

HABERDASHER'S ADAMS' GRAMMAR SCHOOL CHARITY

England & Wales · Charity number 528402

Details

Status Registered

Legal form Other

Registered 1965-02-08

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

Contact

Address The Clerk
Haberdashers Hall
18 West Smithfield
London
EC1A 9HQ

Phone 02072469988

Email enquiries@haberdashers.co.uk

Website www.haberdashers.co.uk

Activities

Objects: THE NET INCOME OF THE CHARITY SHALL BE APPLY IN THE FOLLOWING MANNER: 1) ONE AND A HALF PERCENT TO THE PAROCHAL CHURCH COUNCIL OF THE ECCLESIASTICAL PARISH OF ST. NICHOLAS, NEWPORT, FOR THE PROMOTION OF RELIGIOUS INSTRUCTION IN THAT PARISH. 2) ONE AND HALF PERCENT THEREOF IN RELIEVING EITHER GENERALLY OR INDIVIDUALLY FREEMEN OF THE HABERDASHERS' COMPANY OF THE CITY OF LONDON WHO ARE IN CONDITIONS OF NEED, HARDSHIP OR DISTRESS. 3) ONE AND A HALF PERCENT THEREOF FOR THE TRUSTEES FOR THE TIME BEING OF WILLIAM ADAMS FOR APPRENTICING IN NEWPORT. 4) FOUR AND A HALF PERCENT THEREOF TO THE TRUSTEES FOR THE TIME BEING OF WILLIAM ADAMS ALMSHOUSE CHARITY, AT NEWPORT. 4) AS TO THE REMAINING NINETY ONE PERCENT THEREOF, FOR ASSISTING THE GOVERNORS OF THE SCHOOL TO DISCHARGE THEIR OBLIGATIONS WITH RESPECT TO THE MAINTENANCE OF THE SCHOOL.(SEE CLAUSE 10 OF THE SCHEME OF 29/09/1988 FOR FULL DETAILS)

Activities: Owns the site of Adams' Grammar School, Newport, Shropshire and provides financial support for the school.

Classification

- **How:** Makes Grants To Organisations, Provides Buildings/facilities/open Space
- **What:** Education/training
- **Who:** Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** URBAN DISTRICT OF NEWPORT
- Telford & Wrekin

Finances

Period end	Income	Expenditure	Assets	Employees
2024-08-31	£182,782	£381,762	-	-
2023-08-31	£185,278	£164,116	-	-
2022-08-31	£203,664	£128,167	-	-
2021-08-31	£179,726	£224,965	-	-
2020-08-31	£196,742	£245,329	-	-

Trustees

Name	Role	Appointed
THE HABERDASHERS COMPANY		

Linked charities

- PHILIP SMITH CHEMISTRY PRIZE (528402-1)

HABERDASHER'S ADAMS' GRAMMAR SCHOOL CHARITY

England & Wales - Charity number 528402

Accounts

Registered Charity number 528402

**Haberdashers' Adams' Grammar
School Charity**

Financial Statements

for the year ended

31 August 2024

Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2024

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Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2024

LEGAL AND ADMINISTRATIVE DETAILS

CONSTITUTION

Haberdashers' Adams' Grammar School Charity, an unincorporated charity registered in England and Wales, is governed by a Scheme of the Charity Commission dated 29 September 1988.

Registered Charity number 528402

TRUSTEE

The Haberdashers' Company

www.haberdashers.co.uk

Haberdashers' Hall
18 West Smithfield
London
EC1A 9HQ

MASTER AND WARDENS OF THE HABERDASHERS' COMPANY

Master	Alderman Sir William Russell KStJ
First Warden	J W A Cann
Second Warden	S C Cartmell OBE
Third Warden	O A O Olafare JP
Fourth Warden	H R Gough

MANAGEMENT TEAM

Clerk	Brigadier H A Watson MBE
Director of Finance & Information	E D Bayley (to 6 October 2023)
Director of Finance	H V M Sadleir (from 7 October 2023)
Director for Schools & Property	A L González

BANKERS

C Hoare & Co
37 Fleet Street
London
EC4P 4DQ

Coutts & Co
440 Strand
London
WC2R 0QS

Lloyds Banking Group
1 Barnett Way
Gloucester
GL4 3RL

INDEPENDENT AUDITORS

Saffery LLP
71 Queen Victoria Street
London
EC4V 4BE

Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2024

LEGAL AND ADMINISTRATIVE DETAILS

PROPERTY ADVISERS

Carter Jonas
South Pavilion
Sansaw Business Park
Hadnall
Shrewsbury
SY4 4AS

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

The Trustee presents the annual report and financial statements of the Charity for the year ended 31 August 2024. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the accounts and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Legal and administrative information set out on pages 1 and 2 forms part of this report.

Trustee

The Master and Four Wardens of the Fraternity of the Art or Mystery of Haberdashers in the City of London, a body corporate commonly known as the Haberdashers' Company, is Trustee of the Charity in its capacity as the Governors of the Possessions and Revenues of the Free Grammar School of Newport, in the County of Salop, of the Foundation of William Adams. The Trustee is considered to be the Charity's key management personnel.

Objects

The objects of the Charity are:

- to make land and buildings available for use by the Haberdashers' Adams' Grammar School ('the School') and to keep those buildings insured; and
- to invest assets other than the land and buildings used by the School, to generate income for the benefit of the School, in particular for the maintenance of buildings (91% of net income), and for certain other beneficiaries named in the Scheme (9% of net income).

The Trustee has given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education in establishing strategy and planning activities for the Charity in pursuit of the objects. To increase social mobility and its connections with the local community, the School's admissions policy gives preference to boys and girls of grammar school standard who live in the Newport area or are entitled to free school meals. Girls were admitted to Year 7 for the first time in September 2024; the Sixth Form has been co-educational since September 1993.

The Charity's Origin

In 1656 William Adams, a Member of The Court of Assistants of the Worshipful Company of Haberdashers, gave to the Company his land in Staffordshire within the Manor of Knighton, for the foundation of a free grammar school and four almshouses in the town of Newport, Shropshire and for the payment of various stipends. On his death in 1661 he devised further property to the Company. The School was established by letters patent of Oliver Cromwell in 1656 and, after the death of William Adams, the Charity was established by Act of Parliament and the Master and Four Wardens incorporated as the Governors.

The School is a popular and highly successful selective school with boarding facilities. From 1999 to 2011, it was a Voluntary Aided school, with funding provided by Telford and Wrekin Education Authority. On 1 September 2011, the School became an Academy within the Haberdashers' Adams' Federation Trust, subsequently renamed the Haberdashers' West Midlands Academies Trust in 2022.

Statement of the Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

and of the incoming resources and application of the resources of the Charity for that period. In preparing these financial statements the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Charity and which enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Charity's constitution. The Trustee is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance

The Haberdashers' Company is governed by a Court of Assistants, whose members bring a range of expertise to their service both for the Company and on governing bodies of the Company's schools, including Haberdashers' Adams'. The Trustee's duties are delegated to certain Company committees:

- The Education Committee is responsible to the Court of Assistants for the affairs of the Charity.
- The Finance Committee advises the Education Committee on the Charity's financial affairs and sets investment policy. The chairs of the Education, Property and Securities Committees are members of the Finance Committee.
- The Property and Securities Committees are responsible to the Finance Committee for managing the Charity's investments.
- The Membership, Engagement and Appointments Committee ensures that appointments to each committee provide an appropriate range of skills and experience.
- The Audit and Risk Committee deals with audit and risk matters, including providing assurance on the Charity's report and accounts.

Induction processes for new committee members are tailored to individual needs by committee secretaries. Ongoing training for Court and Committee members includes provision of relevant Charity Commission publications and briefing sessions on current topics at committee meetings.

The Trustee has implemented a risk management strategy for all charities under its control, which comprises:

- annual review of risks faced by the charities;
- establishment and review of systems and procedures to mitigate those risks; and
- establishment and review of procedures to minimise potential impact on the charities should any of those risks materialise.

Haberdashers' Adams' implements its own risk management strategy, including assessments of the risks to the School and historic buildings owned by the Charity.

Related parties

The School has been federated with Haberdashers' Abraham Darby in Madeley, Telford, since September 2008 and, on conversion to an Academy itself on 1 September 2011, became part of the Haberdashers' Adams' Federation Trust ('the Trust', now the Haberdashers' West Midlands Academies Trust), a separately constituted charity, sponsored by the local authority and by the

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

Haberdashers' Company. Through the Trust, the School and Haberdashers' Abraham Darby Academy have a number of Governors in common but the Charity's object is to provide financial support for the School only and not for Haberdashers' Abraham Darby.

The Haberdashers' Company nominates four individuals to be members of the Trust along with itself. The members appoint the majority of the Directors of the Trust and the Directors appoint others to serve, along with themselves, as the Governors of the two academies. The Charity and the Trust, having related objects and common control, are regarded as connected charities. As Trustee, the Haberdashers' Company maintains close contact with the Governors and the School, to ensure that the Charity's resources are applied to best effect at the School.

The Haberdashers' Company is also Trustee of the Haberdashers' Charities Investment Pool, a common investment fund in which the Charity's endowment funds are invested.

Investment powers and objectives

There are no constraints on the Trustee's general power of investment in the governing Scheme. Investment property is managed by the Property Committee of the Haberdashers' Company, advised by the property advisers. Supervision of other investments is exercised by the Securities Committee of the Haberdashers' Company.

The current investment objectives are:

- to collect all the monies due from the sale of investment property;
- to maximise net income from the limited amount of investment property that remains; and
- to maximise capital growth from other investments, subject first to producing a consistent level of income.

Proceeds of a property disposal for development in 2003 were invested to generate additional endowment income (from the Second Permanent Endowment Fund) which, under a Section 106 agreement with the local authority, must be used to maintain the Charity's listed buildings. The remaining land held for investment generates income from short leases.

The Charity's main investment is in the Haberdashers' Charities Investment Pool, 'the CIP fund', a common investment fund and registered charity with the Haberdashers' Company as Trustee. The investments in the CIP are managed by Cazenove Capital Management Limited.

From April 2017, the CIP adopted a total return approach. Since this date, the investment objective for the CIP is to maximise total return, whilst producing income broadly in line with the average level sought by charities constrained by income. From April 2017, the performance benchmark has been as follows:

Equities	MSCI AC World Index
Fixed Interest	FTSE Government All Stocks
Alternatives	LIBID 7 day +2%

The Trustee requires that investment risk is minimised in relation to the mix of asset classes and stocks held within each class.

Under the total return approach, all investment returns are received into the permanent endowment fund, whether in the form of income or realised or unrealised gains. With full regard to the overriding duty to manage investment assets to meet the long-term needs of the participating charities, the Trustee then make transfers out of the accumulated unapplied total return in the endowment fund to a 'trust for application' to meet grants and other costs formerly paid out of net income. The remaining unapplied total return is retained within the permanent endowment fund.

The base date for the CIP fund is 30 June 2009, at which point the endowments were valued at £838k and additional capital of £984k has been added since that date. Preservation of real value of the

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

endowment fund is monitored by indexing the base value to the greater of RPI or an index of salaries in the service sector, as a proxy for the rate at which costs increase at the schools. At 31 August 2024, the value of CIP endowment fund investment assets was £707k more than the indexed base value (2023: £443k).

Details of the movement on unapplied total return can be seen at note 6.

Reserves policy

The Charity aims to keep one year's expenditure in unrestricted funds. This year net investment gains have supported the unrestricted funds position, however the maintenance and insurance costs of the school buildings – and notably those for the unoccupied boarding houses – have been a significant strain. This means that the Charity has not been able to maintain the position of having one year's expenditure set aside, although the sale of the unoccupied boarding houses in May 2025 (see below, under school buildings) has alleviated the position in terms of the Charity's regular outgoings, while this sale will also increase the assets of the permanent endowment.

As much of the expenditure of the Charity has been borne by the General Fund, a transfer has been made from the Designated School Fund to the General Fund at the year-end to maintain the balance on the General Fund at £nil. In those years where there is a surplus on the General Fund this is transferred to the Designated School Fund to maintain the £nil balance. This year it has been possible to release £150,000 from the restricted School Maintenance Fund as a grant for the School to support the maintenance of the School's listed buildings.

At the year-end, there are unrestricted funds of £70,261 and restricted funds of £60,053 (2023: unrestricted funds of £146,459 and restricted of £164,490).

Full details of the Charity's reserves at 31 August 2024 are set out in note 10 to the financial statements.

Mission and strategy

The partnership between the Trustee and the Governors of the School has developed a unique and highly successful establishment serving day pupils and boarders. Although proud of its grammar school status, now also as an Academy, the School does not operate in isolation but works closely with the local authority and its Trust partner Haberdashers' Abraham Darby to serve the wider community of Telford and Wrekin. To increase social mobility and its connections with the local community, the School has an admissions policy which gives preference to boys and girls of grammar school calibre (girls were admitted to Year 7 for the first time in September 2024) who live in the Newport area or are entitled to free school meals. However, the resources of the Charity are limited and the buildings at the School, some of which are listed, have suffered from scarcity of funding over many years. The aim of the Trustee and the Governors for the School's two sites is to achieve major improvements in the building stock, funded by grants, fundraising by and from parents and alumni and from the Charity itself.

The School has been successful in various bids for capital funding over the last 10 years which have enabled significant changes to the estate. The most recent projects have been the replacement of the Sports Pavilion, which was partly funded by an appeal (to which the Charity contributed), and a new 10-classroom block which has enabled an expansion to the School under the Selective Schools Expansion programme.

The strategy adopted by the Trustee has been and remains:

- to maximise the return from investment assets.
- to build up reserves to assist in repair and refurbishment of listed buildings.
- to assist the School in its own fundraising activities.
- to be prepared to use the Charity's assets to supplement grant funding for building projects.

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

- to protect the value of the Charity's endowment funds but, as a last resort, to be prepared to apply to the Charity Commission for permission to expend endowment capital on building projects, subject to replacement orders.

Public Benefit

The Charity provides public benefit by making available, at no charge, land, buildings and other support for the School, which is a State Academy with a private boarding facility. There are currently 1,078 pupils aged 11 to 18, including 74 boarders. The School serves the population of Newport, Shropshire and surrounding areas and is also able to accommodate pupils with a particular need to board but for whom boarding schools in the independent sector are not affordable.

The School was inspected by Ofsted in the summer term 2022 and was judged 'good'. The full report is available on the Ofsted website. The resources provided by the Charity for the School and the governors nominated by the Haberdashers' Company have made a substantial contribution to the School's ability to widen its area of benefit in Shropshire through participation in the Trust.

School buildings

The two sites and historic buildings occupied by the School are assets of the Charity. In recent years, additional buildings have been constructed with a mixture of public and private funding. In particular, the Sports Pavilion, which was partly funded by an appeal to which the Charity contributed, and the new 10-classroom block. These newer buildings are held on the balance sheet of the Haberdashers' West Midlands Academies Trust.

In February 2017 the Charity purchased Beaumaris House, a nursing home on an adjoining site. This building, renamed Beaumaris Hall, was converted to a modern boarding facility. The School's boarding facilities are on two sites, with senior boarders in Beaumaris Hall and junior boarders a short walk from the School at Longford Hall. The old boarding houses (Beaumaris, Picken and Roddam) were no longer needed by the School and the trustee agreed the sale of these to a private developer on 1 May 2025.

The Trust makes contributions to the Charity in recognition of financial support for building projects from the Charity. Contributions in the year ended 31 August 2024 were £50,000 (year ended 31 August 2023: £50,000).

Finance

Income for the year was £182,782 (2023: £185,278). Grants of £181,766 were made to the School during the year (2023: £33,552). Net outgoing resources for the year before investment gains were £198,980 (2023: net incoming resources £21,162). Net investment gains for the year were £419,117 (2023: net losses £145,479). Total return on the endowment funds' investment in the Haberdashers' Charities Investment Pool was 13.8% (2023: 0.1%).

Objectives in the year ahead are:

- Maximise the return from the invested assets, including through the investment of the net proceeds of the boarding house sale in May 2025;
- To make best use of the remaining unrestricted funds and the restricted School Maintenance Fund for support with the maintenance of the listed buildings at the School; and
- To assess the opportunities to make use of the Charity's unapplied total return to provide greater support to the School with the maintenance of the Charity's buildings.

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

This annual report was approved and authorised for issue on behalf of the Trustee on 18 July 2025.

A handwritten signature in black ink, appearing to read 'W Russell', written in a cursive style.

Alderman Sir William Russell
Master of the Haberdashers' Company

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY

Opinion

We have audited the financial statements of Haberdashers' Adams' Grammar School Charity for the year ended 31 August 2024 which comprise the statement of financial activities, the balance sheet 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2024 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the Trustee 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 annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information. 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.

Matters on which we are required to report by exception

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

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee

As explained more fully in the Statement of the Trustee's Responsibilities set out on pages 3-4, the Trustee is 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 Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with representatives of the Trustee, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with representatives of the Trustee and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF
HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY**


During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Trustee as a body, for our audit work, for this report, or for the opinions we have formed.



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Saffery LLP

71 Queen Victoria Street
London
EC4V 4BE

Statutory Auditors

Date: 22 July 2025

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Haberdashers' Adams' Grammar School Charity

STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 August 2024

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2024 £	Total Funds 2023 £
Income and endowments from:						
Donations from the Trustee		33,813	-	-	33,813	30,000
Investments:						
Investment income	2	10,959	-	87,433	98,392	103,248
Rental income		577	-	-	577	2,030
Charitable activities:						
School buildings contributions		50,000	-	-	50,000	50,000
Other income:						
Total return allocated to income		41,870	45,563	(87,433)	-	-
		<u>137,219</u>	<u>45,563</u>	<u>-</u>	<u>182,782</u>	<u>185,278</u>
Expenditure on:						
Raising funds		4,484	-	-	4,484	6,713
Charitable activities:						
Donations and grants		31,766	150,000	-	181,766	33,552
Other costs		158,589	-	36,923	195,512	123,851
	3	<u>194,839</u>	<u>150,000</u>	<u>36,923</u>	<u>381,762</u>	<u>164,116</u>
Net (expenditure)/income before (losses)/gains on investments		(57,620)	(104,437)	(36,923)	(198,980)	21,162
Net (losses)/gains on investments	5	<u>(14,911)</u>	<u>-</u>	<u>434,028</u>	<u>419,117</u>	<u>(145,479)</u>
Net (expenditure)/income		(72,531)	(104,437)	397,105	220,137	(124,317)
Transfers between funds	10	<u>(3,667)</u>	<u>-</u>	<u>3,667</u>	<u>-</u>	<u>-</u>
Net movement in funds		(76,198)	(104,437)	400,772	220,137	(124,317)
Reconciliation of Funds:						
Total funds brought forward		146,459	164,490	4,830,789	5,141,738	5,266,055
Total funds carried forward	10	<u><u>70,261</u></u>	<u><u>60,053</u></u>	<u><u>5,231,561</u></u>	<u><u>5,361,875</u></u>	<u><u>5,141,738</u></u>

The notes on pages 14 to 26 form part of these financial statements.

All results derive from continuing activities.

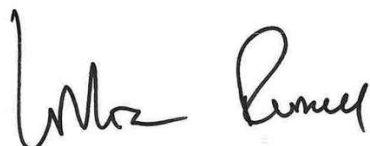
Haberdashers' Adams' Grammar School Charity

BALANCE SHEET As at 31 August 2024

	Note	2024 £	2023 £
Fixed assets			
Tangible assets	4	1,404,718	1,441,641
Investments	5	3,835,226	3,809,131
		<u>5,239,944</u>	<u>5,250,772</u>
Current assets			
Debtors: amounts receivable within one year	7	36,825	38,970
Investments: deposits		41,590	42,300
Cash at bank		370,614	87,400
		<u>449,029</u>	<u>168,670</u>
Liabilities			
Creditors: amounts falling due within one year	8	(327,098)	(243,204)
Net current assets / (liabilities)		<u>121,931</u>	<u>(74,534)</u>
Total assets less current liabilities		5,361,875	5,176,238
Creditors: amounts falling due after more than one year		-	(34,500)
Total net assets		<u><u>5,361,875</u></u>	<u><u>5,141,738</u></u>
The Funds of the Charity:			
Permanent endowment funds	10	5,231,561	4,830,789
Restricted funds	10	60,053	164,490
Unrestricted funds	10	70,261	146,459
Total Charity Funds		<u><u>5,361,875</u></u>	<u><u>5,141,738</u></u>

The notes on pages 14 to 26 form part of these financial statements.

These financial statements were approved and authorised for issue by the Trustee on 18 July 2025 and signed on behalf of the Trustee.



Alderman Sir William Russell
Master of the Haberdashers' Company

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

1. ACCOUNTING POLICIES

Basis of preparation

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

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The Charity constitutes a public benefit entity as defined by FRS 102. The Charity, registration number 528402, is unincorporated and has its registered office at Haberdashers' Hall, 18 West Smithfield, London, EC1A 9HQ.

The Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern due to the total Charity funds at the year end.

Cash flow exemption

Advantage has been taken of the exemption for charities with income less than £500,000 from preparing a cash flow statement under SORP (FRS 102).

Funds structure

The Charity maintains funds as follows:

Permanent Endowment Fund: The Permanent Endowment Funds may not be expended and represent the land and buildings of the School and assets invested to generate income for restricted and unrestricted purposes.

Restricted Funds: Restricted Funds represent assets held and income received which are allocated for specific purposes.

Unrestricted Funds: The Unrestricted Funds represent income which is expendable at the discretion of the Trustee in furtherance of the objects of the Charity.

Income recognition

All income is recognised in the SOFA when the conditions for receipt have been met and there is reasonable assurance of receipt.

