hr/>
	332.4	483.2
	<hr/>	<hr/>

\* Included in other debtors is £4,160 (2020: £5,154) falling due in more than one year

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

8	CREDITORS: Amounts falling due within one year	<b>2021</b>	2020
		<b>£'000</b>	£'000
	Advanced Fees received 1 year in advance (see Note 9(a))	<b>4,300.4</b>	3,795.7
	Other Fees received in advance	<b>954.0</b>	761.5
	Bank Loans repayable within 1 year (see Note 9 (c))	<b>528.5</b>	514.6
	Other taxes and National Insurance contributions	<b>224.5</b>	214.0
	Trade Creditors	<b>92.3</b>	417.3
	Other creditors	<b>170.1</b>	163.9
	Deferred Income	<b>63.6</b>	34.7
	Accruals	<b>1,007.2</b>	1,069.5
		<hr/> <b>7,340.6</b> <hr/>	<hr/> 6,971.2 <hr/>
9	CREDITORS: Amounts falling due after more than one year		
	Advanced fees (see Note 9(a))	<b>4,690.1</b>	3,097.2
	Final term deposits (see Note 9(b))	<b>2,104.1</b>	1,791.5
	Bank loans (see Note 9(c))	<b>4,669.4</b>	5,190.6
		<hr/> <b>11,463.6</b> <hr/>	<hr/> 10,079.3 <hr/>
9 (a)	Advanced fees		
	Parents are offered the opportunity to pay tuition fees in advance. Certain parents have taken advantage of this offer and have entered into an arrangement with the School to pay tuition fees in advance. Advance Fee payments are paid direct to the School and may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming pupils will remain with the School the amounts held in respect of fees falling due in more than one year will be applied to offset tuition fees as follows:		
	Fees due in 1 – 2 years	<b>2,657.3</b>	1,994.5
	Fees due in 2 – 5 years	<b>2,014.1</b>	1,084.0
	Fees due in more than 5 years	<b>18.7</b>	18.7
		<hr/> <b>4,690.1</b> <hr/>	<hr/> 3,097.2 <hr/>
	Fees due within 1 year (see Note 8)	<b>4,300.4</b>	3,795.7
		<hr/> <b>8,990.5</b> <hr/>	<hr/> 6,892.9 <hr/>
	The movements during the year were as follows: -		
	Balance at 1 September	<b>6,892.9</b>	7,044.5
	Amounts received (net of refunds) during the year	<b>5,893.3</b>	3,815.0
	Amounts utilised in payment of fees	<b>(3,795.7)</b>	(3,966.6)
		<hr/> <b>8,990.5</b> <hr/>	<hr/> 6,892.9 <hr/>
9 (b)	<b>Final Term Deposits</b>		

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

All new pupils are required to pay a deposit which is then applied against the pupil's final term's fee bill. Applying reasonable assumptions regarding the time pupils will remain with the School the deposits held will be applied to offset fees for their final term as follows: -

	<b>2021</b>	2020
	<b>£'000</b>	£'000
Deposits due to be refunded in 1 – 2 years	<b>289.6</b>	230.1
Deposits due to be refunded in 2 – 5 years	<b>552.7</b>	451.8
Deposits due to be refunded in more than 5 years	<b>1,261.8</b>	1,109.6
	<hr/> <b>2,104.1</b> <hr/>	<hr/> 1,791.5 <hr/>

### 9 (c) **Bank Loans**

Bank Loans are repayable as follows as follows: -

Repayments within 1 – 2 years	<b>541.6</b>	521.2
Repayments within 2 – 5 years	<b>1,496.5</b>	1,562.7
Repayments in more than 5 years	<b>2,631.3</b>	3,106.7
	<hr/> <b>4,669.4</b> <hr/>	<hr/> 5,190.6 <hr/>
Repayments within 1 year (see Note 8)	<b>528.5</b>	514.6
	<hr/> <b>5,197.9</b> <hr/>	<hr/> 5,705.2 <hr/>

The School has drawn down bank loan facilities totalling £7.5m to part fund the construction of the new Sports Hall and Sixth Form Centre, and the Performing Arts Building. These facilities are secured on the School's freehold land and buildings. Of the £7.5m loan facilities drawn down:

- £1m was converted to a fixed term loan repayable over 10 years commencing on 29 August 2014 at an interest rate fixed at 4.47% p.a. for the duration of the loan
- £2m was converted to a fixed term loan repayable over 15 years commencing on 1 December 2015 at an interest rate fixed at 4.73% p.a. for the duration of the loan.
- £1.1m was converted to a fixed term loan repayable over 15 years commencing on 29 August 2015 at a variable interest rate of 2.0% p.a. above the Base Rate. This loan was subsequently, on 16 October 2016, converted to a fixed term loan repayable over 14 years at an interest rate fixed at 3.4% p.a. for the duration of the loan
- £2.4m was drawn down on 20 December 2017 as a fixed term loan repayable over 15 years at an interest rate fixed at 3.64% p.a. for the duration of the loan.
- £1m was drawn down on 30 June 2020 as a fixed term loan repayable over 12 years and 7 months at a variable interest rate of 2% over Base Rate for the duration of the loan.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

10	RESTRICTED FUNDS	Balance 31 August 2020 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Loss on revaluation of investments £'000	Balance 31 August 2021 £'000
	Scholarship, Prize and Bursary Funds	395.0	7.5	(7.5)	-	48.2	<b>443.2</b>
	School Development Fund	-	43.6	-	(43.6)*	-	-
	Channing Alumnae	15.0	8.7	(2.8)	-	-	<b>20.9</b>
	Channing Association	30.0	22.8	(30.4)	-	-	<b>22.4</b>
		<u>440.0</u>	<u>82.6</u>	<u>(40.7)</u>	<u>(43.6)</u>	<u>48.2</u>	<u><b>486.5</b></u>

\* This transfer relates to donations received for the purpose of developing the Sports Hall, Sixth Form Centre, Music and Performing Arts facilities at the Senior School and the Junior School redevelopment. The restriction placed on the income received has been discharged in that expenditure has been incurred and capitalised within fixed assets. Consequently, the funds were transferred to unrestricted funds.

A description of each restricted fund and its use can be found on page 6.

11	FUNDS - ALLOCATION OF NET ASSETS	Tangible fixed assets £'000	Investments £'000	Net current Assets/(Liabilities) £'000	Creditors falling due after more than 1 year £'000	2021 Total £'000
	Restricted funds*	-	486.5	-	-	<b>486.5</b>
	Unrestricted funds	30,561.9	-	3,360.5	(11,463.6)	<b>22,458.7</b>
		<u>30,561.9</u>	<u>486.5</u>	<u>3,360.5</u>	<u>(11,463.6)</u>	<u><b>22,945.2</b></u>
	Restricted funds*	-	440.0	-	-	2020 Total 440.0
	Unrestricted funds	29,278.5	-	(393.5)	(10,079.3)	18,805.7
		<u>29,278.5</u>	<u>440.0</u>	<u>(393.5)</u>	<u>(10,079.3)</u>	<u>19,245.7</u>

\*Included in Restricted Funds are cumulative unrealised gains of £252,643 (2020: £204,522).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2021

### 12 SHARE CAPITAL

The company is limited by guarantee and has no share capital, members having a liability not exceeding £5 each.

### 13 PENSION COMMITMENTS

#### a. Teachers

Teachers are members of the Teachers' Pension Scheme England and Wales (TPS). This scheme is a multi-employer, statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

As the TPS is a multi-employer pension scheme, the School is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The School has set out within this note the scheme information available and the implications for the School in terms of the anticipated contribution rates.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay (including a 0.08% employer administration charge) from September 2019 onwards. This compares to 16.48% during 2018/19.