Donations: Donations and all other receipts from fundraising are reported gross and any related fundraising costs are reported under the heading 'resources expended' as costs of generating funds. Tax recoverable relating to donations is accounted for in the same period as the related income.

Investment Income: Investment income is received without deduction of tax and is accounted for when receivable.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

School buildings grants and contributions: any government grants for construction of new school buildings on the Charity's land are treated as incoming resources in a restricted fund which also holds those new buildings, subject to any interest retained by the Department for Education. Unrestricted contributions toward new buildings are also received Trust funds. Since Haberdashers' Adams' joined the Trust in 2008, capital expenditure on new school buildings is recognised on the balance sheet of the Trust rather than the Charity.

Expenditure recognition

Resources expended are recorded on an accruals basis and include support costs which may be allocated direct or apportioned on the basis of staff time.

Raising funds: Costs incurred in managing the Charity's investment assets and servicing loans are recorded under this heading.

Charitable activities: Expenditure incurred directly in meeting the objects of the Charity is recorded under this heading.

Governance costs: Costs incurred in administering the Charity itself, rather than in managing charitable activities, are recorded under this heading.

Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. These include salaries and service charges relating to specific staff involved directly in facilitating charitable activities.

Governance costs relate to expenditure incurred in the general running of the Charity and include salaries and service charges for specific staff involved in compliance with constitutional and statutory requirements and audit fees.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Tangible fixed assets and depreciation

The cost of historic assets of the Charity, being the original freehold land and buildings, are excluded from the balance sheet since reliable cost information is not available and conventional valuation approaches lack sufficient reliability. The original freehold land and buildings were purchased between 1656 and 1928, so the figure is unlikely to be material.

Buildings acquired by the Charity since 1945 are capitalised at historical cost, less depreciation. Buildings on the Charity's land funded predominantly by government grant are capitalised in the Trust.

Freehold land is not depreciated. Depreciation is charged so as to write down the value of freehold properties, other than freehold land, to their estimated residual value on a straight line basis over their remaining expected useful economic lives at a rate of 2% per annum.

Fixed asset investments

Investments comprise publicly quoted, listed securities including shares, bonds and units. These are stated at market value at the balance sheet date. Disposals and purchases are recognised at the date of trade. All gains and losses are taken to the SOFA as they arise.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

Fixed asset investment property

The Charity's investment property was valued in 2011 by an external firm of chartered surveyors. The Trustees have subsequently reviewed this valuation and considers that there has been no material change.

Financial instruments

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Financial instruments are recognised in the balance sheet of the Charity when it becomes party to the contractual provisions of the instrument.

Financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially recognised at transaction price including transaction costs and are subsequently carried at amortised cost.

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when:

- the contractual rights to the cash flows from the asset expire or are settled, or
- substantially all the risks and rewards of the ownership of the asset are transferred to another party, or
- control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, which include trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods where necessary. In the opinion of the Trustees, there are no critical accounting estimates or judgements which have a material effect on the financial statements.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

2. INVESTMENT INCOME

	Total 2024 £	Total 2023 £
Interest receivable	10,959	25,972
Distributions from Haberdashers' Charities Investment Pool	87,433	77,276
Total	98,392	103,248

3. ANALYSIS OF EXPENDITURE

	Charitable activities £	Raising funds £	Govern- ance £	Total 2024 £	Total 2023 £
Costs directly allocated to activities					
Insurance of School buildings	74,681	-	-	74,681	28,967
Less: insurance paid by School	(25,377)	-	-	(25,377)	(22,087)
Depreciation of School buildings	36,923	-	-	36,923	36,923
Grants to School	181,766	-	-	181,766	44,724
Property advice and management fees	-	-	-	-	171
Legal fees and professional advice	-	-	57,904	57,904	25,937
Loan interest	-	4,484	-	4,484	6,542
Support costs	-	-	564	564	546
Allocated on the basis of staff time:					
Staff costs	39,828	-	3,183	43,011	36,947
Service charges	7,228	-	578	7,806	5,446
Total expenditure	315,049	4,484	62,229	381,762	164,116

Service charges are paid by the charity to the Haberdashers' Company and the Haberdashers Operating Company (a subsidiary of the Haberdashers' Company) for office accommodation and facilities provided by and shared with those companies and with other connected charities. The service charges do not exceed the cost to those companies of providing the services.

Under joint contracts of employment and a paymaster arrangement, salary costs for staff working for the Haberdashers' Company as Estate Trustee are paid by Haberdashers' Operating Company and allocated to the various entities managed by the Haberdashers' Company on the basis of time spent.

The number of staff employed by the Haberdashers' Company and the charities under its trusteeship during the year, on a headcount basis, was 16 (2023: 15).

There were no employee benefits exceeding £60,000 for services provided to the Charity during the year (2023: none).

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

3. ANALYSIS OF EXPENDITURE (continued)

Staff costs, for services provided to the Charity in the year, comprised:

	2024	2023
	£	£
Wages and salaries	30,846	27,375
National insurance	4,257	3,729
Pension costs	7,908	5,843
	<u>43,011</u>	<u>36,947</u>

The Trustee was not reimbursed for expenses by the Charity except where noted above.

Expenditure on legal fees and professional advice includes the following amounts paid to the Charity's auditors (including VAT):

	2024	2023
	£	£
Audit fees – current year	14,920	12,900
Audit fees – prior year	-	550
Total	<u>14,920</u>	<u>13,450</u>

4. TANGIBLE ASSETS

	2024	2023
	£	£
Freehold Land and Buildings		
Cost		
Balance as at 31 August	<u>1,863,896</u>	<u>1,863,896</u>
Depreciation		
Balance at 1 September	422,255	385,332
Charge for the year	36,923	36,923
Balance at 31 August	<u>459,178</u>	<u>422,255</u>
Net book value		
At 31 August 2024	<u>1,404,718</u>	<u>1,441,641</u>
At 31 August 2023	<u>1,441,641</u>	<u>1,478,564</u>

Included in freehold land and buildings is land with a cost of £17,795 which is not depreciated.

The freehold land and buildings included an asset (disposed of in 2018) which is subject to a Charity Commission replacement order which expires in 2033. This order requires annual transfers from net income of the unrestricted funds to the Permanent Endowment Fund to replace past capital expended (see note 11(e)).

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

5. INVESTMENTS

	Unrestricted Funds £	Permanent Endowment Funds £	Total £
Freehold investment property			
Market value at 1 September 2023	-	115,500	115,500
Market value at 31 August 2024	-	115,500	115,500
Haberdashers' Charities Investment Pool			
Market value at 1 September 2023	-	3,285,698	3,285,698
Unrealised gain	-	434,028	434,028
Market value at 31 August 2024	-	3,719,726	3,719,726
Diversified Property Fund for Charities			
Market value at 1 September 2023	342,277	-	342,277
Withdrawals	(329,404)	-	(329,404)
Unrealised loss	(12,873)	-	(12,873)
Market value at 31 August 2024	-	-	-
Property Income Trust for Charities			
Market value at 1 September 2023	65,656	-	65,656
Withdrawals	(63,617)	-	(63,617)
Unrealised loss	(2,039)	-	(2,039)
Market value at 31 August 2024	-	-	-
Total market value at 31 August 2024	-	3,835,226	3,835,226
Total market value at 31 August 2023	407,933	3,401,198	3,809,131

Land at Longford Hall was revalued in 2011 by Carter Jonas. The Trustee has subsequently reviewed these values and believes there has been no material change.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

6. MOVEMENT ON UNAPPLIED TOTAL RETURN

Unapplied total return is calculated relative to the value of the trust for investment at 30 June 2009 (base value), that being the base date determined by the Trustee as appropriate for the Charity's endowment fund. New endowment gifts totalling £984,559 have been received since the base date and are included in the trust for investment reported below.

	Trust for investment £	Unapplied Total Return £	Total 2024 £	Total 2023 £
Trust for investment at 1 September 2023	1,822,953	1,462,745	3,285,698	3,349,375
Investment returns:				
Investment income	-	87,433	87,433	77,276
Net gains / (losses) on investments	-	434,028	434,028	(63,677)
Transfer to trust for application	-	(87,433)	(87,433)	(77,276)
Trust for investment at 31 August 2024	1,822,953	1,896,773	3,719,726	3,285,698

7. DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	2024 £	2023 £
Interest receivable	158	3,997
Rents receivable	-	1,453
Investment income	6,667	7,203
Other debtors	30,000	26,317
	36,825	38,970

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024	2023
	£	£
Purchase of almshouse	92,375	92,375
Bank loan	34,500	46,000
Grants to beneficiaries	6,795	6,795
Loan interest accrued	919	1,590
Deferred income	4,167	4,166
Other creditors and accruals	188,342	92,278
	<u>327,098</u>	<u>243,204</u>

9. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted	Restricted	Permanent	Total Funds
	Funds	Funds	Endowment	Funds
	£	£	£	£
Tangible assets	-	-	1,404,718	1,404,718
Fixed asset investments	-	-	3,835,226	3,835,226
Net current assets/(liabilities)	70,261	60,053	(8,383)	121,931
	<u>70,261</u>	<u>60,053</u>	<u>5,231,561</u>	<u>5,361,875</u>

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

10. THE FUNDS OF THE CHARITY

	Balance 31 August 2023 £	Income £	Expend- iture £	Net investment gains/ (losses) £	Net transfers £	Balance 31 August 2024 £
Unrestricted Funds						
General fund	-	87,219	(158,047)	(14,911)	85,739	-
Designated school fund (a)	146,459	50,000	(36,792)	-	(89,406)	70,261
	<u>146,459</u>	<u>137,219</u>	<u>(194,839)</u>	<u>(14,911)</u>	<u>(3,667)</u>	<u>70,261</u>
Restricted Funds						
Annual Payments Fund (b)	-	-	-	-	-	-
Governors' Fund (c)	7,788	-	-	-	-	7,788
School Maintenance Fund (d)	156,702	45,563	(150,000)	-	-	52,265
	<u>164,490</u>	<u>45,563</u>	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>60,053</u>
Endowment Funds						
Permanent Endowment (e)	3,113,428	-	(36,923)	207,171	3,667	3,287,343
Second Permanent Endowment (f)	1,717,361	-	-	226,857	-	1,944,218
	<u>4,830,789</u>	<u>-</u>	<u>(36,923)</u>	<u>434,028</u>	<u>3,667</u>	<u>5,231,561</u>
Total Funds	<u><u>5,141,738</u></u>	<u><u>182,782</u></u>	<u><u>(381,762)</u></u>	<u><u>419,117</u></u>	<u><u>-</u></u>	<u><u>5,361,875</u></u>

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

10. THE FUNDS OF THE CHARITY (continued)

- (a) The Designated School Fund receives income from the School which is designated for use in connection with the School buildings. Any reserves held in the General Fund at year end are transferred to the Designated School Fund. When there is a deficit in the General Fund, a transfer is made from the Designated School Fund in order to maintain a £nil balance in the General Fund.
- (b) The Annual Payments Fund receives and distributes 9% of the net general fund income of the Charity to beneficiaries listed in the governing Scheme of the Charity. In years where there is a deficit no distributions are made.
- (c) The Governors' Fund is available to make payments in support of School activities at the discretion of the Governors of Haberdashers' Adams' Grammar School.
- (d) The School Maintenance Fund receives income from the Second Permanent Endowment Fund which may be used only for the purpose of maintaining the School's listed buildings, under a Section 106 agreement with the local authority.
- (e) The Permanent Endowment Fund is a mixture of buildings and investments. The buildings are functional endowment, which are subject to depreciation. The balance of the endowment is invested to produce income for the General fund and receives annual repayments from the Designated School Fund. These repayments will continue until 2033, when the Charity Commission replacement order will have been satisfied (see note 4).
- (f) The Second Permanent Endowment Fund was created to receive assets transferred from the main Permanent Endowment Fund, which are subject to further restriction in that income from the investments of this fund must be credited to the restricted School Maintenance Fund.

11. TAXATION

The Charity does not trade for tax purposes and it is not liable to corporation tax on its surplus.

12. RELATED PARTIES

The Haberdashers' Company is named as the permanent Trustee of the Haberdashers' Adams' Grammar School Charity.

The School is part of the Haberdashers' West Midlands Academies Trust, a separate company limited by guarantee and an exempt charity. The Haberdashers' Company is the Trust sponsor and a member of the Trust company. The Haberdashers' Company can appoint up to a further four members of the Trust company. The Charity and the Trust, having related objects and common control, are regarded as connected charities. The Trust made a contribution of £50,000 (2023: £50,000) in recognition of financial support for building projects from the Charity.

The Charity's endowment funds are invested predominantly in the Haberdashers' Charities Investment Pool, a common investment fund also having the Haberdashers' Company as Trustee. Distributions of £87,433 (2023: £77,276) were received from the Investment Pool in the year; an unrealised gain of £434,028 (2023: loss of £63,677) was generated by the Charity's investment in the Pool.

The Trustee was reimbursed for certain expenses incurred in the year on behalf of the Charity (see note 3 for details for both the current and prior year). Neither the Trustee nor any member of its governing body, the Court of Wardens, otherwise receives any remuneration or benefits from the Charity (2023: £nil).

A donation of £33,813 (2023: £30,000) was received from the Trustee in the year.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

13. EVENTS AFTER THE BALANCE SHEET DATE

On 1 May 2025 the Trustees concluded the sale of the old boarding houses (Beumaris, Picken and Roddam) to a private developer for £955,200. The buildings were held at a depreciated historical cost in the Charity's balance sheet, with the carrying value as at the date of disposal being £771. The profit on disposal was £954,429. The proceeds from the disposals will be credited to the Charity's permanent endowment. The Trustees are considering a release from the Charity's unapplied total return in order to be able to provide greater funds to support the School with the maintenance of the Charity's buildings.

14. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2023

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2023 £
Income and endowments from:				
Donations from the Trustee	30,000	-	-	30,000
Investments:				
Investment income	25,972	-	77,276	103,248
Rental income	2,030	-	-	2,030
Charitable activities:				
School buildings contributions	50,000	-	-	50,000
Other income:				
Total return allocated to income	36,900	40,376	(77,276)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	144,902	40,376	-	185,278
	<hr/>	<hr/>	<hr/>	<hr/>
Expenditure on:				
Raising funds	6,713	-	-	6,713
Charitable activities:				
Donations and grants	33,552	-	-	33,552
Other costs	86,928	-	36,923	123,851
	<hr/>	<hr/>	<hr/>	<hr/>
	127,193	-	36,923	164,116
	<hr/>	<hr/>	<hr/>	<hr/>
Net income (expenditure) before gains on investments	17,709	40,376	(36,923)	21,162
Net gains/(losses) on investments	(81,802)	-	(63,677)	(145,479)
	<hr/>	<hr/>	<hr/>	<hr/>
Net income/(expenditure)	(64,093)	40,376	(100,600)	(124,317)
Transfers between funds	(3,667)	-	3,667	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net movement in funds	(67,760)	40,376	(96,933)	(124,317)
Reconciliation of Funds:				
Total funds brought forward	214,219	124,114	4,927,722	5,266,055
	<hr/>	<hr/>	<hr/>	<hr/>
Total funds carried forward	146,459	164,490	4,830,789	5,141,738
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Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

15. ANALYSIS OF EXPENDITURE FOR THE YEAR ENDED 31 AUGUST 2023

	Charitable activities	Raising funds	Govern- ance	Total 2023
	£	£	£	£
Costs directly allocated to activities				
Insurance of School buildings	28,967	-	-	28,967
Less: insurance paid by School	(22,087)	-	-	(22,087)
Depreciation of School buildings	36,923	-	-	36,923
Grants to School	44,724	-	-	44,724
Property advice and management fees	-	171	-	171
Legal fees and professional advice	-	-	25,937	25,937
Loan interest	-	6,542	-	6,542
Support costs				546
Allocated direct	-	-	546	
Allocated on the basis of staff time:				
Staff costs	34,213	-	2,734	36,947
Service charges	5,043	-	403	5,446
Total expenditure	127,783	6,713	29,620	164,116

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE YEAR ENDED 31 AUGUST 2023

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total Funds
	£	£	£	£
Tangible assets	-	-	1,441,641	1,441,641
Fixed asset investments	407,933	-	3,401,198	3,809,131
Net current (liabilities) / assets	(233,974)	164,490	(5,050)	(74,534)
Creditors due after more than one year	(27,500)	-	(7,000)	(34,500)
	146,459	164,490	4,830,789	5,141,738

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2024

17. THE FUNDS OF THE CHARITY FOR THE YEAR ENDED 31 AUGUST 2023

	Balance 31 August 2022 £	Income £	Expend- iture £	Net investment gains/ (losses) £	Net transfers £	Balance 31 August 2023 £
Unrestricted Funds						
General fund	-	94,902	(120,289)	(81,802)	107,189	-
Designated school fund (a)	214,219	50,000	(6,904)	-	(110,856)	146,459
Unrestricted	<u>214,219</u>	<u>144,902</u>	<u>(127,193)</u>	<u>(81,802)</u>	<u>(3,667)</u>	<u>146,459</u>
Restricted Funds						
Annual Payments Fund (b)	-	-	-	-	-	-
Governors' Fund (c)	7,788	-	-	-	-	7,788
School Maintenance Fund (d)	116,326	40,376	-	-	-	156,702
	<u>124,114</u>	<u>40,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,490</u>
Endowment Funds						
Permanent Endowment (e)	3,177,078	-	(36,923)	(30,394)	3,667	3,113,428
Second Permanent Endowment (f)	1,750,644	-	-	(33,283)	-	1,717,361
	<u>4,927,722</u>	<u>-</u>	<u>(36,923)</u>	<u>(63,677)</u>	<u>3,667</u>	<u>4,830,789</u>
Total Charity Funds	<u><u>5,266,055</u></u>	<u><u>185,278</u></u>	<u><u>(164,116)</u></u>	<u><u>(145,479)</u></u>	<u><u>-</u></u>	<u><u>5,141,738</u></u>

HABERDASHER'S ADAMS' GRAMMAR SCHOOL CHARITY

England & Wales - Charity number 528402

Accounts

Registered Charity number 528402

**Haberdashers' Adams' Grammar
School Charity**

Financial Statements

for the year ended

31 August 2023

Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2023

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Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2023

LEGAL AND ADMINISTRATIVE DETAILS

CONSTITUTION

Haberdashers' Adams' Grammar School Charity, an unincorporated charity registered in England and Wales, is governed by a Scheme of the Charity Commission dated 29 September 1988.

Registered Charity number 528402

TRUSTEE

The Haberdashers' Company

www.haberdashers.co.uk

Haberdashers' Hall
18 West Smithfield
London
EC1A 9HQ

MASTER AND WARDENS OF THE HABERDASHERS' COMPANY

Master	R E I Elliott
First Warden	Alderman Sir William Russell KStJ
Second Warden	J W A Cann
Third Warden	S V Dyson
Fourth Warden	O A O Olafare JP

MANAGEMENT TEAM

Clerk	Brigadier H A Watson MBE
Director of Finance & Information	E D Bayley (to 6 October 2023)
Director of Finance	H V M Sadleir (from 7 October 2023)
Director for Schools & Property	A L Gonzalez

BANKERS

C Hoare & Co 37 Fleet Street London EC4P 4DQ	Coutts & Co 440 Strand London WC2R 0QS
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Lloyds Banking Group
1 Barnett Way
Gloucester
GL4 3RL

INDEPENDENT AUDITORS

Saffery LLP
71 Queen Victoria Street
London
EC4V 4BE

FINANCIAL STATEMENTS 2023

LEGAL AND ADMINISTRATIVE DETAILS

PROPERTY ADVISERS

Carter Jonas
South Pavilion
Sansaw Business Park
Hadnall
Shrewsbury
SY4 4AS

Haberdashers' Adams

www.adamsgs.org.uk

High Street
Newport
Shropshire
TF10 7BD

Haberdashers' West Midlands Academy Trust

Haberdashers' Abraham Darby

www.abrahamdarbyacademy.com

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

The Trustee presents the annual report and financial statements of the Charity for the year ended 31 August 2023. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the accounts and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Legal and administrative information set out on pages 1 and 2 forms part of this report.

Trustee

The Master and Four Wardens of the Fraternity of the Art or Mystery of Haberdashers in the City of London, a body corporate commonly known as the Haberdashers' Company, is Trustee of the Charity in its capacity as the Governors of the Possessions and Revenues of the Free Grammar School of Newport, in the County of Salop, of the Foundation of William Adams. The Trustee receives no remuneration from the Charity.

Objects

The objects of the Charity are:

- to make land and buildings available for use by the Haberdashers' Adams' Grammar School ('the School') and to keep those buildings insured; and
- to invest assets other than the land and buildings used by the School, to generate income for the benefit of the School, in particular for the maintenance of buildings (91% of net income), and for certain other beneficiaries named in the Scheme (9% of net income).

The Trustee has given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education in establishing strategy and planning activities for the Charity in pursuit of the objects. To increase social mobility and its connections with the local community, the School's admissions policy gives preference to boys and girls of grammar school standard who live in the Newport area or are entitled to free school meals. Girls are being admitted to Year 7 for the first time in September 2024; the Sixth Form has been co-educational since September 1993.

The Charity's Origin

In 1656 William Adams, a Member of The Court of Assistants of the Worshipful Company of Haberdashers, gave to the Company his land in Staffordshire within the Manor of Knighton, for the foundation of a free grammar school and four almshouses in the town of Newport, Shropshire and for the payment of various stipends. On his death in 1661 he devised further property to the Company.

The School was established by letters patent of Oliver Cromwell in 1656 and, after the death of William Adams, the Charity was established by Act of Parliament and the Master and Four Wardens incorporated as the Governors.

The School is a popular and highly successful selective school with boarding facilities. From 1999 to 2011, it was a Voluntary Aided school, with funding provided by Telford and Wrekin Education Authority. On 1 September 2011, the School became an Academy within the Haberdashers' Adams' Federation Trust (the Federation), subsequently renamed the Haberdashers' West Midlands Academies Trust in 2022.

Statement of the Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of the resources of the Charity for that period. In preparing these financial statements the Trustee is required to:

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Charity and which enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Charity's constitution. The Trustee is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance

The Haberdashers' Company is governed by a Court of Assistants, whose members bring a range of expertise to their service both for the Company and on governing bodies of the Company's schools, including Haberdashers' Adams' and Haberdashers' Abraham Darby. The Trustee's duties are delegated to certain Company committees:

- The Education Committee is responsible to the Court of Assistants for the affairs of the Charity.
- The Finance Committee advises the Education Committee on the Charity's financial affairs and sets investment policy. The chairs of the Education, Property and Securities Committees are members of the Finance Committee.
- The Property and Securities Committees are responsible to the Finance Committee for managing the Charity's investments.
- The Membership, Engagement and Appointments Committee ensures that appointments to each committee provide an appropriate range of skills and experience.

Induction processes for new committee members are tailored to individual needs by committee secretaries. Ongoing training for Court and Committee members includes provision of relevant Charity Commission publications and briefing sessions on current topics at committee meetings.

The Trustee has implemented a risk management strategy for all charities under its control, which comprises:

- annual review of risks faced by the charities;
- establishment and review of systems and procedures to mitigate those risks; and
- establishment and review of procedures to minimise potential impact on the charities should any of those risks materialise.

Related parties

The School has been federated with Haberdashers' Abraham Darby in Madeley, Telford, since September 2008 and, on conversion to an Academy itself on 1 September 2011, became part of the Haberdashers' Adams' Federation Trust (now the Haberdashers' West Midlands Academies Trust), a separately constituted charity, sponsored by the local authority and by the Haberdashers' Company. Through the Trust, the School and Haberdashers' Abraham Darby Academy have a number of Governors in common but the Charity's object is to provide financial support for the School only and not for Haberdashers' Abraham Darby.

The Haberdashers' Company nominates four individuals to be members of the Trust along with itself. The members appoint the majority of the Directors of the Trust and the Directors appoint others to serve, along with themselves, as the Governors of the two academies. The Charity and the Trust, having related objects and common control, are regarded as connected charities. As Trustee, the

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

Haberdashers' Company maintains close contact with the Governors and the School, to ensure that the Charity's resources are applied to best effect at the School.

The Haberdashers' Company is also Trustee of the Haberdashers' Charities Investment Pool, a common investment fund in which the Charity's endowment funds are invested.

Investment powers and objectives

There are no constraints on the Trustee's general power of investment in the governing Scheme. Investment property is managed by the Property Committee of the Haberdashers' Company, advised by the property advisers. Supervision of other investments is exercised by the Securities Committee of the Haberdashers' Company.

The current investment objectives are:

- to collect all the monies due from the sale of investment property;
- to maximise net income from the limited amount of investment property that remains; and
- to maximise capital growth from other investments, subject first to producing a consistent level of income.

Proceeds of a property disposal for development in 2003 were invested to generate additional endowment income (from the Second Permanent Endowment Fund) which, under a Section 106 agreement with the local authority, must be used to maintain the Charity's listed buildings. The remaining land held for investment generates income from short leases.

The Charity's main investment is in the Haberdashers' Charities Investment Pool, 'the CIP fund', a common investment fund and registered charity with the Haberdashers' Company as Trustee. The investments in the CIP are managed by Cazenove Capital Management Limited.

From April 2017, the CIP adopted a total return approach. Since this date, the investment objective for the CIP is to maximise total return, whilst producing income broadly in line with the average level sought by charities constrained by income. From April 2017, the performance benchmark has been as follows:

Equities	MSCI AC World Index
Fixed Interest	FTSE Government All Stocks
Alternatives	LIBID 7 day +2%

The Trustee requires that investment risk is minimised in relation to the mix of asset classes and stocks held within each class.

Under the total return approach, all investment returns are received into the permanent endowment fund, whether in the form of income or realised or unrealised gains. With full regard to the overriding duty to manage investment assets to meet the long term needs of the participating charities, the Trustee then make transfers out of the accumulated unapplied total return in the endowment fund to a 'trust for application' to meet grants and other costs formerly paid out of net income. The remaining unapplied total return is retained within the permanent endowment fund.

The base date for the CIP fund is 30 June 2009, at which point the endowments were valued at £838k and additional capital of £984k has been added since that date. Preservation of real value of the endowment fund is monitored by indexing the base value to the greater of RPI or an index of salaries in the service sector, as a proxy for the rate at which costs increase at the schools. At 31 August 2023, the value of CIP endowment fund investment assets was £443k more than the indexed base value (2022: £743k - restated).

Details of the movement on unapplied total return can be seen at note 6.

Reserves policy

The Charity aims to keep one year's expenditure in unrestricted general funds. This year, net investment losses have been a strain on the unrestricted funds position, nonetheless overall the Charity has been able to maintain this position of having one year's expenditure set aside. As the investment losses have been borne by the General Fund, a transfer has been made from the

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

Designated School Fund to the General Fund to maintain the balance on the General Fund at £nil. In those years when there is a surplus on the General Fund this is transferred to the Designated School Fund to maintain the £nil balance.

The ability to make grant payments for school maintenance from the unrestricted fund continues to be constrained by the need to make capital and interest payments on a loan taken to provide funding for a science building at the School. However, there are reserves of £146,459 in the Designated School Fund at the year end (2022: £214,219).

Full details of the Charity's reserves at year end are set out in note 11 to the financial statements.

Mission and strategy

The partnership between the Trustee and the Governors of the School has developed a unique and highly successful establishment serving day pupils and boarders. Although proud of its grammar school status, now also as an Academy, the School does not operate in isolation but works closely with the local authority and its Trust partner Haberdashers' Abraham Darby to serve the wider community of Telford and Wrekin. To increase social mobility and its connections with the local community, the School has an admissions policy which gives preference to boys and girls of grammar school calibre (girls are being admitted to Year 7 for the first time in September 2024) who live in the Newport area or are entitled to free school meals. However, the resources of the Charity are limited and the buildings at the School, some of which are listed, have suffered from scarcity of funding over many years. The aim of the Trustee and the Governors for the School's two sites is to achieve major improvements in the building stock, funded by grants, fundraising by and from parents and alumni and from the Charity itself.

The School has been successful in various bids for capital funding over the last 10 years which have enabled significant changes to the estate. The most recent projects have been the replacement of the Sports Pavilion, which was partly funded by an appeal (to which the Charity contributed), and a new 10-classroom block which has enabled an expansion to the School under the Selective Schools Expansion programme.

The strategy adopted by the Trustee has been and remains:

- to maximise the return from investment assets.
- to build up reserves to assist in repair and refurbishment of listed buildings.
- to assist the School in its own fundraising activities.
- to be prepared to use the Charity's assets to supplement grant funding for building projects.
- to protect the value of the Charity's endowment funds but, as a last resort, to be prepared to apply to the Charity Commission for permission to expend endowment capital on building projects, subject to replacement orders.

Public Benefit

The Charity provides public benefit by making available, at no charge, land, buildings and other support for the School, which is a State Academy with a private boarding facility. There are currently 1,065 pupils aged 11 to 18, including 85 boarders. The School serves the population of Newport, Shropshire and surrounding areas and is also able to accommodate pupils with a particular need to board but for whom boarding schools in the independent sector are not affordable. There are only around 35 maintained schools with boarding facilities in England and Wales and demand for boarding places remains high.

The School was inspected by Ofsted in the summer term 2022 and was judged 'good'. The full report is available on the Ofsted website. The local authority, Telford and Wrekin, has demonstrated its faith in the School through co-sponsorship of the Trust. The resources provided by the Charity for the School and the governors nominated by the Haberdashers' Company have made a substantial

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

contribution to the School's ability to widen its area of benefit in Shropshire through participation in the Trust.

School buildings

The two sites and historic buildings occupied by the School are assets of the Charity. In recent years, additional buildings have been constructed with a mixture of public and private funding. In particular, the Sports Pavilion, which was partly funded by an appeal to which the Charity contributed, and the new 10-classroom block. These newer buildings are held on the balance sheet of the Haberdashers' Adams' Federation Trust.

In 2010, the Charity took a bank loan of £550,000 to enable it to support funding of the Sports Hall, which was held initially on the Charity's balance sheet. When the School converted to an academy, that building was transferred to the balance sheet of the Haberdashers' Adams' Federation Trust, at which point the bank loan left the Charity's general fund overdrawn. However, the Charity serviced the loan without difficulty and the overdrawn fund balance was rectified in 2019. A further loan was taken out in February 2017 to purchase Beaumaris House, a nursing home on an adjoining site. The loan was fully repaid in February 2021. This building, now renamed Beaumaris Hall, has been converted to a modern boarding facility and replaces the old, senior boarding houses. The Trustee is in the process of exploring options for the disposal of the old boarding houses (Beaumaris, Picken and Roddam) as they are no longer needed by the School.

The School's boarding facilities are now on two sites, with senior boarders in Beaumaris Hall and junior boarders a short walk from the School at Longford Hall.

The School makes contributions from its non-public funds to the Charity in recognition of financial support for building projects from the Charity. Contributions in the year ended 31 August 2023 were £50,000 (year ended 31 August 2022: £50,000).

Finance

Group total incoming resources for the year were £185,278 (2022: £203,664).

Grants of £33,552 were made to the School during the year (2022 £42,644).

Net incoming resources for the year before investment gains were £21,162 (2022: net incoming resources £75,497).

Net investment losses for the year were £145,479 (2022: net losses £123,098). Total return on the endowment funds' investment in the Haberdashers' Charities Investment Pool was 0.1% (2022: negative 3.0% - *restated*).

Objectives in the year ahead are:

- Dispose of surplus property; and
- To make best use of the restricted School Maintenance Fund for the listed buildings at the School.

Signed on behalf of the Trustee on 27 June 2024.



Master



Warden

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY

Opinion

We have audited the financial statements of Haberdashers' Adams Grammar School Charity for the year ended 31 August 2023 which comprise the statement of financial activities, the balance sheet 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2023 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the Trustee 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 annual report, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information. 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.

Matters on which we are required to report by exception

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

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee

As explained more fully in the Statement of the Trustee's Responsibilities set out on pages 3-4, the Trustee is 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 Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustee either intends to liquidate the charity or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the charity's financial statements to material misstatement and how fraud might occur, including through discussions with representatives of the Trustee, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the charity by discussions with representatives of the Trustee and updating our understanding of the sector in which the charity operates.

Laws and regulations of direct significance in the context of the charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charity's Trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Trustee as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery LLP

Saffery LLP

Chartered Accountants
71 Queen Victoria Street
London
EC4V 4BE

Statutory Auditors

Date: 28 June 2024

Saffery LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

STATEMENT OF FINANCIAL ACTIVITIES
Year ended 31 August 2023

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2023 £	Total Funds 2022 £
Income and endowments from:						
Donations from the Trustee		30,000	-	-	30,000	50,000
Investments:						
Investment income	2	25,972	-	77,276	103,248	101,598
Rental income		2,030	-	-	2,030	2,066
Charitable activities:						
School buildings contributions		50,000	-	-	50,000	50,000
Other income:						
Total return allocated to income		36,900	40,376	(77,276)	-	-
		<u>144,902</u>	<u>40,376</u>	<u>-</u>	<u>185,278</u>	<u>203,664</u>
Expenditure on:						
Raising funds		6,713	-	-	6,713	5,786
Charitable activities:						
Donations and grants		33,552	-	-	33,552	42,644
Other costs		86,928	-	36,923	123,851	79,737
	3	<u>127,193</u>	<u>-</u>	<u>36,923</u>	<u>164,116</u>	<u>128,167</u>
Net income/(expenditure) before gains on investments		17,709	40,376	(36,923)	21,162	75,497
Net losses on investments	5	<u>(81,802)</u>	<u>-</u>	<u>(63,677)</u>	<u>(145,479)</u>	<u>(123,098)</u>
Net income/(expenditure)		(64,093)	40,376	(100,600)	(124,317)	(47,601)
Transfers between funds	11	<u>(3,667)</u>	<u>-</u>	<u>3,667</u>	<u>-</u>	<u>-</u>
Net movement in funds		(67,760)	40,376	(96,933)	(124,317)	(47,601)
Reconciliation of Funds:						
Total funds brought forward		214,219	124,114	4,927,722	5,266,055	5,313,656
Total funds carried forward	11	<u>146,459</u>	<u>164,490</u>	<u>4,830,789</u>	<u>5,141,738</u>	<u>5,266,055</u>

The notes on pages 13 to 27 form part of these financial statements.

All results derive from continuing activities.

Haberdashers' Adams' Grammar School Charity

BALANCE SHEET As at 31 August 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	1,441,641	1,478,564
Investments	5	3,809,131	3,954,610
		<u>5,250,772</u>	<u>5,433,174</u>
Current assets			
Debtors: amounts receivable within one year	7	38,970	65,566
Investments: deposits		42,300	42,300
Cash at bank		87,400	49,262
		<u>168,670</u>	<u>157,128</u>
Liabilities			
Creditors: amounts falling due within one year	8	(243,204)	(243,747)
Net current liabilities		<u>(74,534)</u>	<u>(86,619)</u>
Total assets less current liabilities		5,176,238	5,346,555
Creditors : amounts falling due after more than one year	9	(34,500)	(80,500)
		<u>5,141,738</u>	<u>5,266,055</u>
Total net assets		<u>5,141,738</u>	<u>5,266,055</u>
The Funds of the Charity:			
Permanent endowment funds	11	4,830,789	4,927,722
Restricted funds	11	164,490	124,114
Unrestricted funds	11	146,459	214,219
Total Charity Funds		<u>5,141,738</u>	<u>5,266,055</u>

The notes on pages 13 to 27 form part of these financial statements.

These financial statements were approved and authorised for issue by the Trustee on 27 June 2024 and signed on behalf of the Trustee.



Master



Warden

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2023

1. ACCOUNTING POLICIES

Basis of preparation

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

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

The Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern due to the total Charity funds at the year end.

Cash flow exemption

Advantage has been taken of the exemption for charities with income less than £500,000 from preparing a cash flow statement under SORP (FRS 102).

Funds structure

The Charity maintains funds as follows:

Permanent Endowment Fund: The Permanent Endowment Funds may not be expended and represent the land and buildings of the School and assets invested to generate income for restricted and unrestricted purposes.

Restricted Funds: Restricted Funds represent assets held and income received which are allocated by the donors for specific purposes.

Unrestricted Funds: The Unrestricted Funds represent income which is expendable at the discretion of the trustee in furtherance of the objects of the Charity.

Income recognition

All income is recognised in the SOFA when the conditions for receipt have been met and there is reasonable assurance of receipt.

Donations: Donations and all other receipts from fundraising are reported gross and any related fundraising costs are reported under the heading 'resources expended' as costs of generating funds. Tax recoverable relating to donations is accounted for in the same period as the related income.

Investment Income: Investment income is received without deduction of tax and is accounted for when receivable.

School buildings grants and contributions: Government grants for construction of new school buildings on the Charity's land are treated as incoming resources in a restricted fund which also holds those new buildings, subject to any interest retained by the Department for Children, Schools and Families. Unrestricted contributions toward new buildings are also received from non-public school funds.

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2023

Expenditure recognition

Resources expended are recorded on an accruals basis and include support costs which may be allocated direct or apportioned on the basis of staff time.

Costs of generating funds: Costs incurred in managing the Charity's investment assets and servicing loans are recorded under this heading.

Charitable activities: Expenditure incurred directly in meeting the objects of the Charity is recorded under this heading.

Governance costs: Costs incurred in administering the Charity itself, rather than in managing charitable activities, are recorded under this heading.

Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. These include salaries and service charges relating to specific staff involved directly in facilitating charitable activities.

Governance costs relate to expenditure incurred in the general running of the Charity and include salaries and service charges for specific staff involved in compliance with constitutional and statutory requirements and audit fees.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Tangible fixed assets and depreciation

The cost of historic assets of the Charity, being the original freehold land and buildings, are excluded from the balance sheet since reliable cost information is not available and conventional valuation approaches lack sufficient reliability. The original freehold land and buildings were purchased between 1656 and 1928, so the figure is unlikely to be material.

Buildings acquired by the Charity since 1945 are capitalised at historical cost, less depreciation. Buildings on the Charity's land funded predominantly by government grant are capitalised in the Haberdashers' Adams' Federation Trust.

Freehold land is not depreciated. Depreciation is charged so as to write down the value of freehold properties, other than freehold land, to their estimated residual value on a straight line basis over their remaining expected useful economic lives at a rate of 2% per annum.

Fixed asset investments

Investments are stated at market value. All gains and losses are taken to the SOFA as they arise.

Fixed asset investment property

In accordance with FRS 102, investment property is revalued annually by the trustee or external valuers and the aggregate surplus or deficit is transferred to the appropriate fund holding the investment.

Financial instruments

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial instruments are recognised in the balance sheet of the Charity when it becomes party to the contractual provisions of the instrument.

Financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially recognised at transaction price including transaction costs and are subsequently carried at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2023

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when:

- the contractual rights to the cash flows from the asset expire or are settled, or
- substantially all the risks and rewards of the ownership of the asset are transferred to another party, or
- control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, which include trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods where necessary.

2. INVESTMENT INCOME

	Total 2023 £	Total 2022 £
Interest receivable	25,972	21,306
Distributions from Haberdashers' Charities Investment Pool	77,276	80,292
Total	103,248	101,598

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2023

3. ANALYSIS OF EXPENDITURE

	Charitable activities £	Raising funds £	Govern- ance £	Total 2023 £	Total 2022 £
Costs directly allocated to activities					
Insurance of School buildings	28,967	-	-	28,967	12,179
Less: insurance paid by School	(22,087)	-	-	(22,087)	(14,523)
Depreciation of School buildings	36,923	-	-	36,923	36,923
Grants to School	44,724	-	-	44,724	42,644
Property advice and management fees	-	171	-	171	209
Legal fees and professional advice	-	-	25,937	25,937	13,067
Loan interest	-	6,542	-	6,542	3,837
Impairment of investment of subsidiary company	-	-	-	-	1,740
Support costs	-	-	546	546	324
Allocated on the basis of staff time:					
Staff costs	34,213	-	2,734	36,947	27,755
Service charges	5,043	-	403	5,446	4,012
Total expenditure	127,783	6,713	29,620	164,116	128,167

Service charges are paid by the charity to the Haberdashers' Company and the Haberdashers Operating Company (a subsidiary of the Haberdashers' Company) for office accommodation and facilities provided by and shared with those companies and with other connected charities. The service charges do not exceed the cost to those companies of providing the services.

Under joint contracts of employment and a paymaster arrangement, salary costs for staff working for the Haberdashers' Company as Estate Trustee are paid by Haberdashers' Operating Company and allocated to the various entities managed by the Haberdashers' Company on the basis of time spent.

The number of staff employed by the Haberdashers' Company and the charities under its trusteeship during the year, on a headcount basis, was 15 (2022: 14).

There were no employee benefits exceeding £60,000 for services provided to the Charity during the year (2022: none).

Staff costs, for services provided to the Charity in the year, comprised:

	2023 £	2022 £
Wages and salaries	27,375	21,586
National insurance	3,729	2,876
Pension costs	5,843	3,293
	36,947	27,755

The Trustee receives no remuneration from the Charity and was not reimbursed for expenses except where noted above.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2023

3. ANALYSIS OF EXPENDITURE (continued)

Expenditure on legal fees and professional advice includes the following amounts paid to the Charity's auditors (including VAT):

	2023	2022
	£	£
Audit fees – current year	12,900	8,190
Audit fees – prior year	550	4,240
Total	<u>13,450</u>	<u>12,430</u>

4. TANGIBLE ASSETS

	2023	2022
	£	£
Freehold Land and Buildings		
Cost		
Balance as at 31 August	<u>1,863,896</u>	<u>1,863,896</u>
Depreciation		
Balance at 1 September	385,332	348,409
Charge for the year	36,923	36,923
Balance at 31 August	<u>422,255</u>	<u>385,332</u>
Net book value		
At 31 August 2023	<u>1,441,641</u>	<u>1,478,564</u>
At 31 August 2022	<u>1,478,564</u>	<u>1,515,487</u>

Included in freehold land and buildings is land with a cost of £17,795 which is not depreciated.

The freehold land and buildings included an asset (disposed of in 2018) which is subject to a Charity Commission replacement order which expires in 2033. This order requires annual transfers from net income of the unrestricted funds to the Permanent Endowment Fund to replace past capital expended (see note 11(e)).