During the year the employee contribution rate ranged between 7.4% and 11.7% depending on a member's salary.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

The pension charge includes employer contributions payable to the scheme, which amounted to £1,264,815 (2020: £1,179,277). As at 31 August 2021 there were outstanding contributions payable to the scheme of £151,560 (2020: £145,862) included in other creditors. The contributions of the School represent a minor proportion of the payments into the scheme.



**CHANNING HOUSE INCORPORATED, HIGHGATE**

England & Wales - Charity number 312766

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# Accounts

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Channing House Incorporated, Highgate  
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

For the year ended  
31 August 2020

Company No: 00063121

Registered Charity No. 312766

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISERS

To be presented at the Annual General Meeting of the company to be held at Channing School, The Bank, Highgate Hill, London N6 5HF on 18 March 2021.

### GOVERNORS

The Board of Governors may appoint any member of the Association as a Governor, either to fill a casual vacancy or by way of addition to the board. All Governors are required to confirm that they will support the Unitarian traditions of the School. Except as otherwise indicated the following were Governors during the year and to the date of signing this report:

Ms C Peck *	LLB (Bristol) (Chair)	
Mr JAG Alexander *	FCA	
Dr G Algar-Faria	PhD (Bristol)	(Retired 18 June 2020)
Mr A Appleyard *	BSc (Reading)	
Mrs J Burns *	BA (Southampton)	
Rev D Costley	BA (Open University)	
Mrs L Cristie	BA (Bristol)	
Mrs J Otterburn Hall	BA (Bristol)	(Appointed 1 September 2020)
Ms D Patman *	FRICS ACIARB	
Mrs P Peck	MBA (Oxon)	(Appointed 1 September 2020)
Ms B Rentoul	MA (Yale)	
Mr WJH Spears	BA (SOAS), MBA	
Dr A Sutton	MB ChB	
Dr H Stringer	MA, DPHIL	
Ms A Thomas	Cert. Ed.	(Retired 18 June 2020)
Mr C Underhill	MNAEA	(Retired 18 June 2020)
Dr I Wassenaar	MA, DPhil	

\* Members of the Finance and General Purposes Committee

### MEMBERS OF ASSOCIATION

The Members of the Association, except as otherwise indicated, throughout the year were, in addition to the Governors listed above:

Mr G A Auger	FCCA	
Mr SD Barber	BSc (Econ) FCA	
Professor HG Beale	MA (Oxon)	
Mrs D Bond	BA (Cantab)	
Mr S M D Brown	BA (Dunelm)	
Ms CEA Budgett-Meakin	BA (Kent)	
Mr JM Burns	MA (Oxon)	
Baroness J Coussins	MA (Cantab)	
Baroness C Cox	MSc (Econ) PhD	
Dr J Dacre	BSc	
Miss JAM Davidson	BSc (London)	
Dr AP Hogg	MA (Oxon) PhD (London)	
Mrs S Moloney	SRN RHV	
Mrs C Richards	BSc.Arch (London)	
Miss M Rudland	BSc	
Mrs VA Schilling	MCSP	
Mr M Steiner	MA (Oxon)	
Dr T Stone	MA (Cantab) PhD	
Miss EM Tucker	MA (Cantab)	
Dr AG White	MB ChB FRCP DPhys Med	(Died November 2019)
Dr DJ Williams	MB BCh	
Dr DL Wykes	BSc PhD	

# Channing House Incorporated, Highgate

## GOVERNORS, OFFICERS AND ADVISORS

### OFFICERS

The Headmistress Mrs L D J Hughes BA (Warwick) from 1 September 2020  
Mrs B M Elliott MA (Cantab) until 31 August 2020

The Bursar Mr R K J Hill OBE MA ACMA

Address Channing School  
Highgate Hill  
London  
N6 5HF

BANKERS Lloyds Bank plc  
Commercial Banking  
PO Box 1000  
BX1 1LT

SOLICITORS Dentons UKMEA LLP  
One Fleet Place  
London  
EC4M 7WS

AUDITORS RSM UK Audit LLP  
25 Farringdon Street  
London  
EC4A 4AB

REGISTERED OFFICE Channing School  
Highgate Hill  
Highgate  
London  
N6 5HF

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### REFERENCE AND ADMINISTRATIVE INFORMATION

The School was incorporated in England and Wales on 27 July 1899 and is a company limited by guarantee, its members being members of the Association, having a liability not exceeding £5 each. The School was established under a Memorandum of Association which established the objects and powers of the charitable School and is governed under its Articles of Association. The company is a registered charity with charity number 312766 and company number 00063121. The Governors of the School, who are also the charity trustees and company directors, and the School's principal officers and advisers are listed on pages 1 and 2. Whenever Governors are referred to in this report this subsumes their roles as both charity trustees and company directors of Channing House Incorporated, Highgate within the meaning of Company Law.

### STRUCTURE, GOVERNANCE AND MANAGEMENT

The Governors determine the general policy of the School. The day-to-day management of the School is delegated to the Headmistress and the Bursar. Governors determine the remuneration of key management personnel through a Remuneration Committee. In setting the remuneration of key personnel this committee takes note of national pay scales, individual performance and internal and external benchmarking as necessary.

There have been no transactions with the related parties of the School, with the exception of the key management personnel remuneration as disclosed in Note 4.

### RECRUITMENT AND TRAINING OF GOVERNORS

Governors are appointed as vacancies arise. In making appointments Governors take into account Charity Commission guidance and the skills that are required by the School. Potential candidates who possess the requisite personal and specialist skills are identified, discussed by Governors and invited to become a Governor as appropriate.

New Governors are provided with information about the School and appropriate training and induction is arranged. On appointment, Governors are briefed on their responsibilities as Directors, Trustees and Governors. They are also encouraged to attend training courses on the roles of Governors run by The Association of Governing Bodies of Independent Schools (AGBIS). Governors are also given regular presentations by Heads of Department on specific curricular developments and they are invited and encouraged to link up with a Department and observe lessons and activities at first hand.

### STATEMENT OF PROVISION OF INFORMATION TO AUDITORS

The Governors in office on the date of this report have confirmed, as far as they are aware, that there is no relevant audit information of which the charitable company's auditor is unaware. Each of the Governors has confirmed that they have taken all the steps that they ought to have taken as Governors to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### AUDITOR

RSM UK Audit LLP has indicated its willingness to continue in office.

### PUBLIC BENEFIT

The Governors confirm that, to the best of their knowledge and belief, they have complied with the duty in the Charities (Accounts and Reports) Regulations 2008 in respect to having due regard to the public benefit guidance published by the Charity Commission.

The School provides public benefit in many ways. The School provides bursaries on entry to the School at Year 7 and Year 12. The School implemented, in 2010, a revised policy of the Governing Body designed to increase the availability of awards made on the basis of ability to pay. This has resulted in bursaries and concessions of £896,703 during the current year (2019: £1,003,634). The School also provides hardship support for families of current pupils whose circumstances change significantly such that their ability to pay is affected.

Additionally the School actively participates in the East London Consortium ISSP, an Independent/State School Partnership. Invitations are extended to local Schools to attend workshops, training events and presentations from visiting speakers. The School also makes available its facilities for use by the local community for sporting events and occasional conferences and meetings. The School is particularly supportive of girls' sport and provides its facilities for use both by Middlesex County and two local netball clubs and the School's playing fields are widely used by Hampstead Archery Club and the local community. The School generally makes its facilities available (to local community groups)

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

for these purposes for a minimal or no charge. The school has also begun to host more community events in the Arundel Centre and prior to the COVID-19 restrictions supported local music and also dance groups.

### OBJECTIVES AND ACTIVITIES

The School's principal purpose is to carry on a day School for girls. Details of the School's strategic objectives to achieve this are provided in the Strategic Report that follows.

### STRATEGIC REPORT:

#### REVIEW OF ACHIEVEMENTS AND PERFORMANCE

The School has a vision that all girls at the School will enjoy success.