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2023

5. INVESTMENTS

	Unrestricted Funds £	Permanent Endowment Funds £	Total £
Freehold investment property			
Market value at 1 September 2022	-	115,500	115,500
Market value at 31 August 2023	-	115,500	115,500
Haberdashers' Charities Investment Pool			
Market value at 1 September 2022	-	3,349,375	3,349,375
Unrealised loss	-	(63,677)	(63,677)
Market value at 31 August 2023	-	3,285,698	3,285,698
Diversified Property Fund for Charities			
Market value at 1 September 2022	404,431	-	404,431
Unrealised loss	(62,154)	-	(62,154)
Market value at 31 August 2023	342,277	-	342,277
Property Income Trust for Charities			
Market value at 1 September 2022	85,304	-	85,304
Unrealised loss	(19,648)	-	(19,648)
Market value at 31 August 2023	65,656	-	65,656
Total market value at 31 August 2023	407,933	3,401,198	3,809,131
Total market value at 31 August 2022	489,735	3,464,875	3,954,610

Land at Longford Hall was revalued in 2011 by Carter Jonas. The Trustee has subsequently reviewed these values and believes there has been no material change.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2023

6. MOVEMENT ON UNAPPLIED TOTAL RETURN

Unapplied total return is calculated relative to the value of the trust for investment at 30 June 2009 (base value), that being the base date determined by the Trustee as appropriate for the Charity's endowment fund. New endowment gifts totalling £984,559 have been received since the base date and are included in the trust for investment reported below.

	Trust for investment £	Unapplied Total Return £	Total 2023 £	Total 2022 £
Trust for investment at 1 September 2022	1,822,953	1,526,422	3,349,375	3,547,068
Investment returns:				
Investment income	-	77,276	77,276	80,292
Realised and unrealised losses	-	(63,677)	(63,677)	(197,693)
Transfer to trust for application	-	(77,276)	(77,276)	(80,292)
Trust for investment at 31 August 2023	1,822,953	1,462,745	3,285,698	3,349,375

7. DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	2023 £	2022 £
Interest receivable	3,997	3,769
Rents receivable	1,453	463
Investment income	7,203	7,787
Prepayments	-	17,012
Other debtors	26,317	36,535
	38,970	65,566

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2023

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 £	2022 £
Purchase of alms house	92,375	92,375
Bank loan	46,000	46,000
Bank overdraft	-	-
Grants to beneficiaries	6,795	6,795
Loan interest accrued	1,590	801
Deferred income	4,166	4,166
Other creditors and accruals	92,278	93,610
	<u>243,204</u>	<u>243,747</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2023 £	2022 £
Bank loan repayable as follows:		
1 to 2 years	34,500	46,000
2 to 5 years	-	34,500
	<u>34,500</u>	<u>80,500</u>

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2023

10. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds £
Tangible assets	-	-	1,441,641	1,441,641
Fixed asset investments	407,933	-	3,401,198	3,809,131
Net current (liabilities)/ assets	(233,974)	164,490	(5,050)	(74,534)
Creditors due after more than one year	(27,500)	-	(7,000)	(34,500)
	<u>146,459</u>	<u>164,490</u>	<u>4,830,789</u>	<u>5,141,738</u>

11. THE FUNDS OF THE CHARITY

	Balance 31 August 2022 £	Income £	Expend- iture £	Net investment gains/ (losses) £	Net transfers £	Balance 31 August 2023 £
Unrestricted Funds						
General fund	-	94,902	(120,289)	(81,802)	107,189	-
Designated school fund (a)	214,219	50,000	(6,904)	-	(110,856)	146,459
	<u>214,219</u>	<u>144,902</u>	<u>(127,193)</u>	<u>(81,802)</u>	<u>(3,667)</u>	<u>146,459</u>
Restricted Funds						
Annual Payments Fund (b)	-	-	-	-	-	-
Governors' Fund (c)	7,788	-	-	-	-	7,788
School Maintenance Fund (d)	116,326	40,376	-	-	-	156,702
	<u>124,114</u>	<u>40,376</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,490</u>
Endowment Funds						
Permanent Endowment (e)	3,177,078	-	(36,923)	(30,394)	3,667	3,113,428
Second Permanent Endowment (f)	1,750,644	-	-	(33,283)	-	1,717,361
	<u>4,927,722</u>	<u>-</u>	<u>(36,923)</u>	<u>(63,677)</u>	<u>3,667</u>	<u>4,830,789</u>
Total Funds	<u>5,266,055</u>	<u>185,278</u>	<u>(164,116)</u>	<u>(145,479)</u>	<u>-</u>	<u>5,141,738</u>

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2023

11. THE FUNDS OF THE CHARITY (continued)

- (a) The Designated School Fund receives income from the School which is designated for use in connection with the School buildings. Any reserves held in the General Fund at year end are transferred to the Designated School Fund. When there is a deficit in the General Fund, a transfer is made from the Designated School Fund in order to maintain a £nil balance in the General Fund.
- (b) The Annual Payments Fund receives and distributes 9% of the net general fund income of the Charity to beneficiaries listed in the governing Scheme of the Charity. In years where there is a deficit no distributions are made.
- (c) The Governors' Fund is available to make payments in support of School activities at the discretion of the Governors.
- (d) The School Maintenance Fund receives income from the Second Permanent Endowment Fund which may be used only for the purpose of maintaining the School's listed buildings, under a Section 106 agreement with the local authority.
- (e) The Permanent Endowment Fund is a mixture of buildings and investments. The buildings are functional endowment, which are subject to depreciation. The balance of the endowment is invested to produce income for the General fund and receives annual repayments from the Designated School Fund. These repayments will continue until 2033, when the Charity Commission replacement order will have been satisfied (see note 4).
- (f) The Second Permanent Endowment Fund was created to receive assets transferred from the main Permanent Endowment Fund, which are subject to further restriction in that income from the investments of this fund must be credited to the restricted School Maintenance Fund.

12. TRADING SUBSIDIARY

Adams Newport Limited (Company number 6702065) ceased trading and transferred its remaining assets and liabilities to the Charity in 2022; net assets of £4,908 being transferred. The company was dissolved on 11 July 2023.

	2023 £	2022 £
Result:		
Administration expenses	-	(1,741)
Interest payable	-	-
	<u>-</u>	<u>-</u>
Loss for year ended 31 August	<u>-</u>	<u>(1,741)</u>
Movements on reserves:		
Opening reserves	-	6,649
Loss for year	-	(1,741)
Distribution to charity	-	(4,908)
	<u>-</u>	<u>(4,908)</u>
Closing reserves at 31 August	<u>-</u>	<u>-</u>
Balance sheet		
Current assets	-	-
Creditors falling due within one year	-	-
Secured loan from the Charity	-	-
	<u>-</u>	<u>-</u>
Net assets at year end	<u>-</u>	<u>-</u>

13. TAXATION

The Charity does not trade for tax purposes and it is not liable to corporation tax on its surplus.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2023

14. RELATED PARTIES

The Haberdashers' Company is named as the permanent Trustee of the Haberdashers' Adams' Grammar School Charity.

The School is part of the Haberdashers' West Midlands Academies Trust, a separate company limited by guarantee and an exempt charity. The Haberdashers' Company is the Trust sponsor and a member of the Trust company. The Haberdashers' Company can appoint up to a further four members of the Trust company. The Charity and the Trust, having related objects and common control, are regarded as connected charities. The School made a contribution from non-public funds of £50,000 (2022: £50,000) to support building projects by the Charity.

The Charity's endowment funds are invested predominantly in the Haberdashers' Charities Investment Pool, a common investment fund also having the Haberdashers' Company as Trustee. Distributions of £77,276 (2022: £80,292) were received from the Investment Pool in the year; an unrealised loss of £63,677 (2022: £197,693) was generated by the Charity's investment in the Pool.

The Trustee was reimbursed for certain expenses incurred in the year on behalf of the Charity (see note 3 for details for both the current and prior year). Neither the Trustee nor any member of its governing body, the Court of Wardens, otherwise receives any remuneration or benefits from the Charity (2022: £nil).

A donation of £30,000 (2022: £50,000) was received from the Trustee in the year.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2023

16. STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2022 £
Income and endowments from:				
Donations from the Trustee	50,000	-	-	50,000
Investments:				
Investment income	21,306	-	80,292	101,598
Rental income	2,066	-	-	2,066
Charitable activities:				
School buildings contributions	50,000	-	-	50,000
Other income:				
Total return allocated to income	38,353	41,939	(80,292)	-
	<u>161,725</u>	<u>41,939</u>	<u>-</u>	<u>203,664</u>
Expenditure on:				
Raising funds	5,786	-	-	5,786
Charitable activities:				
Donations and grants	42,644	-	-	42,644
Other costs	42,814	-	36,923	79,737
	<u>91,244</u>	<u>-</u>	<u>36,923</u>	<u>128,167</u>
Net income (expenditure) before gains on investments	70,481	41,939	(36,923)	75,497
Net gains/(losses) on investments	74,595	-	(197,693)	(123,098)
Net income/(expenditure)	145,076	41,939	(234,616)	(47,601)
Transfers between funds	(3,667)		3,667	-
Net movement in funds	141,409	41,939	(230,949)	(47,601)
Reconciliation of Funds:				
Total funds brought forward	72,810	82,175	5,158,671	5,313,656
Total funds carried forward	<u>214,219</u>	<u>124,114</u>	<u>4,927,722</u>	<u>5,266,055</u>

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2023

17. ANALYSIS OF EXPENDITURE FOR THE YEAR ENDED 31 AUGUST 2022

	Charitable activities £	Raising funds £	Govern- ance £	Total 2022 £
Costs directly allocated to activities				
Insurance of School buildings	12,179	-	-	12,179
Less: insurance paid by School	(14,523)	-	-	(14,523)
Depreciation of School buildings	36,923	-	-	36,923
Grants to School	42,644	-	-	42,644
Property advice and management fees	-	209	-	209
Legal fees and professional advice	-	-	13,067	13,067
Loan interest	-	3,837	-	3,837
Impairment of investment of subsidiary company	-	1,740	-	1,740
Support costs	-	-	324	324
Allocated direct	-	-	-	-
Allocated on the basis of staff time:				
Staff costs	24,757	-	2,998	27,755
Service charges	3,579	-	433	4,012
Total expenditure	105,559	5,786	16,822	128,167

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2023

18. INVESTMENTS FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted Funds £	Permanent Endowment Funds £	Total £
Freehold investment property			
Market value at 1 September 2021	-	115,500	115,500
Market value at 31 August 2022	-	115,500	115,500
Haberdashers' Charities Investment Pool			
Market value at 1 September 2021	-	3,547,068	3,547,068
Unrealised loss	-	(197,693)	(197,693)
Market value at 31 August 2022	-	3,349,375	3,349,375
Diversified Property Fund for Charities			
Market value at 1 September 2021	291,637	-	291,637
Increase in investment cash	50,000	-	50,000
Unrealised gain	62,794	-	62,794
Market value at 31 August 2022	404,431	-	404,431
Property Income Trust for Charities			
Market value at 1 September 2021	51,504	-	51,504
Increase in investment cash	22,000	-	22,000
Unrealised gain	11,800	-	11,800
Market value at 31 August 2022	85,304	-	85,304
Total market value at 31 August 2022	489,735	3,464,875	3,954,610
Total market value at 31 August 2021	343,141	3,662,568	4,005,709

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2023

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS FOR THE YEAR ENDED 31 AUGUST 2022

	Subsidiary Company	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total Funds
	£	£	£	£	£
Tangible assets	-	-	-	1,478,564	1,478,564
Fixed asset investments	-	489,734	-	3,464,876	3,954,610
Net current assets/(liabilities)	-	(193,776)	124,114	615	(69,047)
Creditors due after more than one year	-	(64,167)	-	(16,333)	(80,500)
	<u>-</u>	<u>231,791</u>	<u>124,114</u>	<u>4,927,722</u>	<u>5,283,627</u>

20. THE FUNDS OF THE CHARITY FOR THE YEAR ENDED 31 AUGUST 2022

	Balance 31 August 2021	Income	Expend- iture	Net investment gains/ (losses)	Net transfers	Balance 31 August 2022
	£	£	£	£	£	£
Unrestricted Funds						
General fund	(65,808)	111,725	(87,406)	74,595	(33,106)	-
Designated school fund (a)	138,618	50,000	(3,838)	-	29,439	214,219
Unrestricted	<u>72,810</u>	<u>161,725</u>	<u>(91,244)</u>	<u>74,595</u>	<u>(3,667)</u>	<u>214,219</u>
Restricted Funds						
Annual Payments Fund (b)	-	-	-	-	-	-
Governors' Fund (c)	7,788	-	-	-	-	7,788
School Maintenance Fund (d)	74,387	41,939	-	-	-	116,326
	<u>82,175</u>	<u>41,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,114</u>
Endowment Funds						
Permanent Endowment (e)	3,304,697	-	(36,923)	(94,363)	3,667	3,177,078
Second Permanent Endowment (f)	1,853,974	-	-	(103,330)	-	1,750,644
	<u>5,158,671</u>	<u>-</u>	<u>(36,923)</u>	<u>(197,693)</u>	<u>3,667</u>	<u>4,927,722</u>
Total Charity Funds	<u>5,313,656</u>	<u>203,664</u>	<u>(128,167)</u>	<u>(123,098)</u>	<u>-</u>	<u>5,266,055</u>

HABERDASHER'S ADAMS' GRAMMAR SCHOOL CHARITY

England & Wales - Charity number 528402

Accounts

Registered Charity number 528402

**Haberdashers' Adams' Grammar
School Charity**

Financial Statements

for the year ended

31 August 2022

Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2022

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Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2022

LEGAL AND ADMINISTRATIVE DETAILS

CONSTITUTION

Haberdashers' Adams' Grammar School Charity, an unincorporated charity registered in England and Wales, is governed by a Scheme of the Charity Commission dated 29 September 1988.

Registered Charity number 528402

TRUSTEE

The Haberdashers' Company

www.haberdashers.co.uk

Haberdashers' Hall
18 West Smithfield
London
EC1A 9HQ

MASTER AND WARDENS OF THE HABERDASHERS' COMPANY AS AT 31 AUGUST 2022

Master	The Revd James Power
First Warden	C R S Hardie
Second Warden	R E I Elliott
Third Warden	J D Gregory
Fourth Warden	C J A Penney

MANAGEMENT TEAM

Clerk	Brigadier H A Watson MBE
Director of Finance & Information	Mr E D Bayley
Director of Schools & Property	Mrs A L Gonzalez (appointed 9 September 2021)

BANKERS

C Hoare & Co
37 Fleet Street
London
EC4P 4DQ

Coutts & Co
440 Strand
London
WC2R 0QS

Lloyds Banking Group
1 Barnett Way
Gloucester
GL4 3RL

INDEPENDENT AUDITORS

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2022

LEGAL AND ADMINISTRATIVE DETAILS

PROPERTY ADVISERS

Carter Jonas
South Pavilion
Sansaw Business Park
Hadnall
Shrewsbury
SY4 4AS

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High Street
Newport
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TF10 7BD

Haberdashers' Adams' Federation &

Haberdashers' Abraham Darby

www.abrahamdarbyacademy.com

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

The Trustee presents the annual report and financial statements of the Charity for the year ended 31 August 2022. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the accounts and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Legal and administrative information set out on pages 1 and 2 forms part of this report.

Trustee

The Master and Four Wardens of the Fraternity of the Art or Mystery of Haberdashers in the City of London, a body corporate commonly known as the Haberdashers' Company, is Trustee of the Charity in its capacity as the Governors of the Possessions and Revenues of the Free Grammar School of Newport, in the County of Salop, of the Foundation of William Adams. The Trustee receives no remuneration from the Charity.

Objects

The objects of the Charity are:

- to make land and buildings available for use by the Haberdashers' Adams' Grammar School and to keep those buildings insured; and
- to invest assets other than the land and buildings used by the School, to generate income for the benefit of the School, in particular for the maintenance of buildings (91% of net income), and for certain other beneficiaries named in the Scheme (9% of net income).

The Trustee has given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education in establishing strategy and planning activities for the Charity in pursuit of the objects. To increase social mobility and its connections with the local community, the School's admissions policy gives preference to boys of grammar school standard who live in the Newport area or are entitled to free school meals.

The Charity's Origin

In 1656 William Adams, a Member of The Court of Assistants of the Worshipful Company of Haberdashers, gave to the Company his land in Staffordshire within the Manor of Knighton, for the foundation of a free grammar school and four almshouses in the town of Newport, Shropshire and for the payment of various stipends. On his death in 1661 he devised further property to the Company.

The school was established by letters patent of Oliver Cromwell in 1656 and, after the death of William Adams, the Charity was established by Act of Parliament and the Master and Four Wardens incorporated as the Governors.

The School is a popular and highly successful selective school with boarding facilities. From 1999 to 2011, it was a Voluntary Aided school, with funding provided by Telford and Wrekin Education Authority. On 1 September 2011, the School became an Academy within the Haberdashers' Adams' Federation Trust (the Federation), subsequently renamed the Haberdashers' West Midlands Academies Trust in 2022.

Statement of the Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of the resources of the Charity for that period. In preparing these financial statements the Trustee is required to:

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Charity and which enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Charity's constitution. The Trustee is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance

The Haberdashers' Company is governed by a Court of Assistants, whose members bring a range of expertise to their service both for the Company and on governing bodies of the Company's schools, including Haberdashers' Adams' and Haberdashers' Abraham Darby. The Trustee's duties are delegated to a number of Company committees:

- The Education Committee is responsible to the Court of Assistants for the affairs of the Charity.
- The Finance Committee advises the Education Committee on the Charity's financial affairs and sets investment policy. The chairmen of the Education, Property and Securities Committees are members of the Finance Committee.
- The Property and Securities Committees are responsible to the Finance Committee for managing the Charity's investments.
- The Membership and Appointments Committee ensures that appointments to each committee provide an appropriate range of skills and experience.

Induction processes for new committee members are tailored to individual needs by committee secretaries. Ongoing training for Court and Committee members includes provision of relevant Charity Commission publications and briefing sessions on current topics at committee meetings.

The Trustee has implemented a risk management strategy for all charities under its control, which comprises:

- annual review of risks faced by the charities;
- establishment and review of systems and procedures to mitigate those risks; and
- establishment and review of procedures to minimise potential impact on the charities should any of those risks materialise.

Related parties

The School has been federated with Haberdashers' Abraham Darby in Madeley, Telford, since September 2008 and, on conversion to an Academy itself on 1 September 2011, became part of the Haberdashers' Adams' Federation Trust (now the Haberdashers' West Midlands Academies Trust), a separately constituted charity, sponsored by the local authority and by the Haberdashers' Company. Through the Trust, the School and Haberdashers' Abraham Darby Academy have a number of Governors in common but the Charity's object is to provide financial support for the School only and not for Haberdashers' Abraham Darby.

The Haberdashers' Company nominates four individuals to be members of the Trust along with itself. The members appoint the majority of the Directors of the Trust and the Directors appoint others to serve, along with themselves, as the Governors of the two academies. The Charity and the Trust, having related objects and common control, are regarded as connected charities. As Trustee, the

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

Haberdashers' Company maintains close contact with the Governors and the School, to ensure that the Charity's resources are applied to best effect at the School.

The Haberdashers' Company is also Trustee of the Haberdashers' Charities Investment Pool, a common investment fund in which the Charity's endowment funds are invested.

Investment powers and objectives

There are no constraints on the Trustee's general power of investment in the governing Scheme. Investment property is managed by the Property Committee of the Haberdashers' Company, advised by the property advisers. Supervision of other investments is exercised by the Securities Committee of the Haberdashers' Company.

The current investment objectives are:

- to collect all the monies due from the sale of investment property;
- to maximise net income from the limited amount of investment property that remains; and
- to maximise capital growth from other investments, subject first to producing a consistent level of income.

Proceeds of a property disposal for development in 2003 were invested to generate additional endowment income (from the Second Permanent Endowment Fund) which, under a Section 106 agreement with the local authority, must be used to maintain the Charity's listed buildings. The remaining land held for investment generates income from short leases.

The Charity's main investment is in the Haberdashers' Charities Investment Pool, 'the CIP fund', a common investment fund and registered charity with the Haberdashers' Company as Trustee. The investments in the CIP are managed by Cazenove Capital Management Limited.

From April 2017, the CIP adopted a total return approach. Since this date, the investment objective for the CIP is to maximise total return, whilst producing income broadly in line with the average level sought by charities constrained by income. From April 2017, the performance benchmark has been as follows:

Equities	MSCI AC World Index
Fixed Interest	FTSE Government All Stocks
Alternatives	LIBID 7 day +2%

The Trustee requires that investment risk is minimised in relation to the mix of asset classes and stocks held within each class.

Under the total return approach, all investment returns are received into the permanent endowment fund, whether in the form of income or realised or unrealised gains. With full regard to the overriding duty to manage investment assets to meet the long term needs of the participating charities, the Trustee then make transfers out of the accumulated unapplied total return in the endowment fund to a 'trust for application' to meet grants and other costs formerly paid out of net income. The remaining unapplied total return is retained within the permanent endowment fund.

The base date for the CIP fund is 30 June 2009, at which point the endowments were valued at £838k and additional capital of £984k has been added since that date. Preservation of real value of the endowment fund is monitored by indexing the base value to the greater of RPI or an index of salaries in the service sector, as a proxy for the rate at which costs increase at the schools. At 31 August 2022, the value of CIP endowment fund investment assets was £81k more than the indexed base value (2021: £102k).

Details of the movement on unapplied total return can be seen at note 6.

Reserves policy

The Charity aims to keep one year's expenditure in unrestricted general funds. Last year, exceptional expenditure with the Covid19 pandemic and unexpected costs to bring the old boarding houses into a state of better repair, at 31 August 2021, the Charity's unrestricted general reserve was overdrawn at £37,457. This year, with normal levels of income and reduced exceptional expenditure, the

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

unrestricted general reserve had improved. Any reserves held in the General Fund at year end were transferred to the Designated School Fund so the balance on the General Fund at 31 August 2022 was £nil. The ability to make grant payments for school maintenance from the unrestricted fund is constrained by the need to make capital and interest payments on a loan taken to provide funding for a science building at the School. Payments for school maintenance may continue from a designated unrestricted school fund which has increased from £138,618 in 2021 to £214,219 at the year end. Full details of the Charity's reserves at year end are set out in note 11 to the financial statements.

Mission and strategy

The partnership between the Trustee and the Governors of the School has developed a unique and highly successful establishment serving day pupils and boarders. Although proud of its grammar school status, now also as an Academy, the School does not operate in isolation but works closely with the local authority and its Trust partner Haberdashers' Abraham Darby to serve the wider community of Telford and Wrekin. To increase social mobility and its connections with the local community, the School has introduced a new admissions policy to give preference to boys of grammar school calibre who live in the Newport area or are entitled to free school meals. However, the resources of the Charity are limited and the buildings at the School, some of which are listed, have suffered from scarcity of funding over many years. The aim of the Trustee and the Governors for the School's two sites is to achieve major improvements in the building stock, funded by grants, fundraising by and from parents and alumni and from the Charity itself.

The School has been able to attract some much-needed funding from a £1.3 million appeal (to which the Charity contributed) to convert the former performing arts centre into a sixth form centre and create a music centre from the old Coach House and £3.2 million from Building Schools for the Future to create a new humanities building, complete a new music and performing arts centre, including the remodelled Coach House and an auditorium, to refurbish the Maths block and to refresh some other teaching areas. The School has replaced the old sports pavilion but still needs to improve the old listed buildings. The strategy adopted by the Trustee has been and remains:

- to maximise the return from investment assets.
- to build up reserves to assist in repair and refurbishment of listed buildings.
- to assist the School in its own fundraising activities.
- to be prepared to use the Charity's assets to supplement grant funding for building projects.
- to protect the value of the Charity's endowment funds but, as a last resort, to be prepared to apply to the Charity Commission for permission to expend endowment capital on building projects, subject to replacement orders.

Public Benefit

The Charity provides public benefit by making available, at no charge, land, buildings and other support for the School, which is a State Academy with a private boarding facility. There are currently 1,040 pupils aged 11 to 18, including 100 boarders. The School serves the population of Newport, Shropshire and surrounding areas and is also able to accommodate pupils with a particular need to board but for whom boarding schools in the independent sector are not affordable. There are only around 35 maintained schools with boarding facilities in England and Wales and demand for boarding places remains high.

The School was inspected by Ofsted in the summer term 2022 and was judged 'good'. The full report is available on the Ofsted website. The local authority, Telford and Wrekin, has demonstrated its faith in the School through co-sponsorship of the Trust. The resources provided by the Charity for the School and the governors nominated by the Haberdashers' Company have made a substantial contribution to the School's ability to widen its area of benefit in Shropshire through participation in the Trust.

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

School buildings

The two sites and historic buildings occupied by the School are assets of the Charity. In recent years, additional buildings have been constructed with a mixture of public and private funding. In particular, the Sports Hall and Science Block were funded partly by the Charity but mainly by public funding. These newer buildings are held on the balance sheet of the Haberdashers' Adams' Federation Trust.

In 2010, the Charity took a bank loan of £550,000 to enable it to support funding of the Sports Hall, which was held initially on the Charity's balance sheet. When the School converted to an academy, that building was transferred to the balance sheet of the Haberdashers' Adams' Federation Trust, at which point the bank loan left the Charity's general fund overdrawn. However, the Charity serviced the loan without difficulty and the overdrawn fund balance was rectified in 2019. A further loan was taken out in February 2017 to purchase Beaumaris House, a nursing home on an adjoining site. The loan was fully repaid in February 2021. This building, now renamed Beaumaris Hall has been converted to a modern boarding facility and replaces the old, senior boarding houses. The Trustee is considering the disposal of the old boarding houses (Beaumaris, Picken and Roddam) as they are no longer needed by the School.

The School's boarding facilities are now on two sites, with senior boarders in Beaumaris Hall and junior boarders a short walk from the School at Longford Hall.

The School makes contributions from its non-public funds to the Charity in recognition of financial support for building projects from the Charity. Contributions in the year ended 31 August 2022 were £50,000 (year ended 31 August 2021: £50,000).

Subsidiary company

Adams Newport Limited owned Shuker Field, a piece of land held for investment. On 11 December 2018 this land was sold to Persimmon Homes for £560,234. The net proceeds from the sale (£465,678) were gifted to the Charity under Gift Aid, where it was been added to the Permanent Endowment. There are no more transactions pending so the company's remaining assets of £4,908 were transferred to the charity during the year and an application has been made to dissolve the subsidiary company.

Finance

Group total incoming resources for the year were £203,664 (2021: £179,726).

Grants of £42,644 were made to the School during the year (2021 £98,390).

Net incoming resources for the year before investment gains were £75,497 (2021: net outgoing resources £45,239).

Net investment losses for the year were £123,098 (2021: net gains £534,640). Total return on the endowment funds' investment in the Haberdashers' Charities Investment Pool was -4.6% (2021: 19.0%).

Objectives in the year ahead are:

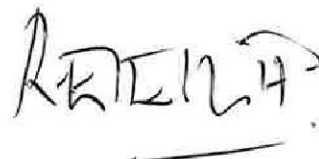
- Dispose of surplus property to help pay off the outstanding loans.
- To make best use of the restricted School Maintenance Fund for the listed buildings at the School.

Signed on behalf of the Trustee on 27 June 2023

Master



Warden



INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY

Opinion

We have audited the financial statements of the Haberdashers' Adams Grammar School Charity (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 August 2022 which comprise the group statement of financial activities, the charity statement of financial activities, the group and charity balance sheets 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent charity's affairs as at 31 August 2022 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

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.

Matters on which we are required to report by exception

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

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY

- the parent charity has not kept sufficient accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the trustee

As explained more fully in the Statement of the Trustee's Responsibilities set out on pages 3-4, the trustee is 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 trustee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the group or the parent charity or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with informed management and representatives of the trustee, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with informed management and representatives of the trustee, and updating our understanding of the sector in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY

accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent charity trustee 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 parent charity and the parent charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads "Saffery Champness LLP". The signature is written in a cursive style and is positioned above a horizontal dotted line.

Saffery Champness LLP

Chartered Accountants
71 Queen Victoria Street
London
EC4V 4BE

Statutory Auditors

Date: 28 June 2023

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Haberdashers' Adams' Grammar School Charity

GROUP STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 August 2022

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Income and endowments from:						
Donations from the Trustee		50,000	-	-	50,000	30,000
Investments:						
Investment income	2	21,306	-	80,292	101,598	97,695
Rental income		2,066	-	-	2,066	2,031
Charitable activities:						
School buildings contributions		50,000	-	-	50,000	50,000
Other income:						
Other		-	-	-	-	-
Total return allocated to income		38,353	41,939	(80,292)	-	-
		<u>161,725</u>	<u>41,939</u>	<u>-</u>	<u>203,664</u>	<u>179,726</u>
Expenditure on:						
Raising funds		4,046	-	-	4,046	21,711
Charitable activities:						
Donations and grants		42,644	-	-	42,644	98,380
Other costs		44,554	-	36,923	81,477	104,874
	3	<u>91,244</u>	<u>-</u>	<u>36,923</u>	<u>128,167</u>	<u>224,965</u>
Net income/(expenditure) before gains on investments		70,481	41,939	(36,923)	75,497	(45,239)
Net gains on investments	5	<u>74,595</u>	<u>-</u>	<u>(197,693)</u>	<u>(123,098)</u>	<u>534,640</u>
Net income/(expenditure)		145,076	41,939	(234,616)	(47,601)	489,401
Transfers between funds	11	<u>(3,667)</u>	<u>-</u>	<u>3,667</u>	<u>-</u>	<u>-</u>
Net movement in funds		141,409	41,939	(230,949)	(47,601)	489,401
Reconciliation of Funds:						
Total funds brought forward		72,810	82,175	5,158,671	5,313,656	4,824,255
Total funds carried forward	11	<u>214,219</u>	<u>124,114</u>	<u>4,927,722</u>	<u>5,266,055</u>	<u>5,313,656</u>

All results derive from continuing activities

The notes on pages 14 to 30 form part of these financial statements.

Haberdashers' Adams' Grammar School Charity

CHARITY STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 August 2022

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2022 £	Total Funds 2021 £
Income and endowments from:						
Donations from the Trustee		50,000	-	-	50,000	30,000
Investments:						
Investment income	2	21,306	-	80,292	101,598	97,695
Rental income		2,066	-	-	2,066	2,031
Interest due from subsidiary company		-	-	-	-	975
Charitable activities:						
School buildings contributions		50,000	-	-	50,000	50,000
Other income:						
Total return allocated to income		38,353	41,939	(80,292)	-	-
		<u>161,725</u>	<u>41,939</u>	<u>-</u>	<u>203,664</u>	<u>180,701</u>
Expenditure on:						
Raising funds		5,786	-	-	5,786	24,246
Charitable activities:						
Donations and grants		42,644	-	-	42,644	98,380
Other costs		42,814	-	36,923	79,737	103,314
	3	<u>91,244</u>	<u>-</u>	<u>36,923</u>	<u>128,167</u>	<u>225,940</u>
Net income/(expenditure) before gains on investments		70,481	41,939	(36,923)	75,497	(45,239)
Net gains on investments	5	<u>74,595</u>	<u>-</u>	<u>(197,693)</u>	<u>(123,098)</u>	<u>534,640</u>
Net income/(expenditure)		145,076	41,939	(234,616)	(47,601)	489,401
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Total funds brought forward		72,810	82,175	5,158,671	5,313,656	4,824,255
Total funds carried forward	11	<u>214,219</u>	<u>124,114</u>	<u>4,927,722</u>	<u>5,266,055</u>	<u>5,313,656</u>

The notes on pages 14 to 29 form part of these financial statements.

All results derive from continuing activities.


Haberdashers' Adams' Grammar School Charity

BALANCE SHEETS As at 31 August 2022

	Note	Group		Charity	
		2022	2021	2022	2021
		£	£	£	£
Fixed assets					
Tangible assets	4	1,478,564	1,515,487	1,478,564	1,515,487
Investments	5	3,954,610	4,005,709	3,954,610	4,005,709
Investment in subsidiary company	12	-	-	-	6,649
Loan to subsidiary company	12	-	-	-	24,375
		<u>5,433,174</u>	<u>5,521,196</u>	<u>5,433,174</u>	<u>5,552,220</u>
Current assets					
Debtors: amounts receivable within one year	7	65,566	43,388	65,566	43,388
Investments: deposits		42,300	42,300	42,300	42,300
Cash at bank		49,262	35,970	49,262	-
		<u>157,128</u>	<u>121,658</u>	<u>157,128</u>	<u>85,688</u>
Liabilities					
Creditors: amounts falling due within one year	8	(243,747)	(202,698)	(243,747)	(197,752)
Net current liabilities		<u>(86,619)</u>	<u>(81,040)</u>	<u>(86,619)</u>	<u>(112,064)</u>
Total assets less current liabilities		<u>5,346,555</u>	<u>5,440,156</u>	<u>5,346,555</u>	<u>5,440,156</u>
Creditors : amounts falling due after more than one year	9	(80,500)	(126,500)	(80,500)	(126,500)
Total net assets		<u><u>5,266,055</u></u>	<u><u>5,313,656</u></u>	<u><u>5,266,055</u></u>	<u><u>5,313,656</u></u>
The Funds of the Charity:					
Permanent endowment funds	11	4,927,722	5,158,671	4,927,722	5,158,671
Restricted funds	11	124,114	82,175	124,114	82,175
Unrestricted funds	11	214,219	72,810	214,219	72,810
Total Charity Funds		<u><u>5,266,055</u></u>	<u><u>5,313,656</u></u>	<u><u>5,266,055</u></u>	<u><u>5,313,656</u></u>

The notes on pages 14 to 29 form part of these financial statements.

These financial statements were approved and authorised for issue by the Trustee on 27 June 2023 and signed on behalf of the Trustee.


 Master

Warden


 Warden

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2022

1. ACCOUNTING POLICIES

Basis of preparation

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

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

The Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern due to the total Charity funds at the year end.

Cash flow exemption

Advantage has been taken of the exemption for charities with income less than £500,000 from preparing a cash flow statement under SORP (FRS 102).

Group accounts

The financial statements consolidate the results of the Charity and its wholly-owned non-charitable subsidiary company Adams Newport Limited (which was closed during the year) on a line-by-line basis.

Funds structure

The Charity maintains funds as follows:

Permanent Endowment Fund: The Permanent Endowment Funds may not be expended and represent the land and buildings of the School and assets invested to generate income for restricted and unrestricted purposes.

Restricted Funds: Restricted Funds represent assets held and income received which are allocated by the donors for specific purposes.

Unrestricted Funds: The Unrestricted Funds represent income which is expendable at the discretion of the trustee in furtherance of the objects of the Charity.

Income recognition

All income is recognised in the SOFA when the conditions for receipt have been met and there is reasonable assurance of receipt.

Donations: Donations and all other receipts from fundraising are reported gross and any related fundraising costs are reported under the heading 'resources expended' as costs of generating funds. Tax recoverable relating to donations is accounted for in the same period as the related income.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2022

Investment Income: Investment income is received without deduction of tax and is accounted for when receivable.

School buildings grants and contributions: Government grants for construction of new school buildings on the Charity's land are treated as incoming resources in a restricted fund which also holds those new buildings, subject to any interest retained by the Department for Children, Schools and Families. Unrestricted contributions toward new buildings are also received from non-public school funds.

Expenditure recognition

Resources expended are recorded on an accruals basis and include support costs which may be allocated direct or apportioned on the basis of staff time.

Costs of generating funds: Costs incurred in managing the Charity's investment assets and servicing loans are recorded under this heading.

Charitable activities: Expenditure incurred directly in meeting the objects of the Charity is recorded under this heading.

Governance costs: Costs incurred in administering the Charity itself, rather than in managing charitable activities, are recorded under this heading.

Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. These include salaries and service charges relating to specific staff involved directly in facilitating charitable activities.

Governance costs relate to expenditure incurred in the general running of the Charity and include salaries and service charges for specific staff involved in compliance with constitutional and statutory requirements and audit fees.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Tangible fixed assets and depreciation

The cost of historic assets of the Charity, being the original freehold land and buildings, are excluded from the balance sheet since reliable cost information is not available and conventional valuation approaches lack sufficient reliability. The original freehold land and buildings were purchased between 1656 and 1928, so the figure is unlikely to be material.

Buildings acquired by the Charity since 1945 are capitalised at historical cost, less depreciation. Buildings on the Charity's land funded predominantly by government grant are capitalised in the Haberdashers' Adams' Federation Trust.

Freehold land is not depreciated. Depreciation is charged so as to write down the value of freehold properties, other than freehold land, to their estimated residual value on a straight line basis over their remaining expected useful economic lives at a rate of 2% per annum.

Fixed asset investments

Investments, excluding the investment in the trading subsidiary, are stated at market value. All gains and losses are taken to the SOFA as they arise.

The Charity's investment in its subsidiary is carried at historic cost.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2022

Fixed asset investment property

In accordance with FRS 102, investment property is revalued annually by the trustee or external valuers and the aggregate surplus or deficit is transferred to the appropriate fund holding the investment.

Financial instruments

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial instruments are recognised in the balance sheet of the Charity when it becomes party to the contractual provisions of the instrument.

Financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially recognised at transaction price including transaction costs and are subsequently carried at amortised cost.

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when:

- the contractual rights to the cash flows from the asset expire or are settled, or
- substantially all the risks and rewards of the ownership of the asset are transferred to another party, or
- control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, which include trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods where necessary.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2022

2. INVESTMENT INCOME

	Total 2022 £	Total 2021 £
Interest receivable	21,306	21,217
Distributions from Haberdashers' Charities Investment Pool	80,292	76,478
Total – Charity and Group	101,598	97,695

3. ANALYSIS OF EXPENDITURE

	Charitable activities £	Raising funds £	Govern- ance £	Total 2022 £	Total 2021 £
Costs directly allocated to activities					
Insurance of School buildings	12,179	-	-	12,179	9,991
Less: insurance paid by School	(14,523)	-	-	(14,523)	(9,522)
Depreciation of School buildings	36,923	-	-	36,923	36,923
Grants to School	42,644	-	-	42,644	98,380
Property advice and management fees	-	209	-	209	3,247
Legal fees and professional advice	-	-	13,067	13,067	34,416
Loan interest	-	3,837	-	3,837	3,986
Impairment of investment of subsidiary company	-	1,740	-	1,740	17,013
Support costs					
Allocated direct	-	-	324	324	72
Allocated on the basis of staff time:					
Staff costs	24,757	-	2,998	27,755	27,654
Service charges	3,579	-	433	4,012	3,780
Total expenditure – Charity	105,559	5,786	16,822	128,167	225,940
Other expenditure – subsidiary company	-	-	1,740	1,740	16,038
Consolidation adjustment	-	(1,740)	-	(1,740)	(17,013)
Total expenditure - Group	105,559	4,046	18,562	128,167	224,965

Under joint employment contracts of staff and a paymaster arrangement, salary costs for the Haberdashers' Company and its charities are paid by the Haberdashers Operating Company and allocated to the various entities on the basis of time spent. The average number of employees in the year was 2 (2021: 2). Neither of the employees received employment benefits for services to the Charity exceeding £60,000.

The Trustee receives no remuneration from the Charity and was not reimbursed for expenses except where noted above.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2022

3. ANALYSIS OF EXPENDITURE (continued)

Expenditure on legal fees and professional advice includes the following amounts paid to the Charity's auditors (including VAT):

	Group		Charity	
	2022	2021	2022	2021
	£	£	£	£
Audit fees – current year	8,190	9,360	8,190	9,360
Audit fees – prior year	4,240	5,364	4,240	5,364
Tax advisory services	-	4,929	-	3,369
Total – Charity and Group	12,430	19,653	12,430	18,093

4. TANGIBLE ASSETS – CHARITY AND GROUP

	2022	2021
	£	£
Freehold Land and Buildings		
Cost		
Boarding House	1,570	1,570
Longford Hall	66,608	66,608
Land at rear of Lloyds Bank Plc	1,295	1,295
Reinstallation of staircase in School House	30,000	30,000
Wood Centre – classroom block	350,173	350,173
Coach House	140,000	140,000
Beaumaris Hall	904,750	904,750
Old alms house buildings	369,500	369,500
Balance at 31 August 2022	<u>1,863,896</u>	<u>1,863,896</u>
Depreciation		
Balance at 31 August 2021	348,409	311,486
Charge for the year	36,923	36,923
Balance at 31 August 2022	<u>385,332</u>	<u>348,409</u>
Net book value – Charity and Group		
At 31 August 2022	<u>1,478,564</u>	<u>1,515,487</u>
At 31 August 2021	<u>1,515,487</u>	<u>1,552,410</u>

Included in freehold land and buildings is land with a cost of £17,795 which is not depreciated.

The freehold land and buildings included an asset (disposed of in 2018) which is subject to a Charity Commission replacement order which expires in 2033. This order requires annual transfers from net income of the unrestricted funds to the Permanent Endowment Fund to replace past capital expended (see note 11(e)).

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2022

5. INVESTMENTS

	Unrestricted Funds £	Permanent Endowment Funds £	Group Total £
Freehold investment property			
Market value at 1 September 2021	-	115,500	115,500
Market value at 31 August 2022	-	115,500	115,500
Haberdashers' Charities Investment Pool			
Market value at 1 September 2021	-	3,547,068	3,547,068
Unrealised gain (loss)	-	(197,693)	(197,693)
Market value at 31 August 2022	-	3,349,375	3,349,375
Diversified Property Fund for Charities			
Market value at 1 September 2021	291,637	-	291,637
Increase in investment cash	50,000	-	50,000
Unrealised gain	62,794	-	62,794
Market value at 31 August 2022	404,431	-	404,431
Property Income Trust for Charities			
Market value at 1 September 2021	51,504	-	51,504
Increase in investment cash	22,000	-	22,000
Unrealised Gain (loss)	11,800	-	11,800
Market value at 31 August 2022	85,304	-	85,304
Total market value at 31 August 2022	489,735	3,464,875	3,954,610
Total market value at 31 August 2021	343,141	3,662,568	4,005,709

Land at Longford Hall was revalued in 2011 by Carter Jonas. The Trustee has subsequently reviewed these values and believes there has been no material change.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2022

6. MOVEMENT ON UNAPPLIED TOTAL RETURN

Unapplied total return is calculated relative to the value of the trust for investment at 30 June 2009 (base value), that being the base date determined by the Trustee as appropriate for the Charity's endowment fund. New endowment gifts totalling £984,559 have been received since the base date.

	Trust for investment £	Unapplied Total Return £	Total 2022 £	Total 2021 £
Trust for investment at 1 September 2021	1,822,953	1,724,115	3,547,068	3,040,300
Investment returns:				
Investment income	-	80,292	80,292	76,478
Realised and unrealised gains	-	(197,693)	(197,693)	506,768
Transfer to trust for application	-	(80,292)	(80,292)	(76,478)
Trust for investment at 31 August 2022	1,822,953	1,526,422	3,349,375	3,547,068

7. DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Interest receivable	3,769	2,917	3,769	2,917
Rents receivable	463	432	463	432
Investment income	7,787	5,657	7,787	5,657
Prepayments	17,012	1,842	17,012	1,842
Other debtors and prepayments	36,535	32,540	36,535	32,540
	65,566	43,388	65,566	43,388

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2022

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Purchase of alms house	92,375	92,375	92,375	92,375
Bank loan	46,000	46,000	46,000	46,000
Loan interest payable to the Haberdashers Operating Company	-	14,478	-	-
Bank overdraft	-	-	-	11,092
Grants to beneficiaries	6,795	6,795	6,795	6,795
Loan interest accrued	801	306	801	306
Deferred income	4,166	4,167	4,166	4,167
Other creditors and accruals	93,610	38,577	93,610	37,017
	<u>243,747</u>	<u>202,698</u>	<u>243,747</u>	<u>197,752</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2022 £	2021 £	2022 £	2021 £
Bank loan repayable as follows:				
1 to 2 years	46,000	46,000	46,000	46,000
2 to 5 years	34,500	80,500	34,500	80,500
	<u>80,500</u>	<u>126,500</u>	<u>80,500</u>	<u>126,500</u>

A loan of £690,000 was drawn from Coutts & Co on 1 February 2010. The loan is unsecured, repayable over 15 years and the interest rate at year end was 2.31%. At 31 August 2022 the outstanding balance was £126,500 (2021: £172,500).