The School's overall mission is to ensure that its pupils develop scholarship, integrity, altruism and independence.

During the year the School has continued to work towards achieving its published strategic objectives which support the School's mission. The objectives were reviewed at the start of this financial year and cover the period 2015-2020. These objectives are as follows:

#### **1. To provide an exceptional and relevant education, free from undue pressure, that challenges all pupils to learn and achieve their full potential.**

The School continues to deliver outstanding academic results. In Summer 2020, 95.2% (2019:91%) of pupils gained A\*-B grades at A level and the percentage of all GCSE results graded 9/8/7 was 89.1% (2019:86%) of which 67% (2019: 65%) gained 9/8 at GCSE. The School is very proud that these results have been achieved and continue to improve whilst at the same time identifying ways to reduce the pressure on students. The School also continued to offer its Adelante (Spanish for all) strategy across the School aiming to offer all pupils the opportunity to learn Spanish at School. Spanish is now the first language taught on entry to both the Junior and Senior Schools. The School also continues to develop a personalised approach to learning with an increased focus on pupil tracking alongside extensive use of mobile technology.

#### **2. To promote personal development.**

The School has continued to identify means to improve its enviable reputation for pastoral care, which places pupils at the heart of the school. The School is continuing to extend opportunities for pupil leadership at both the Senior and Junior Schools. The School has also made significant improvements in both its SEND and Careers provision across the school and has also recently introduced the Ellery Programme which supports the academic enrichment of pupils in Key Stage 3. The School also recognise the importance of supporting the mental health of the School community and has committed to a programme of Mental Health First Aid Training for key staff.

#### **3. To embrace modern technology and use it as a means to enhance pupils' independence as learners and prepare for the future.**

The School continues to invest in new technology, recognising the opportunities it provides to enhance independence as well as collaboration amongst students. The renewed focus on ensuring that pupils recognise how technology can help benefit and advance their learning was key whilst the school premises were closed to pupils of non key workers. During this period pupils received their education at home using remote and virtual technologies. The School is also aware of the risks that technology can present to young people and is working to address these through educating pupils and by supporting parents including offering technology information events. The School also puts in place the necessary policies and safeguards around the use of technology in school.

#### **4. To provide a secure, safe and healthy environment.**

The School continues to put pupil safeguarding at the heart of the School's operation ensuring that staff and pupils are aware of the strategies and procedures in place to minimise the risk to pupils. The School is also continuing to develop well-being strategies for both pupils and staff.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### **5. To manage the School's resources effectively, ensuring that the School is able to continue to invest in improving its provision for current and future pupils.**

As a result of exercising sound control over the School's finances, the School has been able to continue to invest in improved facilities in the Junior school. This development has continued throughout 2020 and when completed will bring significant benefits to the Junior School. The school has also invested significantly in the leadership capacity of the Junior School.

### **6. To develop further opportunities for Physical Education, Sport and the Performing Arts.**

The School continues to make extensive use of its new facilities which continue to significantly enhance the school's curricular and extra curricular provision. The School is also keen to identify opportunities for community use where this is possible.

### **7. To raise the profile of the School as a centre of excellence.**

The School continues to identify opportunities to promote the School's vision of 'girls enjoying success'. The School has had to identify new and innovative ways to achieve this whilst the school premises were closed and whilst visitors to the School site are restricted.

### **Review of other achievements**

The School continues to support a very large number of charitable and cultural activities and in particular makes a significant contribution to the community through many local activities including musical and sporting events as well as participating in local sporting and community events. The Young Enterprise scheme and the Duke of Edinburgh Awards programme continue to enjoy significant popularity and The Forest School learning programme has been further developed in the Junior School. The School is also increasing its involvement in the local community with pupils across the school undertaking a wide variety of activities. The School raised £14,570 (2019: £16,246) during the year in total for its chosen charities of Whittington Hospital, War Child and Woodlands School among others.

The school, despite COVID-19, has maintained its performance against Key Financial Performance Indicators set at the start of the year. A more detailed explanation as to how this has been achieved is provided below.

### **FINANCIAL REVIEW**

The Statement of Financial Activities on page 13 shows net income of £3,360,500 (2019: £2,884,500).

Overall the result is very similar to last year when the "one-off" Junior School development feasibility and planning costs incurred last year are taken into account. However, whilst the year end financial position of the School is considered satisfactory and is consistent with the School's planned target, this has been achieved by the school taking swift and decisive action in response to COVID-19 and the lockdown. The Summer Term was significantly impacted in that the School's activities had to switch to a virtual platform providing remote learning as well as staying open for pupils of key workers and to selected year groups from May 2020 onwards in line with Government Guidelines.

In addition, the School applied a 15% discount to its Summer Term tuition fee and waived lunch charges. This resulted in the School having to absorb a 20% drop in Summer Term income. In response to this, the School implemented an immediate cost reduction plan cancelling or deferring all discretionary and avoidable expenditure. In addition the School sought available Government support in the form of the Coronavirus Job Retention Scheme. In the year, the School claimed £369,700 under this scheme largely in respect of non teaching staff. This support together with that of the staff and overwhelming majority of parents enabled the School to not only maintain online remote learning services for all of its pupils but also to make the necessary investments to enable the School to open to all year groups in September and to continue the Junior School redevelopment. This redevelopment is nearing completion and adequate borrowing facilities are in place to ensure that it completes as planned by the end of 2020.

During the year capital expenditure of £5,685,200 (2019: £4,193,800) has been incurred which was entirely in respect of the Junior School redevelopment. The School has also continued to invest in its IT infrastructure, hardware and software. This investment together with that necessary to enable the School to open to all pupils in September has been funded from the School's available cash resources generated from net income arising in the year.

The Balance Sheet on page 14 shows net current liabilities of £393,500 (2019: net current assets of £419,800). The decrease in the School's net current asset position is attributable to the investment in the Junior School redevelopment included in Tangible assets.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### DONATIONS

Income for the year includes £111,000 (2019: £34,500) of restricted Donations, all of which were attributable to the new Sport, Sixth Form, Music and Performing Arts facilities, and the Junior School redevelopment.

During the year the School has not undertaken any significant fundraising activities. No third party fundraisers have been engaged and no complaints have been received.

### FUTURE PLANS

The Governors have agreed a revised set of strategic objectives which all build on the overall aim, that Channing pupils should enjoy success. The School's major programme of redevelopment at the Junior School which includes a new Sports Pavillion, a new School Hall and also new and refurbished classrooms is due to complete by December 2020. Further, less extensive plans are also being developed to redevelop further parts of the Junior School, deferred from 2020, to further enhance the landscaping and other parts of the Junior School.

Last year, Governors announced that Mrs Lindsey Hughes would succeed Mrs Barbara Elliott as Headmistress of Channing with effect from 1 September 2020. Governors are pleased to announce that Mrs Hughes has not only achieved a seamless transition in leadership but also in welcoming pupils back to school with the added constraints of the current environment. Governors would also like to take this opportunity to thank Mrs Elliott for her significant contribution to the success of the School over the last 15 years.

### FUNDS HELD

Notes 10 and 11 to the financial statements sets out an analysis of the School's restricted and unrestricted funds of £440,000 (2019: £445,200) and £18,805,700 (2019: £15,440,000) respectively and their attributable assets and liabilities. These net assets are sufficient to meet the obligations on a fund by fund basis. The School's tangible assets are all held for use in the School.

It is the School's long term policy to build and maintain the School's free reserves, though the Governors recognise that achieving any material increase in free reserves will not be possible whilst the School has bank loans to repay and continues to develop its buildings and facilities for the benefit of current and future generations of pupils. With this in mind, rather than set a specific target for free reserves, when considering the School's available reserves, Governors take into account the long term bank facilities/loans in place but undrawn at the year end and creditors falling due in more than one year. Creditors falling due in more than one year comprise the funds held in respect of final term deposits and advance fees, and long term bank loans drawn down.