The loan is being underwritten by the Worshipful Company of Haberdashers.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2022

10. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Subsidiary Company £	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds £
Tangible assets	-	-	-	1,478,564	1,478,564
Fixed asset investments	-	489,734	-	3,464,876	3,954,610
Net current assets/(liabilities)	-	(193,776)	124,114	615	(69,047)
Creditors due after more than one year	-	(64,167)	-	(16,333)	(80,500)
	<u>-</u>	<u>231,791</u>	<u>124,114</u>	<u>4,927,722</u>	<u>5,283,627</u>

11. THE FUNDS OF THE GROUP AND CHARITY

	Balance 31 August 2021 £	Income £	Expend- iture £	Net investment gains/ (losses) £	Net transfers £	Balance 31 August 2022 £
Unrestricted Funds						
General fund	(37,457)	111,725	(85,666)	74,595	(63,197)	-
Designated school fund (a)	138,618	50,000	(3,838)	-	29,439	214,219
Unrestricted – Charity	101,161	161,725	(89,504)	74,595	(33,758)	214,219
Subsidiary company	(28,351)	-	(1,740)	-	30,091	-
Unrestricted – Group	<u>72,810</u>	<u>161,725</u>	<u>(91,244)</u>	<u>74,595</u>	<u>(3,667)</u>	<u>214,219</u>
Restricted Funds						
Annual Payments Fund (b)	-	-	-	-	-	-
Governors' Fund (c)	7,788	-	-	-	-	7,788
School Maintenance Fund (d)	74,387	41,939	-	-	-	116,326
	<u>82,175</u>	<u>41,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>124,114</u>
Endowment Funds						
Permanent Endowment (e)	3,304,697	-	(36,923)	(94,363)	3,667	3,177,078
Second Permanent Endowment (f)	1,853,974	-	-	(103,330)	-	1,750,644
	<u>5,158,671</u>	<u>-</u>	<u>(36,923)</u>	<u>(197,693)</u>	<u>-</u>	<u>4,927,722</u>
Total Funds – Group and Charity	<u>5,313,656</u>	<u>203,664</u>	<u>(128,167)</u>	<u>(123,098)</u>	<u>-</u>	<u>5,266,055</u>

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2022

11. THE FUNDS OF THE CHARITY (continued)

- (a) The Designated School Fund receives income from the School which is designated for use in connection with the School buildings. Any reserves held in the General Fund at year end are transferred to the Designated School Fund.
- (b) The Annual Payments Fund receives and distributes 9% of the net general fund income of the Charity to beneficiaries listed in the governing Scheme of the Charity. In years where there is a deficit no distributions are made.
- (c) The Governors' Fund is available to make payments in support of School activities at the discretion of the Governors.
- (d) The School Maintenance Fund receives income from the Second Permanent Endowment Fund which may be used only for the purpose of maintaining the School's listed buildings, under a Section 106 agreement with the local authority.
- (e) The Permanent Endowment Fund is a mixture of buildings and investments. The buildings are functional endowment, which are subject to depreciation. The balance of the endowment is invested to produce income for the General fund and receives annual repayments from the Designated School Fund. These repayments will continue until 2033, when the Charity Commission replacement order will have been satisfied (see note 4).
- (f) The Second Permanent Endowment Fund was created to receive assets transferred from the main Permanent Endowment Fund, which are subject to further restriction in that income from the investments of this fund must be credited to the restricted School Maintenance Fund.

12. TRADING SUBSIDIARY

Name	Share capital £	Activities
------	-----------------------	------------

Adams Newport Limited	35,000	To hold investment property.
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Adams Newport Limited (Company number 6702065) ceased trading and transferred its remaining assets and liabilities to the Charity in the year; net assets of £4,908 were transferred. An application has been made to Companies House to dissolve the company. A summary of its results, movements on reserves and balance sheet are shown below:

	2022 £	2021 £
Result:		
Administration expenses	(1,741)	(1,560)
Interest payable	-	(15,453)
	(1,741)	(17,013)
Movements on reserves:		
Opening reserves	6,649	23,662
Loss for year	(1,741)	(17,013)
Distribution to charity	(4,908)	-
	-	6,649
Closing reserves at 31 August	-	6,649
Balance sheet		
Current assets	-	47,062
Creditors falling due within one year	-	(16,038)
Secured loan from the Charity	-	(24,375)
	-	6,649
Net assets at year end	-	6,649

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2022

13. TAXATION

The Charity does not trade for tax purposes and it is not liable to corporation tax on its surplus.

14. RELATED PARTIES

The School is part of the Haberdashers' Adams' Federation Trust, a separate charity for which the Haberdashers' Company is Sponsor and provides a majority of directors. The Charity and the Trust, having related objects and common control, are regarded as connected charities. The School made a contribution from non-public funds of £50,000 (2021: £50,000) to support building projects from the Charity.

The Haberdashers' Company, a City Livery Company incorporated by royal charter, is named as the permanent Trustee of the Haberdashers' Adams' Grammar School Charity.

The Charity's endowment funds are invested predominantly in the Haberdashers' Charities Investment Pool, a common investment fund also having the Haberdashers' Company as Trustee. Distributions of £80,292 (2021: £76,478) were received from the Investment Pool in the year; an unrealised loss of £197,693 (2021: £506,768) was generated by the Charity's investment in the Pool.

The Trustee was reimbursed for certain expenses incurred in the year on behalf of the Charity (see note 3 for details for both the current and prior year). Neither the Trustee nor any member of its governing body, the Court of Wardens, otherwise receives any remuneration or benefits from the Charity (2021: £nil).

A donation of £50,000 (2021: £30,000) was received from the Trustee in the year. This was to help mitigate administrative expenses and grants to schools.

The Charity gave a grant of £Nil (2021: £nil) in the year to the Haberdashers Benevolent Foundation. When payable, this relates to 1/6th of the total grant paid to named beneficiaries in the Charity Commission Scheme.

Adams Newport Limited ceased trading and transferred its remaining assets and liabilities to the Charity in year (£4,908 net assets transferred). (2021: £15,453 relating to interest payable).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2022

15. GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total Funds 2021
	£	£	£	£
Income and endowments from:				
Donations from the Trustee	30,000	-	-	30,000
Investments:				
Investment income	21,217	-	76,478	97,695
Investment property	2,031	-	-	2,031
Charitable activities:				
School buildings contributions	50,000	-	-	50,000
Other income:				
Other	-	-	-	-
Total return allocated to income	36,477	40,001	(76,478)	-
	<u>139,725</u>	<u>40,001</u>	<u>-</u>	<u>179,726</u>
Expenditure on:				
Cost of raising funds	21,711	-	-	21,711
Charitable activities				
Donations and grants	32,428	65,952	-	98,380
Other costs	67,951	-	36,923	103,314
	<u>122,090</u>	<u>65,952</u>	<u>36,923</u>	<u>224,965</u>
Net (expenditure)/income before gains on investments and tangible investments	17,635	(25,951)	(36,923)	(45,239)
Net (losses)/gains on investments	<u>27,872</u>	<u>-</u>	<u>506,768</u>	<u>534,640</u>
Net income/(expenditure)	45,507	(25,951)	469,845	489,401
Transfers between funds	<u>(3,667)</u>	<u>-</u>	<u>3,667</u>	<u>-</u>
Net movement in funds	41,840	(25,951)	473,512	489,401
Reconciliation of Funds:				
Fund balances brought forward	30,970	108,126	4,685,159	4,824,255
Fund balances carried forward	<u><u>72,810</u></u>	<u><u>82,175</u></u>	<u><u>5,158,671</u></u>	<u><u>5,313,656</u></u>

Haberdashers' Adams' Grammar School Charity

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2022

16. CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2021 £
Income and endowments from:				
Donations from the Trustee	30,000	-	-	30,000
Investments:				
Investment income	21,217	-	76,478	97,695
Rental income	2,031	-	-	2,031
Charitable activities:				
School buildings contributions	50,000	-	-	50,000
Other income:				
Other	-	-	-	-
Total return allocated to income	36,477	40,001	(76,478)	-
	<u>139,725</u>	<u>40,001</u>	<u>-</u>	<u>179,726</u>
Expenditure on:				
Raising funds	21,711	-	-	21,711
Charitable activities:				
Donations and grants	32,428	65,952	-	98,380
Other costs	67,951	-	36,923	104,874
	<u>122,090</u>	<u>65,952</u>	<u>36,923</u>	<u>224,965</u>
Net income (expenditure) before gains on investments	17,635	(25,951)	(36,923)	(45,239)
Net gains on investments	27,872	-	506,768	534,640
Net income/(expenditure)	45,507	(25,951)	469,845	489,401
Transfers between funds	(3,667)	-	3,667	-
Net movement in funds	41,840	(25,951)	473,512	489,401
Reconciliation of Funds:				
Total funds brought forward	30,970	108,126	4,685,159	4,824,255
Total funds carried forward	<u>72,810</u>	<u>82,175</u>	<u>5,158,671</u>	<u>5,313,656</u>

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2022

17. ANALYSIS OF EXPENDITURE FOR THE YEAR ENDED 31 AUGUST 2021

	Charitable activities £	Raising funds £	Govern- ance £	Total 2021 £
Costs directly allocated to activities				
Insurance of School buildings	9,991	-	-	9,991
Less: insurance paid by School	(9,522)	-	-	(9,522)
Depreciation of School buildings	36,923	-	-	36,923
Grants to School	98,380	-	-	98,380
Property advice and management fees	-	3,247	-	3,247
Legal fees and professional advice	-	-	34,416	34,416
Loan interest	-	3,986	-	3,986
Impairment of investment of subsidiary company	-	17,013	-	17,013
Support costs				
Allocated direct	-	-	72	72
Allocated on the basis of staff time:				
Staff costs	25,110	-	2,544	27,654
Service charges	3,432	-	348	3,780
Total expenditure – Charity	164,314	24,246	37,380	225,940
Other expenditure – subsidiary company	-	14,478	1,560	16,038
Consolidation adjustment	-	(17,013)	-	(17,013)
Total expenditure - Group	164,314	21,711	38,940	224,965

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2022

18. INVESTMENTS FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted Funds	Permanent Endowment Funds	Group Total
	£	£	£
Freehold investment property			
Market value at 1 September 2020	-	115,500	115,500
Market value at 31 August 2021	-	115,500	115,500
Haberdashers' Charities Investment Pool			
Market value at 1 September 2020	-	3,040,300	3,040,300
Unrealised gain	-	506,768	506,768
Market value at 31 August 2021	-	3,547,068	3,547,068
Diversified Property Fund for Charities			
Market value at 1 September 2020	269,007	-	269,007
Unrealised gain	22,630	-	22,630
Market value at 31 August 2021	291,637	-	291,637
Property Income Trust for Charities			
Market value at 1 September 2020	197,262	-	197,262
(Decrease) in investment cash	(151,000)	-	(151,000)
Unrealised Gain (loss)	5,242	-	5,242
Market value at 31 August 2021	51,504	-	51,504
Total market value at 31 August 2021	343,141	3,662,568	4,005,709
Total market value at 31 August 2020	466,269	3,155,800	3,622,069

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 August 2022

19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS FOR THE YEAR ENDED 31 AUGUST 2021

	Subsidiary Company £	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds £
Tangible assets	-	-	-	1,515,487	1,515,487
Fixed asset investments	-	343,141	-	3,662,568	4,005,709
Investment in subsidiary	(59,375)	-	-	59,375	-
Net current assets/(liabilities)	31,024	(141,147)	82,175	(53,092)	(81,040)
Creditors due after more than one year	-	(100,833)	-	(25,667)	(126,500)
	<u>(28,351)</u>	<u>101,161</u>	<u>82,175</u>	<u>5,158,671</u>	<u>5,313,656</u>

20. THE FUNDS OF THE GROUP AND CHARITY FOR THE YEAR ENDED 31 AUGUST 2021

	Balance 31 August 2020 £	Income £	Expend- iture £	Net investment gains/ (losses) £	Net transfers £	Balance 31 August 2021 £
Unrestricted Funds						
General fund	(54,576)	90,700	(101,453)	27,872	-	(37,457)
Designated school fund (a)	96,884	50,000	(4,599)	-	(3,667)	138,618
Unrestricted – Charity	42,308	140,700	(106,052)	27,872	(3,667)	101,161
Subsidiary company	(11,338)	(975)	(16,038)	-	-	(28,351)
Unrestricted – Group	<u>30,970</u>	<u>139,725</u>	<u>(122,090)</u>	<u>27,872</u>	<u>(3,667)</u>	<u>72,810</u>
Restricted Funds						
Annual Payments Fund (b)	-	-	-	-	-	-
Governors' Fund (c)	7,788	-	-	-	-	7,788
School Maintenance Fund (d)	100,338	40,001	(65,952)	-	-	74,387
	<u>108,126</u>	<u>40,001</u>	<u>(65,952)</u>	<u>-</u>	<u>-</u>	<u>82,175</u>
Endowment Funds						
Permanent Endowment (e)	3,096,061	-	(36,923)	241,892	3,667	3,304,697
Second Permanent Endowment (f)	1,589,098	-	-	264,876	-	1,853,974
	<u>4,685,159</u>	<u>-</u>	<u>(36,923)</u>	<u>506,768</u>	<u>3,667</u>	<u>5,158,671</u>
Total Charity Funds	<u>4,824,255</u>	<u>179,726</u>	<u>(224,965)</u>	<u>534,640</u>	<u>-</u>	<u>5,313,656</u>

HABERDASHER'S ADAMS' GRAMMAR SCHOOL CHARITY

England & Wales - Charity number 528402

Accounts

Registered Charity number 528402

**Haberdashers' Adams' Grammar
School Charity**

Financial Statements

for the year ended

31 August 2021

Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2021

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Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2021

LEGAL AND ADMINISTRATIVE DETAILS

CONSTITUTION

Haberdashers' Adams' Grammar School Charity, an unincorporated charity registered in England and Wales, is governed by a Scheme of the Charity Commission dated 29 September 1988.

Registered Charity number 528402

TRUSTEE

The Haberdashers' Company

www.haberdashers.co.uk

Haberdashers' Hall
18 West Smithfield
London
EC1A 9HQ

MASTER AND WARDENS OF THE HABERDASHERS' COMPANY

Master	The Revd James Power
First Warden	C R S Hardie
Second Warden	The Lord C Moynihan
Third Warden	J D Gregory
Fourth Warden	C J A Penney

MANAGEMENT TEAM

Clerk	Brigadier H A Watson MBE
Director of Finance & Information	Mr E D Bayley
Director of Schools & Property	Mrs A L Gonzalez (appointed 9 September 2021) Mr A Chambers (resigned 28 February 2021)

BANKERS

C Hoare & Co
37 Fleet Street
London
EC4P 4DQ

Courts & Co
440 Strand
London
WC2R 0QS

Lloyds Banking Group
1 Barnett Way
Gloucester
GL4 3RL

INDEPENDENT AUDITORS

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2021

LEGAL AND ADMINISTRATIVE DETAILS

PROPERTY ADVISERS

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South Pavilion
Sansaw Business Park
Hadnall
Shrewsbury
SY4 4AS

Haberdashers' Adams

www.adamsgs.org.uk

High Street
Newport
Shropshire
TF10 7BD

Haberdashers' Adams' Federation &

Haberdashers' Abraham Darby

www.abrahamdarbyacademy.com

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

The Trustee presents the annual report and financial statements of the Charity for the year ended 31 August 2021. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the accounts and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Legal and administrative information set out on pages 1 and 2 forms part of this report.

Trustee

The Master and Four Wardens of the Fraternity of the Art or Mystery of Haberdashers in the City of London, a body corporate commonly known as the Haberdashers' Company, is Trustee of the Charity in its capacity as the Governors of the Possessions and Revenues of the Free Grammar School of Newport, in the County of Salop, of the Foundation of William Adams. The Trustee receives no remuneration from the Charity.

Objects

The objects of the Charity are:

- to make land and buildings available for use by the Haberdashers' Adams' Grammar School and to keep those buildings insured; and
- to invest assets other than the land and buildings used by the School, to generate income for the benefit of the School, in particular for the maintenance of buildings (91% of net income), and for certain other beneficiaries named in the Scheme (9% of net income).

The Trustee has given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education in establishing strategy and planning activities for the Charity in pursuit of the objects. To increase social mobility and its connections with the local community, the School's admissions policy gives preference to boys of grammar school standard who live in the Newport area or are entitled to free school meals.

The Charity's Origin

In 1656 William Adams, a Member of The Court of Assistants of the Worshipful Company of Haberdashers, gave to the Company his land in Staffordshire within the Manor of Knighton, for the foundation of a free grammar school and four almshouses in the town of Newport, Shropshire and for the payment of various stipends. On his death in 1661 he devised further property to the Company.

The school was established by letters patent of Oliver Cromwell in 1656 and, after the death of William Adams, the Charity was established by Act of Parliament and the Master and Four Wardens incorporated as the Governors.

The School is a popular and highly successful selective school with boarding facilities. From 1999 to 2011, it was a Voluntary Aided school, with funding provided by Telford and Wrekin Education Authority. On 1 September 2011, the School became an Academy within the Haberdashers' Adams' Federation Trust (the Federation).

Statement of the Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of the resources of the Charity for that period. In preparing these financial statements the Trustee is required to:

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Charity and which enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Charity's constitution. The Trustee is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance

The Haberdashers' Company is governed by a Court of Assistants, whose members bring a range of expertise to their service both for the Company and on governing bodies of the Company's schools, including Haberdashers' Adams' and Haberdashers' Abraham Darby. The Trustee's duties are delegated to a number of Company committees:

- The Education Committee is responsible to the Court of Assistants for the affairs of the Charity.
- The Finance Committee advises the Education Committee on the Charity's financial affairs and sets investment policy. The chairmen of the Education, Property and Securities Committees are members of the Finance Committee.
- The Property and Securities Committees are responsible to the Finance Committee for managing the Charity's investments.
- The Membership and Appointments Committee ensures that appointments to each committee provide an appropriate range of skills and experience.

Induction processes for new committee members are tailored to individual needs by committee secretaries. Ongoing training for Court and Committee members includes provision of relevant Charity Commission publications and briefing sessions on current topics at committee meetings.

The Trustee has implemented a risk management strategy for all charities under its control, which comprises:

- annual review of risks faced by the charities;
- establishment and review of systems and procedures to mitigate those risks; and
- establishment and review of procedures to minimise potential impact on the charities should any of those risks materialise.

Related parties

The School has been federated with Haberdashers' Abraham Darby in Madeley, Telford, since September 2008 and, on conversion to an Academy itself on 1 September 2011, became part of the Haberdashers' Adams' Federation Trust, a separately constituted charity, sponsored by the local authority and by the Haberdashers' Company. Through the Federation, the School and Haberdashers' Abraham Darby Academy have a number of Governors in common but the Charity's object is to provide financial support for the School only and not for Haberdashers' Abraham Darby.

The Haberdashers' Company nominates four individuals to be members of the Federation along with itself. The members appoint the majority of the Directors of the Federation and the Directors appoint others to serve, along with themselves, as the Governors of the two academies. The Charity and the Federation Trust, having related objects and common control, are regarded as connected charities. As Trustee, the Haberdashers' Company maintains close contact with the Governors and the School, to ensure that the Charity's resources are applied to best effect at the School.

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

The Haberdashers' Company is also Trustee of the Haberdashers' Charities Investment Pool, a common investment fund in which the Charity's endowment funds are invested.

Investment powers and objectives

There are no constraints on the Trustee's general power of investment in the governing Scheme. Investment property is managed by the Property Committee of the Haberdashers' Company, advised by the property advisers. Supervision of other investments is exercised by the Securities Committee of the Haberdashers' Company.

The current investment objectives are:

- to collect all the monies due from the sale of investment property;
- to maximise net income from the limited amount of investment property that remains; and
- to maximise capital growth from other investments, subject first to producing a consistent level of income.

Proceeds of a property disposal for development in 2003 were invested to generate additional endowment income (from the Second Permanent Endowment Fund) which, under a Section 106 agreement with the local authority, must be used to maintain the Charity's listed buildings. The remaining land held for investment generates income from short leases.

The Charity's main investment is in the Haberdashers' Charities Investment Pool, 'the CIP fund', a common investment fund and registered charity with the Haberdashers' Company as Trustee. The investments in the CIP are managed by Cazenove Capital Management Limited.

From April 2017, the CIP adopted a total return approach. Since this date, the investment objective for the CIP is to maximise total return, whilst producing income broadly in line with the average level sought by charities constrained by income. From April 2017, the performance benchmark has been as follows:

Equities	MSCI AC World Index
Fixed Interest	FTSE Government All Stocks
Alternatives	LIBID 7 day +2%

The Trustee requires that investment risk is minimised in relation to the mix of asset classes and stocks held within each class.

Under the total return approach, all investment returns are received into the permanent endowment fund, whether in the form of income or realised or unrealised gains. With full regard to the overriding duty to manage investment assets to meet the long term needs of the participating charities, the Trustee then make transfers out of the accumulated unapplied total return in the endowment fund to a 'trust for application' to meet grants and other costs formerly paid out of net income. The remaining unapplied total return is retained within the permanent endowment fund.

The base date for the CIP fund is 30 June 2009, at which point the endowments were valued at £838k and additional capital of £985k has been added since that date. Preservation of real value of the endowment fund is monitored by indexing the base value to the greater of RPI or an index of salaries in the service sector, as a proxy for the rate at which costs increase at the schools. At 31 August 2021, the value of CIP endowment fund investment assets was £102k more than the indexed base value (2020: £98k).

Details of the movement on unapplied total return can be seen at note 6.

Reserves policy

The Charity aims to keep one year's expenditure in unrestricted general funds. Last year, exceptional expenditure with the Covid19 pandemic and unexpected costs to bring the old boarding houses into a state of better repair, at 31 August 2020, the Charity's unrestricted general reserve was overdrawn at £54,576. This year, with normal levels of income and reduced exceptional expenditure, the unrestricted general reserve had improved and at 31 August 2021 it was overdrawn by £37,457. The ability to make grant payments for school maintenance from the unrestricted fund is constrained by

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

the need to make capital and interest payments on a loan taken to provide funding for a science building at the School. Payments for school maintenance may continue from a designated unrestricted school fund which has increased from £42,308 in 2020 to £101,161 at the year end. Full details of the Charity's reserves at year end are set out in note 11 to the financial statements.

Mission and strategy

The partnership between the Trustee and the Governors of the School has developed a unique and highly successful establishment serving day pupils and boarders. Although proud of its grammar school status, now also as an Academy, the School does not operate in isolation but works closely with the local authority and its Federation partner Haberdashers' Abraham Darby to serve the wider community of Telford and Wrekin. To increase social mobility and its connections with the local community, the School has introduced a new admissions policy to give preference to boys of grammar school calibre who live in the Newport area or are entitled to free school meals. However, the resources of the Charity are limited and the buildings at the School, some of which are listed, have suffered from scarcity of funding over many years. The aim of the Trustee and the Governors for the School's two sites is to achieve major improvements in the building stock, funded by grants, fundraising by and from parents and alumni and from the Charity itself.

The School has been able to attract some much-needed funding from a £1.3 million appeal (to which the Charity contributed) to convert the former performing arts centre into a sixth form centre and create a music centre from the old Coach House and £3.2 million from Building Schools for the Future to create a new humanities building, complete a new music and performing arts centre, including the remodelled Coach House and an auditorium, to refurbish the Maths block and to refresh some other teaching areas. The School is currently replacing the old sports pavilion but still needs to improve the old listed buildings. The strategy adopted by the Trustee has been and remains:

- to maximise the return from investment assets.
- to build up reserves to assist in repair and refurbishment of listed buildings.
- to assist the School in its own fundraising activities.
- to be prepared to use the Charity's assets to supplement grant funding for building projects.
- to protect the value of the Charity's endowment funds but, as a last resort, to be prepared to apply to the Charity Commission for permission to expend endowment capital on building projects, subject to replacement orders.

Public Benefit

The Charity provides public benefit by making available, at no charge, land, buildings and other support for the School, which is a State Academy with a private boarding facility. There are currently 1040 pupils aged 11 to 18, including 100 boarders. The School serves the population of Newport, Shropshire and surrounding areas and is also able to accommodate pupils with a particular need to board but for whom boarding schools in the independent sector are not affordable. There are only around 35 maintained schools with boarding facilities in England and Wales and demand for boarding places remains high.

The School received an outstanding inspection report from Ofsted in 2013. The full report is available on the Ofsted website. The local authority, Telford and Wrekin, has demonstrated its faith in the School through co-sponsorship of the Haberdashers' Adams' Federation. The resources provided by the Charity for the School and the governors nominated by the Haberdashers' Company have made a substantial contribution to the School's ability to widen its area of benefit in Shropshire through participation in the Federation.

School buildings

The two sites and historic buildings occupied by the School are assets of the Charity. In recent years, additional buildings have been constructed with a mixture of public and private funding. In particular,

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

the Sports Hall and Science Block were funded partly by the Charity but mainly by public funding. These newer buildings are held on the balance sheet of the Haberdashers' Adams' Federation Trust.

In 2010, the Charity took a bank loan of £550,000 to enable it to support funding of the Sports Hall, which was held initially on the Charity's balance sheet. When the School converted to an academy, that building was transferred to the balance sheet of the Haberdashers' Adams' Federation Trust, at which point the bank loan left the Charity's general fund overdrawn. However, the Charity serviced the loan without difficulty and the overdrawn fund balance was rectified in 2019. A further loan was taken out in February 2017 to purchase Beaumaris House, a nursing home on an adjoining site. The loan was fully repaid in February 2021. This building, now renamed Beaumaris Hall has been converted to a modern boarding facility and replaces the old, senior boarding houses. The Trustee is considering the disposal of the old boarding houses (Beaumaris, Picken and Roddam) as they are no longer needed by the School.

The School's boarding facilities are now on two sites, with senior boarders in Beaumaris Hall and junior boarders a short walk from the School at Longford Hall.

The School makes contributions from its non-public funds to the Charity in recognition of financial support for building projects from the Charity. Contributions in the year ended 31 August 2021 were £50,000 (year ended 31 August 2020: £50,000).

Subsidiary company

Adams Newport Limited owned Shuker Field, a piece of land held for investment. On 11 December 2018 this land was sold to Persimmon Homes for £560,234. The proceeds of sale (£465,678) were gifted to the Charity under Gift Aid, where it was been added to the Permanent Endowment.

Finance

Group total incoming resources for the year were £179,726 (2020: £196,742).

Grants of £98,380 were made to the School during the year, predominantly for building maintenance (2020: £121,497).

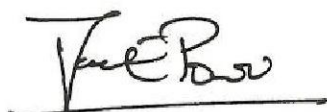
Net outgoing resources for the year before investment gains were £45,239 (2020: outgoing resources £48,587).

Net investment gains for the year were £534,640 (2020: £100,931). Total return on the endowment funds' investment in the Haberdashers' Charities Investment Pool was 19.0% (2020: 6.2%).

Objectives in the year ahead are:

- Dispose of surplus property to help pay off the outstanding loans.
- To make best use of the restricted School Maintenance Fund for the listed buildings at the School.

Signed on behalf of the Trustee on 10/6/2022 ~~2022~~



Master



Warden

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY

Opinion

We have audited the financial statements of the Haberdashers' Adams Grammar School Charity (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 August 2021 which comprise the group statement of financial activities, the charity statement of financial activities, the group and charity balance sheets 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and the parent charity's affairs as at 31 August 2021 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

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.

Matters on which we are required to report by exception

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

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY

- the parent charity has not kept sufficient accounting records; or
- the parent charity's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of the Trustee's Responsibilities set out on pages 3-4, the trustee is 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 trustee determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustee is responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustee either intends to liquidate the group or the parent charity or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the group and parent charity's financial statements to material misstatement and how fraud might occur, including through discussions with informed management and representatives of the trustee, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the group and parent charity by discussions with informed management and representatives of the trustee, and updating our understanding of the sector in which the group and parent charity operate.

Laws and regulations of direct significance in the context of the group and parent charity include the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and guidance issued by the Charity Commission for England and Wales.

Audit response to risks identified:

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the parent charity's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the parent charity's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF
HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY**

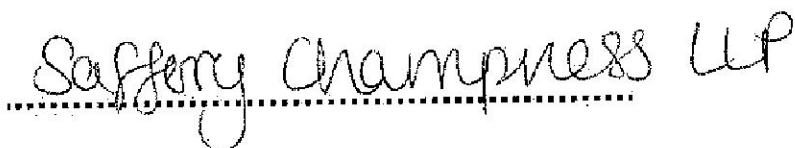
accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the parent charity's trustee, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the parent charity trustee 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 parent charity and the parent charity's trustee as a body, for our audit work, for this report, or for the opinions we have formed.



Saffery Champness
LLP

Chartered Accountants
71 Queen Victoria Street
London
EC4V 4BE

Statutory Auditors

Date: 22/06/2022

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Haberdashers' Adams' Grammar School Charity

GROUP STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 August 2021

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:						
Donations from the Trustee		30,000	-	-	30,000	50,000
Investments:						
Investment income	2	21,217	-	76,478	97,695	94,475
Rental income		2,031	-	-	2,031	2,042
Charitable activities:						
School buildings contributions		50,000	-	-	50,000	50,000
Other income:						
Other		-	-	-	-	225
Total return allocated to income	2	36,477	40,001	(76,478)	-	-
		<u>139,725</u>	<u>40,001</u>	<u>-</u>	<u>179,726</u>	<u>196,742</u>
Expenditure on:						
Raising funds		21,711	-	-	21,711	28,690
Charitable activities:						
Donations and grants		32,428	65,952	-	98,380	121,497
Other costs		67,951	-	36,923	104,874	95,142
	3	<u>122,090</u>	<u>65,952</u>	<u>36,923</u>	<u>224,965</u>	<u>245,329</u>
Net income (expenditure) before gains on investments		17,635	(25,951)	(36,923)	(45,239)	(48,587)
Net gains on investments	5	27,872	-	506,768	534,640	100,931
Net income/(expenditure)		45,507	(25,951)	469,845	489,401	52,344
Transfers between funds	11	(3,667)	-	3,667	-	-
Net movement in funds		41,840	(25,591)	473,512	489,401	52,344
Reconciliation of Funds:						
Total funds brought forward		30,970	108,126	4,685,159	4,824,255	4,771,991
Total funds carried forward	11	72,810	82,175	5,158,671	5,313,656	4,824,255

All results derive from continuing activities

The notes on pages 14 to 30 form part of these financial statements.

Haberdashers' Adams' Grammar School Charity

CHARITY STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 August 2021

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2021 £	Total Funds 2020 £
Income and endowments from:						
Donations from the Trustee		30,000	-	-	30,000	50,000
Donation from subsidiary company		-	-	-	-	465,678
Investments:						
Investment income	2	21,217	-	76,478	97,695	94,475
Rental income		2,031	-	-	2,031	2,042
Interest due from subsidiary company		975	-	-	975	975
Charitable activities:						
School buildings contributions		50,000	-	-	50,000	50,000
Other income:						
Other		-	-	-	-	225
Total return allocated to income		36,477	40,001	(76,478)	-	-
		<u>140,700</u>	<u>40,001</u>	<u>-</u>	<u>180,701</u>	<u>663,395</u>
Expenditure on:						
Raising funds		24,246	-	-	24,246	29,828
Charitable activities:						
Donations and grants		32,428	65,952	-	98,380	121,497
Other costs		66,391	-	36,923	103,314	94,979
	3	<u>123,065</u>	<u>65,952</u>	<u>36,923</u>	<u>225,940</u>	<u>246,304</u>
Net income/(expenditure) before gains on investments		17,635	(25,951)	(36,923)	(45,239)	417,091
Net gains on investments	5	<u>27,872</u>	<u>-</u>	<u>506,768</u>	<u>534,640</u>	<u>100,931</u>
Net income/(expenditure)		45,507	(25,951)	469,845	489,401	518,022
Transfers between funds	11	<u>(3,667)</u>	<u>-</u>	<u>3,667</u>	<u>-</u>	<u>-</u>
Net movement in funds		41,840	(25,951)	473,512	489,401	518,022
Reconciliation of Funds:						
Total funds brought forward		30,970	108,126	4,685,159	4,824,255	4,306,233
Total funds carried forward	11	<u><u>72,810</u></u>	<u><u>82,175</u></u>	<u><u>5,158,671</u></u>	<u><u>5,313,656</u></u>	<u><u>4,824,255</u></u>

The notes on pages 14 to 29 form part of these financial statements.

All results derive from continuing activities.

Haberdashers' Adams' Grammar School Charity

BALANCE SHEET Year ended 31 August 2021

	Note	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	4	1,515,487	1,552,410	1,515,487	1,552,410
Investments	5	4,005,709	3,622,069	4,005,709	3,622,069
Investment in subsidiary company	12	-	-	6,649	23,662
Loan to subsidiary company	12	-	-	24,375	24,375
		<u>5,521,196</u>	<u>5,174,479</u>	<u>5,552,220</u>	<u>5,222,516</u>
Current assets					
Debtors: amounts receivable within one year	7	43,388	255,195	43,388	41,062
Investments: deposits		42,300	442,300	42,300	442,300
Cash at bank		35,970	12,707	-	-
		<u>121,658</u>	<u>710,202</u>	<u>85,688</u>	<u>483,362</u>
Liabilities					
Creditors: amounts falling due within one year	8	(202,698)	(887,926)	(197,752)	(709,123)
Net current liabilities		<u>(81,040)</u>	<u>(177,724)</u>	<u>(112,064)</u>	<u>(225,761)</u>
Total assets less current liabilities		<u>5,440,156</u>	<u>4,996,755</u>	<u>5,440,156</u>	<u>4,996,755</u>
Creditors: amounts falling due after more than one year	9	(126,500)	(172,500)	(126,500)	(172,500)
Total net assets		<u><u>5,313,656</u></u>	<u><u>4,824,255</u></u>	<u><u>5,313,656</u></u>	<u><u>4,824,255</u></u>
The Funds of the Charity:					
Permanent endowment funds	11	5,158,671	4,685,159	5,158,671	4,685,159
Restricted funds	11	82,175	108,126	82,175	108,126
Unrestricted funds	11	72,810	30,970	72,810	30,970
Total Charity Funds		<u><u>5,313,656</u></u>	<u><u>4,824,255</u></u>	<u><u>5,313,656</u></u>	<u><u>4,824,255</u></u>

The notes on pages 14 to 29 form part of these financial statements.

These financial statements were approved and authorised for issue by the Trustee on 16/6 2022 and signed on behalf of the Trustee.


Master


Warden

Haberdashers' Adams' Grammar School Charity

BALANCE SHEET Year ended 31 August 2021

	Note	Group		Charity	
		2021	2020	2021	2020
		£	£	£	£
Fixed assets					
Tangible assets	4	1,515,487	1,552,410	1,515,487	1,552,410
Investments	5	4,005,709	3,622,069	4,005,709	3,622,069
Investment in subsidiary company	12	-	-	6,649	23,662
Loan to subsidiary company	12	-	-	24,375	24,375
		<u>5,521,196</u>	<u>5,174,479</u>	<u>5,552,220</u>	<u>5,222,516</u>
Current assets					
Debtors: amounts receivable within one year	7	43,388	255,195	43,388	41,062
Investments: deposits		42,300	442,300	42,300	442,300
Cash at bank		35,970	12,707	-	-
		<u>121,658</u>	<u>710,202</u>	<u>85,688</u>	<u>483,362</u>
Liabilities					
Creditors: amounts falling due within one year	8	(202,698)	(887,926)	(197,752)	(709,123)
Net current liabilities		<u>(81,040)</u>	<u>(177,724)</u>	<u>(112,064)</u>	<u>(225,761)</u>
Total assets less current liabilities		<u>5,440,156</u>	<u>4,996,755</u>	<u>5,440,156</u>	<u>4,996,755</u>
Creditors: amounts falling due after more than one year	9	(126,500)	(172,500)	(126,500)	(172,500)
Total net assets		<u>5,313,656</u>	<u>4,824,255</u>	<u>5,313,656</u>	<u>4,824,255</u>
The Funds of the Charity:					
Permanent endowment funds	11	5,158,671	4,685,159	5,158,671	4,685,159
Restricted funds	11	82,175	108,126	82,175	108,126
Unrestricted funds	11	72,810	30,970	72,810	30,970
Total Charity Funds		<u>5,313,656</u>	<u>4,824,255</u>	<u>5,313,656</u>	<u>4,824,255</u>

The notes on pages 14 to 29 form part of these financial statements.

These financial statements were approved and authorised for issue by the Trustee on 16/6 2022 and signed on behalf of the Trustee.


Master


Warden

NOTES TO THE ACCOUNTS

Year ended 31 August 2021

1. ACCOUNTING POLICIES

Basis of preparation

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

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

The Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern due to the total Charity funds at the year end.

Cash flow exemption

Advantage has been taken of the exemption for charities with income less than £500,000 from preparing a cash flow statement under SORP (FRS 102).

Group accounts

The financial statements consolidate the results of the Charity and its wholly-owned non-charitable subsidiary company Adams Newport Limited (incorporated 18 September 2008) on a line-by-line basis.

Funds structure

The Charity maintains funds as follows:

Permanent Endowment Fund: The Permanent Endowment Funds may not be expended and represent the land and buildings of the School and assets invested to generate income for restricted and unrestricted purposes.

Restricted Funds: Restricted Funds represent assets held and income received which are allocated by the donors for specific purposes.

Unrestricted Funds: The Unrestricted Funds represent income which is expendable at the discretion of the trustee in furtherance of the objects of the Charity.

Income recognition

All income is recognised in the SOFA when the conditions for receipt have been met and there is reasonable assurance of receipt.

Donations: Donations and all other receipts from fundraising are reported gross and any related fundraising costs are reported under the heading 'resources expended' as costs of generating funds. Tax recoverable relating to donations is accounted for in the same period as the related income.

NOTES TO THE ACCOUNTS

Year ended 31 August 2021

Investment Income: Investment income is received without deduction of tax and is accounted for when receivable.

School buildings grants and contributions: Government grants for construction of new school buildings on the Charity's land are treated as incoming resources in a restricted fund which also holds those new buildings, subject to any interest retained by the Department for Children, Schools and Families. Unrestricted contributions toward new buildings are also received from non-public school funds.

Expenditure recognition

Resources expended are recorded on an accruals basis and include support costs which may be allocated direct or apportioned on the basis of staff time.

Costs of generating funds: Costs incurred in managing the Charity's investment assets and servicing loans are recorded under this heading.

Charitable activities: Expenditure incurred directly in meeting the objects of the Charity is recorded under this heading.

Governance costs: Costs incurred in administering the Charity itself, rather than in managing charitable activities, are recorded under this heading.

Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. These include salaries and service charges relating to specific staff involved directly in facilitating charitable activities.

Governance costs relate to expenditure incurred in the general running of the Charity and include salaries and service charges for specific staff involved in compliance with constitutional and statutory requirements and audit fees.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Tangible fixed assets and depreciation

The cost of historic assets of the Charity, being the original freehold land and buildings, are excluded from the balance sheet since reliable cost information is not available and conventional valuation approaches lack sufficient reliability. The original freehold land and buildings were purchased between 1656 and 1928, so the figure is unlikely to be material.

Buildings acquired by the Charity since 1945 are capitalised at historical cost, less depreciation. Buildings on the Charity's land funded predominantly by government grant are capitalised in the Haberdashers' Adams' Federation Trust.

Freehold land is not depreciated. Depreciation is charged so as to write down the value of freehold properties, other than freehold land, to their estimated residual value on a straight line basis over their remaining expected useful economic lives at a rate of 2% per annum.

Fixed asset investments

Investments, excluding the investment in the trading subsidiary, are stated at market value. All gains and losses are taken to the SOFA as they arise.

The Charity's investment in its subsidiary is carried at historic cost.

NOTES TO THE ACCOUNTS
Year ended 31 August 2021

Fixed asset investment property

In accordance with FRS 102, investment property is revalued annually by the trustee or external valuers and the aggregate surplus or deficit is transferred to the appropriate fund holding the investment.

Financial instruments

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial instruments are recognised in the balance sheet of the Charity when it becomes party to the contractual provisions of the instrument.

Financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially recognised at transaction price including transaction costs and are subsequently carried at amortised cost.

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when:

- the contractual rights to the cash flows from the asset expire or are settled, or
- substantially all the risks and rewards of the ownership of the asset are transferred to another party, or
- control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, which include trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods where necessary.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2021

2. INVESTMENT INCOME

	Total 2021 £	Total 2020 £
Interest receivable	21,217	24,700
Distributions from Haberdashers' Charities Investment Pool	76,478	69,775
Total – Charity and Group	97,695	94,475

3. ANALYSIS OF EXPENDITURE

	Charitable activities £	Raising funds £	Govern- ance £	Total 2021 £	Total 2020 £
Costs directly allocated to activities					
Insurance of School buildings	9,991	-	-	9,991	10,111
Less: insurance paid by School	(9,522)	-	-	(9,522)	(10,517)
Depreciation of School buildings	36,923	-	-	36,923	36,923
Grants to School	98,380	-	-	98,380	121,498
Property advice and management fees	-	3,247	-	3,247	1,346
Legal fees and professional advice	-	-	34,416	34,416	26,114
Loan interest	-	3,986	-	3,986	17,144
Impairment of investment of subsidiary company	-	17,013	-	17,013	11,338
Support costs					
Allocated direct	-	-	72	72	69
Allocated on the basis of staff time:					
Staff costs	25,110	-	2,544	27,654	27,863
Service charges	3,432	-	348	3,780	4,415
Total expenditure – Charity	164,314	24,246	37,380	225,940	246,304
Other expenditure – subsidiary company	-	14,478	1,560	16,038	10,363
Consolidation adjustment	-	(17,013)	-	(17,013)	(11,338)
Total expenditure - Group	164,314	21,711	38,940	224,965	245,329

Under joint employment contracts of staff and a paymaster arrangement, salary costs for the Haberdashers' Company and its charities are paid by the Haberdashers' Operating Company and allocated to the various entities on the basis of time spent. The average number of employees in the year was 2 (2020: 2). Neither of the employees received employment benefits for services to the Charity exceeding £60,000.