Taking account of the above definition of the School's free reserves, the free reserves at the year end comprise the sum of the School's confirmed bank loan facilities undrawn plus net current assets or less net current liabilities. On this basis at the year end the School's free reserves were around £2,100,000 (2019: £1,400,000).

Governors have invested substantial sums into the School over recent years and have a continuing programme of refurbishment, development and investment in order to maintain and enhance the facilities for pupils. Whilst this programme is continuing and the long term bank loans are being repaid, the School is unlikely to be in a position to build up free reserves.

The Governors consider that, given the strength of the School's balance sheet, forecast net income for the year to 31 August 2021 and the market value of the School's property, which is not currently reflected in the reserves, the School's level of reserves at the year end are satisfactory given that the School has an ongoing development programme. Additionally Governors ensure robust budgeting, cash flow monitoring and risk profiling are exercised to ensure the School can meet its ongoing educational needs and continue to invest in its estate and facilities. The Governors are satisfied that the School has sufficient available cash and borrowing facilities to meet its strategic objectives.

### Restricted Funds

#### Scholarship, Prize and Bursary Funds

This represents bequests and donations received by the School, which are subject to the specific wishes of the donor. These funds are matched by investments. Movement in the fund during the year comprised donations, investment income and interest. The investment income and interest is used to fund Scholarships and Bursaries for pupils attending the School.

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

### **School Development Fund**

Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a New Performing Arts Facility. The School is no longer actively promoting fundraising for The Capital Challenge, though donations continue to be received and credited to this fund. In addition, funds raised towards the Junior School redevelopment are also credited to this fund.

Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged.

The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment have been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.

### **Channing Alumnae**

The Channing Alumnae Fund is a restricted fund of the School held for the purpose of promoting school alumnae. The fund is used to promote communication between the School and alumnae and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae Committee, and an appropriate balance maintained.

### **Channing Association**

The Channing Association is a restricted fund of the School for the purpose of fostering support for the School from the wider Channing community including current and former parents and friends of the School. The Channing Association organises social events for both parents and pupils and also helps support a number of school events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year. The Channing Association fund is managed by the Channing Association committee and an appropriate balance maintained.

### **Unrestricted Funds**

The Governors intend to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

The School's funds continue to be reviewed annually by the Governors in the context of the School's needs and obligations and future plans.

## **INVESTMENTS**

The Governors have agreed that investments are held to create income to help fund the Scholarships and Bursaries awarded. Investments are held in a mixture of listed investments and cash deposits and are managed and benchmarked appropriately so as to maintain their contribution whilst preserving the real value of the investments. Governors have taken account of the ethical considerations of the investments held and adopted a low risk approach, such that the vast majority of the School's listed investments are held in recognised charity funds. During the year additional cash deposit investments totalling £4,400 were received in respect of restricted funds (2019: £1,800). The market value of the School's investments have decreased by £9,600 (2019: increased by £4,800).

## **RISK MANAGEMENT**

The School maintains a comprehensive risk register which is regularly reviewed and is presented to the Governors at every meeting. The Governors routinely consider both the major risks and other possible risks facing the School and the probability of the risks arising. They are assisted in this regard by the Headmistress, Bursar and other members of the School's Senior Leadership Team. The Governors have also considered the Risks associated with COVID 19 at all meetings since March 2020. General controls used by the Governors to identify and assess risks during the year include:

- Formal agenda items for Governors' Committee meetings
- Regular review of the School's Risk Register which is reviewed termly by the Governing Body

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

- Sub Committees to oversee key areas of School activity including education, strategy, estates and finance. Ad hoc Committees are also established from time to time to review specific aspects of School activity including such areas as marketing and the appointments of new governors
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structure and lines of reporting
- Formal authorisation and approval levels for financial transactions and approval of contracts
- Regular Health and Safety and Safeguarding reviews and inspections
- Maintaining appropriate insurance
- Regular Inspection by the Independent Schools' Inspectorate

Through the above risk management processes the Governors are satisfied that major risks are identified and as far as practicable adequately mitigated. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed.

The main risks that the Governors have identified and the plans to manage those risks are:

- A risk to the reputation of the School brand such that there is a material impact on current and future pupil numbers and the ability of the School to attract high quality staff. In order to manage this risk, the School ensures that its policies for recruitment, safeguarding and Health and Safety put pupil safety and wellbeing at the heart of the School. A comprehensive training programme for staff, ongoing monitoring and management of policies and a culture of openness and trust between pupils and staff are also intended to safeguard against this risk.
- A risk that the School ceases to be financially viable as a result of deteriorating finances. Financial stability is a key priority for the School, in particular to generate sufficient cash flow to provide adequate resources to ensure a safe and secure educational environment, to meet loan obligations and to continue investing in the School's facilities and estate. This risk is managed by ensuring sound long term planning with clear and challenging financial targets which not only consider the operation of the School, but also the wider context in which the School operates. Governors with significant financial and business experience provide oversight of the School's finances alongside the Finance Committee which reviews the detailed finances of the School at least termly drawing on external advice as required. The School continues to be vigilant in assessing the impact of Coronavirus on the School's finances. This has included modelling various scenarios as part of the School's financial planning. In particular measures that the School keeps under consideration in order to mitigate this risk include changes to the School's provision and the associated cost implications, cost savings, reductions in staffing and deferring or cancelling planned programmes of both revenue and capital investment.
- Political risk. The independent education sector does not currently enjoy strong political support from any political party, despite the efforts of the Independent School's Council (ISC) and member schools to demonstrate the financial benefits to the economy Independent Schools provide. These benefits include reducing the overall costs of educational provision to the exchequer, local employment of staff and the generation of overseas earnings. The sector also provides significant amounts of Public Benefit in the form of bursaries and also where independent schools work alongside maintained schools such as the East London Partnership of which the School is an active participant. Prior to the recent election in December 2019 a number of politicians proposed measures which would impose additional costs or taxes on the sector in order to raise money for the exchequer, these have included a fees levy and possible loss of Charitable Business Rate Relief. Whilst it is considered that the political risk may have been partially offset as a result of the recent election and changes to the leadership of the main opposition party, it is considered that the risk remains albeit some aspects may remain dormant for a period of time. In order to mitigate this risk and identify the potential financial impact such measures would have, the School continues to undertake its own

# Channing House Incorporated, Highgate

## GOVERNORS' REPORT

internal risk modelling. The School recognises that there are some limited measures it can undertake to reduce its cost base, or increase its income to mitigate against the risk of increased taxation. The scope for such measures would not, however, offset the impact of some of the measures currently being proposed if the School felt unable to pass on the costs to fee payers due to the potential impact on pupil numbers. In these scenarios the financial viability of the School and its ability to meet current legal and financial commitments would need careful consideration. In order to mitigate against current lack of political support, the School will continue to work with the ISC to articulate clearly the Public Benefit the School provides and to identify further opportunities to demonstrate this to politicians and the public both locally and nationally

- Information Technology. A risk that with an increasing reliance on Information Technology in all aspects of the school that insufficient investment in system integrity, system security and resilience jeopardises the School's ability to effectively educate pupils. The School manages this risk by continuing to update and invest in the School's information systems to ensure they meet the School's needs.
- Coronavirus COVID 19 is currently considered a Strategic risk to the School given the potential impact on the School's reputation if the school does not put in place sufficient measures to ensure the safety of the School community and the continuity of quality education for all pupils in different scenarios including learning in School and in virtual classrooms. The School manages this risk by investing in the necessary training and providing additional resources to ensure the safety of the School community and the continuity of quality education in all foreseeable circumstances. In addition to the reputational risk arising from a problem with COVID 19 there is a financial risk, i.e. the impact on pupil numbers and therefore the School's finances if parents' and potential parents' finances are adversely affected by COVID 19. The School manages this risk by prudent forecasting for the current and future years.

The Governors' Report and the Strategic Report incorporated within it were approved by the board of Governors (in their role as directors) and signed on its behalf by



C Peck  
Chair of Governors  
19 November 2020



R K J Hill  
Bursar and Company Secretary  
19 November 2020

# Channing House Incorporated, Highgate

## GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Governors 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 charitable company 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 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; and
- 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 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.

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

### **Opinion**

We have audited the financial statements of Channing House Incorporated, Highgate (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 FRS 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 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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 charitable company 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The Governors are responsible for the other information. The other information comprises the information included in the Governors' Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **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 Directors' Report and the Strategic 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 Governors' Report and the Strategic Report included within the Governors' Report have been prepared in accordance with applicable legal requirements.

# Channing House Incorporated, Highgate

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

### **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 or the Strategic Report included within the Governors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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**

As explained more fully in the Statement of Governors' responsibilities set out on page 10, the Governors (who are also the directors of the charitable company for the purposes of company 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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <http://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.

RSM UK Audit LLP

Nicholas Sladden (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

23 November 2020

# Channing House Incorporated, Highgate

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING AN INCOME AND EXPENDITURE ACCOUNT)

For the year ended 31 August 2020

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2020 £'000	Unrestricted Funds £'000	Restricted Funds £'000	2019 £'000
<b>INCOME FROM:</b>							
<b>Donations</b>		20.3	111.0	<b>131.3</b>	7.2	34.5	41.7
<b>Charitable Activities:</b>							
School Fees receivable	1	17,709.9	-	<b>17,709.9</b>	17,903.6	-	17,903.6
Other income	2	796.0	44.1	<b>840.1</b>	590.3	71.9	662.2
<b>Investments</b>							
Investment income		-	8.6	<b>8.6</b>	-	8.8	8.8
Bank interest		48.7	3.3	<b>52.0</b>	69.5	1.4	70.9
<b>Total Income</b>		<b>18,574.9</b>	<b>167.0</b>	<b>18,741.9</b>	<b>18,570.6</b>	<b>116.6</b>	<b>18,687.2</b>
<b>EXPENDITURE ON:</b>							
<b>Raising funds:</b>							
Fundraising and Development		13.7	-	<b>13.7</b>	14.3	-	14.3
Bank loan interest		204.6	-	<b>204.6</b>	213.8	-	213.8
		<b>218.3</b>	<b>-</b>	<b>218.3</b>	<b>228.1</b>	<b>-</b>	<b>228.1</b>
<b>Charitable activities:</b>							
School operating costs		15,101.9	51.6	<b>15,153.5</b>	15,511.9	67.5	15,579.4
<b>Total Expenditure</b>	3	<b>15,320.2</b>	<b>51.6</b>	<b>15,371.8</b>	<b>15,740.0</b>	<b>67.5</b>	<b>15,807.5</b>
(Loss)/Gain on revaluation of investments - unrealised	6	-	(9.6)	<b>(9.6)</b>	-	4.8	4.8
<b>Net Income before transfers</b>		<b>3,254.7</b>	<b>105.8</b>	<b>3,360.5</b>	<b>2,830.6</b>	<b>53.9</b>	<b>2,884.5</b>
Transfers between funds	10	111.0	(111.0)	-	47.3	(47.3)	-
<b>Net movement in funds</b>		<b>3,365.7</b>	<b>(5.2)</b>	<b>3,360.5</b>	<b>2,877.9</b>	<b>6.6</b>	<b>2,884.5</b>
Balances brought forward at 1 September		15,440.0	445.2	<b>15,885.2</b>	12,562.1	438.6	13,000.7
<b>Balances carried forward at 31 August</b>	11	<b>18,805.7</b>	<b>440.0</b>	<b>19,245.7</b>	<b>15,440.0</b>	<b>445.2</b>	<b>15,885.2</b>

# Channing House Incorporated, Highgate

Company No: 00063121

## BALANCE SHEET

As at 31 August 2020

	<i>Notes</i>	<b>2020</b> <b>£'000</b>	2019 £'000
<b>FIXED ASSETS:</b>			
Tangible assets	5	<b>29,278.5</b>	24,247.1
Investments	6	<b>440.0</b>	445.2
		<hr/>	<hr/>
		<b>29,718.5</b>	24,692.3
		<hr/>	<hr/>
<b>CURRENT ASSETS:</b>			
Debtors	7	<b>483.2</b>	536.3
Cash at bank and in hand		<b>6,094.5</b>	6,498.3
		<hr/>	<hr/>
		<b>6,577.7</b>	7,034.6
		<hr/>	<hr/>
CREDITORS: Amounts falling due within one year	8	<b>(6,971.2)</b>	(6,614.8)
		<hr/>	<hr/>
NET CURRENT (LIABILITIES)/ASSETS		<b>(393.5)</b>	419.8
		<hr/>	<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES		<b>29,325.0</b>	25,112.1
		<hr/>	<hr/>
CREDITORS: Amounts falling due after more than one year	9	<b>(10,079.3)</b>	(9,226.9)
		<hr/>	<hr/>
TOTAL NET ASSETS		<b>19,245.7</b>	15,885.2
		<hr/> <hr/>	<hr/> <hr/>
<b>REPRESENTED BY:</b>			
RESTRICTED FUNDS	10	<b>440.0</b>	445.2
		<hr/>	<hr/>
UNRESTRICTED FUNDS			
Retained Income		<b>18,805.7</b>	15,440.0
		<hr/>	<hr/>
TOTAL FUNDS		<b>19,245.7</b>	15,885.2
		<hr/> <hr/>	<hr/> <hr/>

These financial statements were approved by the Board of Governors and authorised for issue on 19 November 2020 and signed on its behalf by:



.....  
C Peck (Chair)

# Channing House Incorporated, Highgate

## STATEMENT OF CASH FLOWS

For the year ended 31 August 2020

	<i>Notes</i>	2020 £'000	2019 £'000
Net cash from by operating activities	(A)	4,848.7	3,163.5
Cash flows from investing activities	(B)	(5,833.6)	(4,329.7)
		<hr/>	<hr/>
Cash flows from financing activities	(C)	581.1	(397.2)
<b>(Decrease) in cash and cash equivalents in the year</b>		<hr/> <b>(403.8)</b>	<hr/> <b>(1,563.4)</b>
Cash and cash equivalents at 1 September		6,498.3	8,061.7
		<hr/>	<hr/>
<b>Total cash and cash equivalents at 31 August</b>		<b>6,094.5</b>	<b>6,498.3</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>A) - Net cash provided by operating activities</b>			
Net Incoming Resources (as per the statement of financial activities)		3,360.5	2,884.5
<u>Adjusted for:</u>			
Unrealised Loss/ (Gain) on revaluation of investments		9.6	(4.8)
Depreciation (note 5)		653.8	683.4
Bank loan interest payable		204.6	213.8
Investment income receivable		(8.6)	(8.8)
Bank interest receivable		(52.0)	(70.9)
Decrease in debtors		53.1	161.3
Increase/(Decrease) in creditors		627.7	(695.0)
		<hr/>	<hr/>
<b>Net cash provided by operating activities</b>		<b>4,848.7</b>	<b>3,163.5</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>(B) – Cash flows from investing activities</b>			
Investment Income		8.6	8.8
Bank interest received		52.0	70.9
Bank loan interest paid		(204.6)	(213.8)
Purchase of tangible assets		(5,685.2)	(4,193.8)
Increase in investment cash		(4.4)	(1.8)
		<hr/>	<hr/>
		<b>(5,833.6)</b>	<b>(4,329.7)</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>(C) – Cash flows from financing activities</b>			
Repayments of bank loans		(418.9)	(397.2)
Cash inflows from new bank borrowing		1,000.0	-
		<hr/>	<hr/>
		<b>581.1</b>	<b>(397.2)</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>D) – Analysis of changes in net debt</b>			
	<b>At 1 Sept 2019</b>	<b>Cash flows</b>	<b>At 31 Aug 2020</b>
<b>Cash and cash equivalents</b>	6,498.3	(403.8)	6,094.5
	<hr/>	<hr/>	<hr/>
<b>Borrowings:</b>			
Debt due within one year (note 8)	(413.4)	(101.2)	(514.6)
Debt due after one year (note 9 (c))	(4,710.7)	(479.9)	(5,190.6)
	<hr/>	<hr/>	<hr/>
	<b>(5,124.1)</b>	<b>(581.1)</b>	<b>(5,705.2)</b>
	<hr/>	<hr/>	<hr/>
<b>Total</b>	<b>1,374.2</b>	<b>(984.9)</b>	<b>389.3</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# Channing House Incorporated, Highgate

## ACCOUNTING POLICIES

For the year ended 31 August 2020

### **BASIS OF FINANCIAL STATEMENTS**

The accounts of the School are prepared in accordance with the Companies Act 2006, and with the Charities Statement of Recommended Practice ('SORP (FRS102)' effective 1 January 2019) and Financial Reporting Standard 102. The accounts are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value. The School meets the definition of a public benefit entity under FRS102.

The financial statements are prepared in sterling, which is the functional currency of the School. Monetary amounts in these financial statements are rounded to the nearest thousand pounds.

### **GOING CONCERN**

The nature of the School's activities is such that fee income represents the majority of the School's income. Fee income is billed and received one term in advance. Forecasts are produced taking account of the timing and quantity of fee income, likely expenditure profile, the cost of completing the new Junior School facilities and the bank facilities available. In preparing these forecasts the School has also been vigilant in assessing the impact of Coronavirus on the School's finances. These forecasts are provided to the Governors. On this basis no material uncertainties that may cast significant doubt about the ability of the School to continue as a going concern have been identified by the Governors. Therefore the Governors have concluded to prepare the accounts on a going concern basis.

### **CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

In the application of the accounting policies, where the value of assets and liabilities are not readily apparent from other sources, accounting estimates and judgements are made based on historical experience and other factors, including future expectations, which are considered to be reasonable in the circumstances.

The estimates and underlying assumptions concerning the future are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised. Accounting estimates and assumptions, will, by definition, seldom equal the actual results.

### **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.

Voluntary income for the School's general purpose is accounted for as unrestricted and is credited to Retained Income.

Where the donor or an appeal has imposed restrictions, voluntary income is credited to the relevant restricted fund.

### **FEES RECEIVABLE AND SIMILAR INCOME**

Fees receivable comprise fees charged to pupils net of Scholarships, Bursaries and allowances, and are accounted for in the year in which the service is provided.

Pupils joining the School are required to pay a deposit which is then applied against the pupil's final term's fee bill. Reasonable assumptions are made regarding the time pupils will remain with the School in assessing when the deposits held will be applied to offset the pupil's fees for their final term.

### **EXPENDITURE**

Expenditure is accrued as soon as a liability is considered probable. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned on the basis, of the activities staff are involved in. Certain costs are netted off against related income when it is appropriate to do so.

The School is not registered for Value Added Tax. All expenditure is therefore included in the expense category to which it relates inclusive of any Value Added Tax.

# Channing House Incorporated, Highgate

## ACCOUNTING POLICES

For the year ended 31 August 2020

### **TANGIBLE FIXED ASSETS**

Land and buildings are carried in the balance sheet at original cost less accumulated depreciation as the Governors consider that it is not appropriate to incur the expense of obtaining valuations of such assets. The cost of new buildings is added to fixed assets although repairs, alterations and improvements that do not materially enhance the economic benefit of the buildings are expensed as incurred; such costs are often substantial. Costs incurred in arranging long term debt to fund material additions to the School's land and buildings are included in fixed asset additions. The insured value of the School's assets is shown in note 5.

Furniture and teaching equipment are expensed in the period of acquisition. Such items will generally cost less than £14,000 per individual item and will include computers and ancillary items.

### **DEPRECIATION**

Depreciation is calculated by reference to the cost of fixed assets using a straight line basis at rates considered appropriate having regard to the expected lives of the assets. Depreciation is not provided on freehold land.

The annual rates of depreciation in use are:

Freehold buildings (including landscaping)	1% - 5%
Buildings in the course of construction	Nil
Plant, Equipment, Fixtures and Fittings	10% - 33.3%
Motor Vehicles	25%

Governors have considered the impairment of those freehold buildings with an estimated useful life of over 50 years and are satisfied, having considered both realisable value and value in use, that the buildings have not been materially impaired.

### **INVESTMENTS**

Investments are initially recognised at cost. They are held as fixed assets to provide an investment return and are stated in the balance sheet at their open market value as at the balance sheet date. Any resulting unrealised gain or loss is taken to the fund to which it relates.

### **FUNDS**

The funds of the School are segregated between:

(i) Restricted Funds

- **Scholarship, Prize and Bursary Funds**  
The School receives some of its income primarily for the provision of Scholarships, Bursaries and Prizes. This income is credited directly to the relevant fund account. All expenditure in relation to this income is charged directly to the relevant fund account.
- **School Development Fund**  
Incorporated within the School Development Fund is "The Capital Challenge" fundraising programme. This programme was launched in 2013 to raise funds to build a new Sports Hall and Sixth Form Centre and a New Performing Arts Facility. The school is no longer actively promoting fundraising for the Capital Challenge, though donations continue to be received and credited to this fund. In addition funds raised towards the Junior School redevelopment are also credited to this fund. Funds credited to this fund are transferred to Unrestricted Funds when the restriction placed on the income received has been discharged. The restriction placed on the funds received in respect of both The Capital Challenge fundraising programme and in respect of the Junior School redevelopment have been discharged as the expenditure has been incurred and capitalised within fixed assets. The funds received in respect of both The Capital Challenge and Junior School redevelopment have therefore been transferred to Unrestricted Funds.
- **Channing Alumnae**  
The Channing Alumnae Fund is a restricted fund of the School for the purpose of promoting school alumnae. The fund is used to promote communication between the School and alumnae

# Channing House Incorporated, Highgate

## ACCOUNTING POLICES

For the year ended 31 August 2020

and also amongst alumnae. A number of reunion events are also held throughout the year. The Channing Alumnae fund is managed by the Alumnae committee.

- Channing Association  
The Channing Association is a restricted fund of the School for the purpose of fostering support from the wider Channing community including current and former parents and friends of the school. The Channing Association organises social events for both parents and pupils and also helps support a number of school events during the year. The Association also undertakes occasional fundraising for the School, but this is incidental to its core purpose. The Channing Association has its own committee structure, which determines both its activities and expenditure for the year.

### (ii) Unrestricted Funds

- Retained Income  
The School seeks to maintain undesignated unrestricted funds at a level appropriate to meet the School's ongoing working capital requirements.

## **FINANCIAL INSTRUMENTS**

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. As such, financial instruments are initially recognised at transaction value and subsequently measured and held at amortised cost using the effective interest rate method.

Financial assets comprise cash at bank and in hand together with debtors less prepayments and are recognised when the School becomes contractually entitled to receive cash or other financial assets from a third party.

Financial liabilities comprise creditors falling due both within and after one year excluding deferred income and other tax and social security liabilities and are recognised when the School incurs a legal or constructive obligation to deliver cash or another financial asset to a third party.

All financial instruments are held for the sole purpose of managing the cash flow of the School on a day-to-day basis or arise from normal operating activities.

## **PENSION COSTS**

Retirement benefits for most teachers of the School are provided by the Teachers' Pension Scheme (TPS). The TPS is a multi employer defined benefit pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Scheme. Accordingly, as required by FRS102, the School has accounted for its contributions to the Scheme as if it were a defined contribution scheme.

The School also operates defined contribution schemes for other staff. Contributions to these schemes are charged to the Statement of Financial Activities in the year in which they are incurred.

## **OPERATING LEASES**

Rental payments on operating leases are charged to the Statement of Financial Activities on a straight-line basis over the life of the lease.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

### 1 CHARITABLE ACTIVITIES – SCHOOL FEES RECEIVABLE

Fees receivable are stated net of Scholarships and Bursaries awarded and allowances given. Scholarships, Bursaries and allowances totalled £1,450,637 (2019 £1,592,003).

2	CHARITABLE ACTIVITIES - OTHER INCOME			<b>2020</b>	2019
				<b>£'000</b>	£'000
	Educational visits and other recoverable items			<b>247.3</b>	447.6
	Registration fees and fees in lieu of notice			<b>168.5</b>	127.9
	Coronavirus Job Retention Scheme			<b>369.7</b>	-
	Other income			<b>54.6</b>	86.7
				<b>840.1</b>	662.2

3	TOTAL EXPENDITURE	Staff costs (note 4) £'000	Depreciation £'000	Other costs £'000	<b>2020</b> <b>Total</b> <b>£'000</b>	2019 Total £'000
	<b>Raising funds:</b>					
	Fundraising and Development	10.8	-	2.9	<b>13.7</b>	14.3
	Bank Loan interest	-	-	204.6	<b>204.6</b>	213.8
	<b>Total Cost of Raising Funds</b>	<b>10.8</b>	<b>-</b>	<b>207.5</b>	<b>218.3</b>	228.1
	<b>Charitable activities:</b>					
	School operating costs:					
	Teaching	8,436.8	-	1,410.6	<b>9,849.4</b>	9,549.1
	Welfare and Catering	526.8	-	275.0	<b>801.8</b>	909.0
	Premises and occupancy	172.4	653.8	1,310.8	<b>2,137.0</b>	2,239.0
	Junior School Development- Feasibility and Planning	-	-	-	<b>-</b>	384.9
	Property repair and maintenance	-	-	695.2	<b>695.2</b>	924.9
	Administration and support	1,112.4	-	467.1	<b>1,579.5</b>	1,481.8
	Governance	46.6	-	30.5	<b>77.1</b>	75.9
	Grants, awards and prizes	-	-	13.5	<b>13.5</b>	14.8
	<b>Total Charitable expenditure</b>	<b>10,295.0</b>	<b>653.8</b>	<b>4,202.7</b>	<b>15,153.5</b>	15,579.4
	<b>TOTAL EXPENDITURE</b>	<b>10,305.8</b>	<b>653.8</b>	<b>4,410.0</b>	<b>15,371.8</b>	15,807.5
	2019:	9,434.6	683.4	5,689.3		

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

3	TOTAL EXPENDITURE (Continued)	<b>2020</b>	2019
		<b>£'000</b>	£'000
	Charitable expenditure includes:		
	Operating lease rentals	<b>352.3</b>	321.7
	Auditor's remuneration:		
	For audit services - RSM UK Audit LLP (exclusive of VAT)	<b>23.8</b>	24.8
	For payroll services - RSM Employer Services Limited	<b>21.1</b>	19.4
		<hr/>	<hr/>
4	STAFF COSTS		
	The aggregate staff costs (note 3) were as follows:		
	Wages and salaries	<b>8,062.8</b>	7,672.6
	Social security costs	<b>843.7</b>	787.3
	Pension contributions	<b>1,399.3</b>	974.7
		<hr/>	<hr/>
		<b>10,305.8</b>	9,434.6
		<hr/> <hr/>	<hr/> <hr/>

Included in wages and salaries are termination payments totalling £50,381 (2019: £Nil).

The average monthly number of employees during the year was made up as follows:

	2020		2019	
	Full Time	Part Time	Full Time	Part Time
Teaching	77	34	72	35
Technical and support	8	6	8	6
Catering	16	4	15	5
Maintenance and caretaking	4	-	4	1
Administrative	12	8	13	8
	<hr/>	<hr/>	<hr/>	<hr/>
	117	52*	112	55*
	<hr/>	<hr/>	<hr/>	<hr/>

\* Equivalent to approximately 27 (2019: 28) number of full time employees. In addition to the above, the School also made payments to 31 peripatetic music teachers (2019: 31).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

### 4 STAFF COSTS (continued)

The number of employees whose emoluments (excludes employer's pension contribution) exceeded £60,000 was:

	2020	2019
£60,001 – £70,000	15	12
£70,001 - £80,000	4	3
£80,001 - £90,000	2	1
£100,000 - £110,000	1	-
£110,001 - £120,000	-	1
£150,001 - £160,000	-	1
£180,000 - 190,000	1	-
£230,001 - £240,000	-	1
£270,000 - £280,000	1	-

Contributions of £321,599 (2019: £171,734) were made to the Teachers' Pension Scheme, which is a defined benefits scheme, for 22 (2019: 17) higher paid employees. Contributions of £20,587 (2019: £25,544) were also made to defined contribution schemes for 2 (2019: 2) higher paid employees.

Aggregate employee-benefits of key management personnel (including employer pension and national insurance contributions)	£530,468	£465,101
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5 TANGIBLE FIXED ASSETS	Freehold land and buildings	Buildings in the course of construction	Plant, Equipment, Fixtures and Fittings	Motor Vehicles	Total
	£'000	£'000	£'000	£'000	£ '000
Cost:					
31 August 2019	22,122.5	3,803.6	1,913.2	79.7	27,919.0
Additions	-	5,685.2	-	-	5,685.2
31 August 2020	22,122.5	9,488.8	1,913.2	79.7	33,604.2
Depreciation:					
31 August 2019	2,045.5	-	1,578.4	48.0	3,671.9
Charged in the year	490.6	-	147.9	15.3	653.8
31 August 2020	2,536.1	-	1,726.3	63.3	4,325.7
Net book value:					
31 August 2020	19,586.4	9,488.8	186.9	16.4	29,278.5
31 August 2019	20,077.0	3,803.6	334.8	31.7	24,247.1

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

### 5. TANGIBLE FIXED ASSETS (Continued)

Freehold land and buildings include an estimate by the Governors of the original cost of the land and buildings at £56,000 (2019: £56,000) of which £18,000 is estimated to be the original cost of the land. The School's buildings (excluding the value of freehold land) have been valued at £19,000,000 for insurance purposes. The Governors believe that the value of the School's land, comprising just under 3 hectares in North London is very significantly in excess of its original cost.

6 INVESTMENTS	2020 £'000	2019 £'000
Market value at 1 September	445.2	438.6
Additions	4.4	1.8
Revaluations	(9.6)	4.8
	<hr/>	<hr/>
Market value at 31 August	440.0	445.2
	<hr/>	<hr/>
Historical cost of Investments	235.4	231.0
	<hr/>	<hr/>
Investments comprise the following:		
Listed on Stock Exchange	234.8	244.4
Cash deposits	205.2	200.8
	<hr/>	<hr/>
	440.0	445.2
	<hr/>	<hr/>
The School had investment holdings of greater than 5% of overall market value in the following:		
Charities Official Investment Fund	186.8	181.5
J.P. Morgan UK Strategic Equity Income Fund	23.3	29.9
M&G Equities Investment Fund for Charities	20.7	25.7
	<hr/>	<hr/>
	483.2	536.3
	<hr/>	<hr/>
	483.2	536.3

\* Included in other debtors is £5,154 (2019: £21,445) falling due in more than one year

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

8	CREDITORS: Amounts falling due within one year	<b>2020</b>	2019
		<b>£'000</b>	£'000
	Advanced Fees received 1 year in advance (see Note 9(a))	<b>3,795.7</b>	3,966.6
	Other Fees received in advance	<b>761.5</b>	710.2
	Bank Loans repayable within 1 year (see Note 9 (c))	<b>514.6</b>	413.4
	Other taxes and National Insurance contributions	<b>214.0</b>	201.4
	Trade Creditors	<b>417.3</b>	241.7
	Other creditors	<b>163.9</b>	102.8
	Accruals	<b>1,104.2</b>	978.7
		<b>6,971.2</b>	6,614.8
		<hr/>	<hr/>
		<hr/>	<hr/>
9	CREDITORS: Amounts falling due after more than one year		
	Advanced fees (see Note 9(a))	<b>3,097.2</b>	3,077.9
	Final term deposits (see Note 9(b))	<b>1,791.5</b>	1,438.3
	Bank loans (see Note 9(c))	<b>5,190.6</b>	4,710.7
		<b>10,079.3</b>	9,226.9
		<hr/>	<hr/>
		<hr/>	<hr/>

### 9 (a) Advanced fees

Parents are offered the opportunity to pay tuition fees in advance. Certain parents have taken advantage of this offer and have entered into an arrangement with the School to pay tuition fees in advance. Advance Fee payments are paid direct to the School and may be returned, subject to specific conditions, on the receipt of one term's notice. Assuming pupils will remain with the School the amounts held in respect of fees falling due in more than one year will be applied to offset tuition fees as follows:

Fees due in 1 – 2 years	<b>1,994.5</b>	1,942.8
Fees due in 2 – 5 years	<b>1,084.0</b>	1,079.8
Fees due in more than 5 years	<b>18.7</b>	55.3
	<b>3,097.2</b>	3,077.9
	<hr/>	<hr/>
Fees due within 1 year (see Note 8)	<b>3,795.7</b>	3,966.6
	<b>6,892.9</b>	7,044.5
	<hr/>	<hr/>
	<hr/>	<hr/>
The movements during the year were as follows:-		
Balance at 1 September	<b>7,044.5</b>	8,148.0
Amounts received (net of refunds) during the year	<b>3,815.0</b>	3,351.2
Amounts utilised in payment of fees	<b>(3,966.6)</b>	(4,454.7)
	<hr/>	<hr/>
Balance at 31 August	<b>6,892.9</b>	7,044.5
	<hr/>	<hr/>

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

### 9 (b) Final Term Deposits

All new pupils are required to pay a deposit which is then applied against the pupil's final term's fee bill. Applying reasonable assumptions regarding the time pupils will remain with the School the deposits held will be applied to offset fees for their final term as follows: -

	2020 £'000	2019 £'000
Deposits due to be refunded in 1 – 2 years	230.1	183.3
Deposits due to be refunded in 2 – 5 years	451.8	350.6
Deposits due to be refunded in more than 5 years	1,109.6	904.4
	<hr/> 1,791.5	<hr/> 1,438.3
	<hr/> <hr/>	<hr/> <hr/>

### 9 (c) Bank Loans

Bank Loans are repayable as follows as follows: -

Repayments within 1 – 2 years	521.2	430.6
Repayments within 2 – 5 years	1,562.7	1,410.1
Repayments in more than 5 years	3,106.7	2,870.0
	<hr/> 5,190.6	<hr/> 4,710.7
Repayments within 1 year (see Note 8)	514.6	413.4
	<hr/> 5,705.2	<hr/> 5,124.1
	<hr/> <hr/>	<hr/> <hr/>

The School has drawn down bank loan facilities totalling £7.5m to part fund the construction of the new Sports Hall and Sixth Form Centre, and the Performing Arts Building. These facilities are secured on the School's freehold land and buildings. Of the £7.5m loan facilities drawn down:

- £1m was converted to a fixed term loan repayable over 10 years commencing on 29 August 2014 at an interest rate fixed at 4.47% p.a. for the duration of the loan
- £2m was converted to a fixed term loan repayable over 15 years commencing on 1 December 2015 at an interest rate fixed at 4.73% p.a. for the duration of the loan.
- £1.1m was converted to a fixed term loan repayable over 15 years commencing on 29 August 2015 at a variable interest rate of 2.0% p.a. above the Base Rate. This loan was subsequently, on 16 October 2016, converted to a fixed term loan repayable over 14 years at an interest rate fixed at 3.4% p.a. for the duration of the loan
- £2.4m was drawn down on 20 December 2017 as a fixed term loan repayable over 15 years at an interest rate fixed at 3.64% p.a. for the duration of the loan.
- £1m was drawn down on 30 June 2020 as a fixed term loan repayable over 12 years and 7 months at a variable interest rate of 2% over Base Rate for the duration of the loan.

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

10	RESTRICTED FUNDS	Balance 31 August 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Loss on revaluation of investments £'000	Balance 31 August 2020 £'000
	Scholarship, Prize and Bursary Funds	406.0	12.1	(13.5)	-	(9.6)	<b>395.0</b>
	School Development Fund	-	111.0		(111.0)*	-	-
	Channing Alumnae	14.1	6.8	(5.9)	-	-	<b>15.0</b>
	Channing Association	25.1	37.1	(32.2)	-	-	<b>30.0</b>
		<u>445.2</u>	<u>167.0</u>	<u>(51.6)</u>	<u>(111.0)</u>	<u>(9.6)</u>	<u><b>440.0</b></u>

\* This transfer relates to donations received for the purpose of developing the Sports Hall, Sixth Form Centre, Music and Performing Arts facilities at the Senior School and the Junior School redevelopment. The restriction placed on the income received has been discharged in that expenditure has been incurred and capitalised within fixed assets. Consequently the funds were transferred to unrestricted funds.

A description of each restricted fund and its use can be found on page 6.

11	FUNDS - ALLOCATION OF NET ASSETS	Tangible fixed assets £'000	Investments £'000	Net current (Liabilities)/ Assets £'000	Creditors falling due after more than 1 year £'000	2020 Total £'000
	Restricted funds*	-	440.0	-	-	<b>440.0</b>
	Unrestricted funds	29,278.5	-	(393.5)	(10,079.3)	<b>18,805.7</b>
		<u>29,278.5</u>	<u>440.0</u>	<u>(393.5)</u>	<u>(10,079.3)</u>	<u><b>19,245.7</b></u>
	Restricted funds*	-	445.2	-	-	2019 Total 445.2
	Unrestricted funds	24,247.1	-	419.8	(9,226.9)	15,440.0
		<u>24,247.1</u>	<u>445.2</u>	<u>419.8</u>	<u>(9,226.9)</u>	<u>15,885.2</u>

\*Included in Restricted Funds are cumulative unrealised gains of £204,522 (2019: £214,139).

# Channing House Incorporated, Highgate

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2020

### 12 SHARE CAPITAL

The company is limited by guarantee and has no share capital, members having a liability not exceeding £5 each.

### 13 PENSION COMMITMENTS

#### a. Teachers

Teachers are members of the Teachers' Pension Scheme England and Wales (TPS). This scheme is a multi-employer, statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract. Teachers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

As the TPS is a multi-employer pension scheme, the School is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The School has set out within this note the scheme information available and the implications for the School in terms of the anticipated contribution rates.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay (including a 0.08% employer administration charge) from September 2019 onwards. This compares to 16.48% during 2018/19.

During the year the employee contribution rate ranged between 7.4% and 11.7% depending on a member's salary.

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

The pension charge includes employer contributions payable to the scheme, which amounted to £1,179,277 (2019: £742,560). As at 31 August 2020 there were outstanding contributions payable to the scheme of £145,862 (2019: £99,726) included in other creditors. The contributions of the School represent a minor proportion of the payments into the scheme.