The Trustee receives no remuneration from the Charity and was not reimbursed for expenses except where noted above.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2021

3. ANALYSIS OF EXPENDITURE (continued)

Expenditure on legal fees and professional advice includes the following amounts paid to the Charity's auditors (including VAT):

	Group 2021 £	2020 £	Charity 2021 £	2020 £
Audit fees – current year	9,360	9,516	9,360	9,516
Audit fees – prior year	5,364	-	5,364	-
Tax advisory services	4,929	10,200	3,369	-
Total – Charity and Group	<u>19,653</u>	<u>19,716</u>	<u>18,093</u>	<u>9,516</u>

4. TANGIBLE ASSETS – CHARITY AND GROUP

	2021 £	2020 £
Freehold Land and Buildings		
Cost:		
Boarding House	1,570	1,570
Longford Hall	66,608	66,608
Land at rear of Lloyds Bank Plc	1,295	1,295
Reinstallation of staircase in School House	30,000	30,000
Wood Centre – classroom block	350,173	350,173
Coach House	140,000	140,000
Beaumaris Hall	904,750	904,750
Old almshouse buildings	369,500	369,500
Balance at 31 August 2021	<u>1,863,896</u>	<u>1,863,896</u>
Depreciation		
Balance at 31 August 2020	311,486	274,563
Charge for the year	36,923	36,923
Balance at 31 August 2021	<u>348,409</u>	<u>311,486</u>
Net book value – Charity and Group		
At 31 August 2021	<u>1,515,487</u>	<u>1,552,410</u>
At 31 August 2020	<u>1,552,410</u>	<u>1,589,333</u>

Included in freehold land and buildings is land with a cost of £17,795 which is not depreciated.

The freehold land and buildings included an asset (disposed of in 2018) which is subject to a Charity Commission replacement order which expires in 2033. This order requires annual transfers from net income of the unrestricted funds to the Permanent Endowment Fund to replace past capital expended (see note 11(e)).

NOTES TO THE ACCOUNTS
Year ended 31 August 2021

5. INVESTMENTS

	Unrestricted Funds £	Permanent Endowment Funds £	Group Total £
Freehold investment property			
Market value at 1 September 2020	-	115,500	115,500
Market value at 31 August 2021	-	115,500	115,500
Haberdashers' Charities Investment Pool			
Market value at 1 September 2020	-	3,040,300	3,040,300
Unrealised gain	-	506,768	506,768
Market value at 31 August 2021	-	3,547,068	3,547,068
Diversified Property Fund for Charities			
Market value at 1 September 2020	269,007	-	269,007
Unrealised gain	22,630	-	22,630
Market value at 31 August 2021	291,637	-	291,637
Property Income Trust for Charities			
Market value at 1 September 2020	197,262	-	197,262
(Decrease) in investment cash	(151,000)	-	(151,000)
Unrealised Gain (loss)	5,242	-	5,242
Market value at 31 August 2021	51,504	-	51,504
Total market value at 31 August 2021	343,141	3,662,568	4,005,709
Total market value at 31 August 2020	466,269	3,155,800	3,622,069

Land at Longford Hall was revalued in 2011 by Carter Jonas. The Trustee has subsequently reviewed these values and believes there has been no material change.

The Charity has a wholly owned trading subsidiary, Adams Newport Limited, whose results are consolidated in these financial statements. The Charity's investment in Adams Newport Limited, £35,000, has been impaired below cost, as the company has incurred trading losses since the sale of Shuker Field. The carrying value of the investment in the Charity's accounts is equal to the value of the trading company's net assets at year end, which was £6,649 (2020: £23,662) (see note 12).

NOTES TO THE ACCOUNTS
Year ended 31 August 2021

6. MOVEMENT ON UNAPPLIED TOTAL RETURN

Unapplied total return is calculated relative to the value of the trust for investment at 30 June 2009 (base value), that being the base date determined by the Trustee as appropriate for the Charity's endowment fund. New endowment gifts totalling £984,559 have been received since the base date.

	Trust for investment £	Unapplied Total Return £	Total 2021 £	Total 2020 £
Trust for investment at 1 September 2020	1,822,953	1,217,347	3,040,300	2,929,603
Investment returns:				
Investment income	-	76,478	76,478	69,775
Realised and unrealised gains	-	506,768	506,768	110,697
Transfer to trust for application	-	(76,478)	(76,478)	(69,775)
Trust for investment at 31 August 2021	1,822,953	1,722,115	3,545,068	3,040,300

7. DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Interest receivable	2,917	3,418	2,917	3,418
Rents receivable	432	1,517	432	1,517
Investment income	5,657	3,953	5,657	3,953
Prepayments	1,842	1,657	1,842	1,657
Shuker Field – sale proceeds	-	214,133	-	-
Other debtors and prepayments	32,540	30,517	32,540	30,517
	43,388	255,195	43,388	41,062

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS

Year ended 31 August 2021

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Purchase of arms-house	92,375	92,375	92,375	92,375
Bank loan	46,000	412,600	46,000	412,600
Loan from the Haberdashers Operating Company	-	289,800	-	-
Loan interest payable to the Haberdashers Operating Company	14,478	-	-	-
Bank overdraft	-	-	11,092	111,302
Grants to beneficiaries	6,795	6,795	6,795	6,795
Loan interest accrued	306	941	306	941
Deferred income	4,167	4,167	4,167	4,167
Other creditors and accruals	38,577	81,248	37,017	80,943
	<u>202,698</u>	<u>887,926</u>	<u>197,752</u>	<u>709,123</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Bank loan repayable as follows:				
1 to 2 years	46,000	46,000	46,000	46,000
2 to 5 years	80,500	126,500	80,500	126,500
	<u>126,500</u>	<u>172,500</u>	<u>126,500</u>	<u>172,500</u>

A loan of £690,000 was drawn from Coutts & Co on 1 February 2010. The loan is unsecured, repayable over 15 years and the interest rate at year end was 2.31%. At 31 August 2021 the outstanding balance was £172,500 (2020: £218,500).

The loan is being underwritten by the Worshipful Company of Haberdashers.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2021

10. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Subsidiary Company £	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds £
Tangible assets	-	-	-	1,515,487	1,515,487
Fixed asset investments	-	343,141	-	3,662,568	4,005,709
Investment in subsidiary	(59,375)	-	-	59,375	-
Net current assets/(liabilities)	31,024	(141,146)	82,175	(53,093)	(81,040)
Creditors due after more than one year	-	(100,833)	-	(25,667)	(126,500)
	<u>(28,351)</u>	<u>101,161</u>	<u>82,175</u>	<u>5,158,670</u>	<u>5,313,656</u>

11. THE FUNDS OF THE GROUP AND CHARITY

	Balance 31 August 2020 £	Income £	Expend- iture £	Net investment gains/ (losses) £	Net transfers £	Balance 31 August 2021 £
Unrestricted Funds						
General fund	(54,576)	90,700	(101,453)	27,872	-	(37,457)
Designated school fund (a)	96,884	50,000	(4,599)	-	(3,667)	138,618
Unrestricted – Charity	42,308	140,700	(106,052)	27,872	(3,667)	101,161
Subsidiary company	(11,338)	(975)	(16,038)	-	-	(28,351)
Unrestricted – Group	<u>30,970</u>	<u>139,725</u>	<u>(122,090)</u>	<u>27,872</u>	<u>(3,667)</u>	<u>72,810</u>
Restricted Funds						
Annual Payments Fund (b)	-	-	-	-	-	-
Governors' Fund (c)	7,788	-	-	-	-	7,788
School Maintenance Fund (d)	100,338	40,001	(65,952)	-	-	74,387
	<u>108,126</u>	<u>40,001</u>	<u>(65,952)</u>	<u>-</u>	<u>-</u>	<u>82,175</u>
Endowment Funds						
Permanent Endowment (e)	3,096,061	-	(36,923)	241,892	3,667	3,304,697
Second Permanent Endowment (f)	1,589,098	-	-	264,876	-	1,853,974
	<u>4,685,159</u>	<u>-</u>	<u>(36,923)</u>	<u>506,768</u>	<u>3,667</u>	<u>5,158,671</u>
Total Charity Funds	<u>4,824,255</u>	<u>179,726</u>	<u>(224,965)</u>	<u>534,640</u>	<u>-</u>	<u>5,313,656</u>

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS

Year ended 31 August 2021

11. THE FUNDS OF THE CHARITY (continued)

- (a) The Designated School Fund receives income from the School which is designated for use in connection with the School buildings.
- (b) The Annual Payments Fund receives and distributes 9% of the net general fund income of the Charity to beneficiaries listed in the governing Scheme of the Charity. In years where there is a deficit no distributions are made.
- (c) The Governors' Fund is available to make payments in support of School activities at the discretion of the Governors.
- (d) The School Maintenance Fund receives income from the Second Permanent Endowment Fund which may be used only for the purpose of maintaining the School's listed buildings, under a Section 106 agreement with the local authority.
- (e) The Permanent Endowment Fund is a mixture of buildings and investments. The buildings are functional endowment, which are subject to depreciation. The balance of the endowment is invested to produce income for the General fund and receives annual repayments from the Designated School Fund. These repayments will continue until 2033, when the Charity Commission replacement order will have been satisfied (see note 4).
- (f) The Second Permanent Endowment Fund was created to receive assets transferred from the main Permanent Endowment Fund, which are subject to further restriction in that income from the investments of this fund must be credited to the restricted School Maintenance Fund.

12. TRADING SUBSIDIARY

Name	Share capital £	Activities
Adams Newport Limited (Company number 6702065)	35,000	To hold investment property.

A summary of trading results and balance sheet are shown below:

	2021 £	2020 £
Administration expenses	(1,560)	(10,363)
Operating loss	(1,560)	(10,363)
Interest payable	(15,453)	(975)
Retained loss before gain on investment and distributions	(17,013)	(11,338)
Distribution	-	(465,678)
Retained loss	(17,013)	(477,016)
Current assets	47,062	338,142
Creditors falling due within one year	(16,038)	(290,105)
Secured loan from the Charity	(24,375)	(24,375)
Net assets	6,649	23,662

NOTES TO THE ACCOUNTS

Year ended 31 August 2021

13. TAXATION

The Charity does not trade for tax purposes and it is not liable to corporation tax on its surplus.

14. RELATED PARTIES

The School is part of the Haberdashers' Adams' Federation Trust, a separate charity for which the Haberdashers' Company is Sponsor and provides a majority of directors. The Charity and the Trust, having related objects and common control, are regarded as connected charities. The School made a contribution from non-public funds of £50,000 (2020: £50,000) to support building projects from the Charity.

The Haberdashers' Company, a City Livery Company incorporated by royal charter, is named as the permanent Trustee of the Haberdashers' Adams' Grammar School Charity.

The Charity's endowment funds are invested predominantly in the Haberdashers' Charities Investment Pool, a common investment fund also having the Haberdashers' Company as Trustee. Distributions of £76,478 (2020: £69,775) were received from the Investment Pool in the year; unrealised gains of £506,768 (2020: £110,697) were generated by the Charity's investment in the Pool.

The Trustee was reimbursed for certain expenses incurred in the year on behalf of the Charity (see note 2 for details for both the current and prior year). Neither the Trustee nor any member of its governing body, the Court of Wardens, otherwise receives any remuneration or benefits from the Charity (2020: £nil).

A donation of £30,000 (2020: £50,000) was received from the Trustee in the year. This was to help mitigate administrative expenses and grants to schools.

The Charity gave a grant of £Nil (2020: £nil) in the year to the Haberdashers Benevolent Foundation. This related to 1/6th of the total grant paid to named beneficiaries in the Charity Commission Scheme.

In September 2019 the Haberdashers Operating Company made a loan of £478,000 to Adams Newport Limited. This loan was fully repaid in February 2021.

Adams Newport Limited made payments totalling £15,453 to the Charity during the year relating to interest. (2020: £465,678 relating to a distribution of profits).

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS

Year ended 31 August 2021

15. GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total Funds 2020
	£	£	£	£
Income and endowments from:				
Donations from the Trustee	50,000	-	-	50,000
Investments:				
Investment income	24,700	-	69,775	94,475
Investment property	2,042	-	-	2,042
Charitable activities:				
School buildings contributions	50,000	-	-	50,000
Other income:				
Other	225	-	-	225
Total return allocated to income	33,305	36,470	(69,775)	-
	<u>160,272</u>	<u>36,470</u>	<u>-</u>	<u>196,742</u>
Expenditure on:				
Cost of raising funds	28,690	-	-	28,690
Charitable activities				
Donations and grants	121,497	-	-	121,497
Other costs	58,219	-	36,923	95,142
	<u>208,406</u>	<u>-</u>	<u>36,923</u>	<u>245,329</u>
Net (expenditure)/income before gains on investments and tangible investments	<u>(48,134)</u>	<u>36,470</u>	<u>(36,923)</u>	<u>(48,587)</u>
Net (losses)/gains on investments	<u>(9,766)</u>	<u>-</u>	<u>110,697</u>	<u>100,931</u>
Net income/(expenditure)	<u>(57,900)</u>	<u>36,470</u>	<u>73,774</u>	<u>52,344</u>
Transfers between funds	<u>(469,345)</u>	<u>-</u>	<u>-</u>	<u>469,345</u>
Net movement in funds	<u>(527,245)</u>	<u>36,470</u>	<u>543,119</u>	<u>52,344</u>
Reconciliation of Funds:				
Fund balances brought forward	558,215	12,232	558,215	71,656
Fund balances carried forward	<u>30,970</u>	<u>108,126</u>	<u>4,685,159</u>	<u>4,824,255</u>

NOTES TO THE ACCOUNTS
Year ended 31 August 2021

16. CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £
Income and endowments from:				
Donations from the Trustee	50,000	-	-	50,000
Donations from subsidiary company	-	-	465,678	465,678
Investments:				
Investment income	24,700	-	69,775	94,475
Investment property	2,042	-	-	2,042
Interest due from subsidiary company	975	-	-	975
Charitable activities:				
School buildings contributions	50,000	-	-	50,000
Other income:				
Other	225	-	-	225
Total return allocated to income	33,305	36,470	(69,775)	-
	<u>161,247</u>	<u>36,470</u>	<u>465,678</u>	<u>663,395</u>
Expenditure on:				
Raising funds	29,828	-	-	29,828
Charitable activities:				
Donations and grants	121,497	-	-	121,497
Other costs	58,056	-	36,923	94,979
	<u>104,103</u>	<u>-</u>	<u>36,923</u>	<u>246,304</u>
Net (expenditure)/income before gains on investments	(48,134)	36,470	428,755	417,091
Net (losses)/gains on investments	(9,766)	-	110,697	100,931
Net income/(expenditure)	(57,900)	36,470	539,452	518,022
Transfers between funds	(3,667)	-	3,667	-
Net movement in funds	(61,567)	36,470	543,119	518,022
Reconciliation of Funds:				
Fund balances brought forward	92,537	71,656	4,142,040	4,306,233
Fund balances carried forward	30,970	108,126	4,685,159	4,824,255

NOTES TO THE ACCOUNTS
Year ended 31 August 2021

17. ANALYSIS OF EXPENDITURE FOR THE YEAR ENDED 31 AUGUST 2020

	Charitable activities £	Raising funds £	Govern- ance £	Total 2019 £
Costs directly allocated to activities				
Insurance of School buildings	10,111	-	-	10,111
Less: insurance paid by School	(10,517)	-	-	(10,517)
Depreciation of School buildings	36,923	-	-	36,923
Grants to School	121,498	-	-	121,498
Grants to other institutions	-	-	-	-
Property advice and management fees	-	1,346	-	1,346
Legal fees and professional advice	-	-	26,114	26,114
Loan interest	-	17,144	-	17,144
Impairment of investment of subsidiary company	-	11,338	-	11,338
Support costs				
Allocated direct	-	-	69	69
Allocated on the basis of staff time:				
Staff costs	25,300	-	2,563	27,863
Service charges	4,009	-	406	4,415
Total expenditure – Charity	187,324	29,828	29,152	246,304
Other expenditure – subsidiary company	-	10,200	163	10,363
Consolidation adjustment	-	(11,338)	-	(11,338)
Total expenditure - Group	187,324	28,690	29,315	245,329

NOTES TO THE ACCOUNTS
Year ended 31 August 2021

18. INVESTMENTS FOR THE YEAR ENDED 31 AUGUST 2020

	Unrestricted Funds	Permanent Endowment Funds	Group Total
	£	£	£
Freehold investment property			
Market value at 1 September 2019	-	115,500	115,500
Market value at 31 August 2020	-	115,500	115,500
Haberdashers' Charities Investment Pool			
Market value at 1 September 2019	-	2,929,603	2,929,603
Unrealised gain	-	110,697	110,697
Market value at 31 August 2020	-	3,040,300	3,040,300
Diversified Property Fund for Charities			
Market value at 1 September 2019	270,535	-	270,535
Unrealised loss	(1,528)	-	(1,528)
Market value at 31 August 2020	269,007	-	269,007
Property Income Trust for Charities			
Market value at 1 September 2019	114,500	-	114,500
Increase in investment cash	91,000	-	91,000
Unrealised loss	(8,238)	-	(8,238)
Market value at 31 August 2020	197,262	-	197,262
Total market value at 31 August 2020	466,269	3,155,800	3,622,069
Total market value at 31 August 2019	385,035	3,045,103	3,430,138

NOTES TO THE ACCOUNTS
Year ended 31 August 2021

19. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS FOR THE YEAR ENDED 31 AUGUST 2020

	Subsidiary Company £	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds £
Tangible assets	-	-	-	1,552,410	1,552,410
Fixed asset investments	-	466,269	-	3,155,800	3,622,069
Investment in subsidiary	(59,375)	-	-	59,375	-
Net current assets/(liabilities)	48,037	(286,461)	108,126	(47,426)	(177,724)
Creditors due after more than one year	-	(137,500)	-	(35,000)	(172,500)
	<u>(11,338)</u>	<u>42,308</u>	<u>108,126</u>	<u>4,685,159</u>	<u>4,824,255</u>

20. THE FUNDS OF THE GROUP AND CHARITY FOR THE YEAR ENDED 31 AUGUST 2020

	Balance 31 August 2019 £	Income £	Expend- iture £	Net investment gains/ (losses) £	Net transfers £	Balance 31 August 2020 £
Unrestricted Funds						
General fund	35,319	111,247	(191,376)	(9,766)	-	(54,576)
Designated school fund (a)	57,218	50,000	(6,667)	-	(3,667)	96,884
Unrestricted – Charity	92,537	161,247	(198,043)	(9,766)	(3,667)	42,308
Subsidiary company	465,678	(975)	(10,363)	-	(465,678)	(11,338)
Unrestricted – Group	<u>558,215</u>	<u>160,272</u>	<u>(208,406)</u>	<u>(9,766)</u>	<u>(469,345)</u>	<u>30,970</u>
Restricted Funds						
Annual Payments Fund (b)	-	-	-	-	-	-
Governors' Fund (c)	7,788	-	-	-	-	7,788
School Maintenance Fund (d)	63,868	36,470	-	-	-	100,338
	<u>71,656</u>	<u>36,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,126</u>
Endowment Funds						
Permanent Endowment (e)	2,610,801	-	(36,923)	52,838	469,345	3,096,061
Second Permanent Endowment (f)	1,531,239	-	-	57,859	-	1,589,098
	<u>4,142,040</u>	<u>-</u>	<u>(36,923)</u>	<u>110,697</u>	<u>469,345</u>	<u>4,685,159</u>
Total Charity Funds	<u>4,771,911</u>	<u>196,742</u>	<u>(245,329)</u>	<u>100,931</u>	<u>-</u>	<u>4,824,255</u>

HABERDASHER'S ADAMS' GRAMMAR SCHOOL CHARITY

England & Wales - Charity number 528402

Accounts

Registered Charity number 528402

**Haberdashers' Adams' Grammar
School Charity**

Financial Statements

for the year ended

31 August 2020

Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2020

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Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2020

LEGAL AND ADMINISTRATIVE DETAILS

CONSTITUTION

Haberdashers' Adams' Grammar School Charity, an unincorporated charity registered in England and Wales, is governed by a Scheme of the Charity Commission dated 29 September 1988.

Registered Charity number 528402

TRUSTEE

The Haberdashers' Company

www.haberdashers.co.uk

Haberdashers' Hall
18 West Smithfield
London
EC1A 9HQ

MASTER AND WARDENS OF THE HABERDASHERS' COMPANY

Master	D A Hochberg
First Warden	The Revd James Power
Second Warden	C R S Hardie
Third Warden	R G Barrow
Fourth Warden	J Gregory

MANAGEMENT TEAM

Clerk	Commodore P J Thicknesse RN (resigned 31 October 2020) Brigadier H A Watson MBE (appointed 31 October 2020)
Director of Finance & Information	Mr E D Bayley
Director of Schools & Property	Mr A Chambers (resigned 28 February 2021)

BANKERS

C Hoare & Co
37 Fleet Street
London
EC4P 4DQ

Coutts & Co
440 Strand
London
WC2R 0QS

Lloyds Banking Group
1 Barnett Way
Gloucester
GL4 3RL

AUDITORS

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

Haberdashers' Adams' Grammar School Charity

FINANCIAL STATEMENTS 2020

LEGAL AND ADMINISTRATIVE DETAILS

PROPERTY ADVISERS

Carter Jonas
South Pavilion
Sansaw Business Park
Hadnall
Shrewsbury
SY4 4AS

Haberdashers' Adams

www.adamsgs.org.uk

High Street
Newport
Shropshire
TF10 7BD

Haberdashers' Adams' Federation &

Haberdashers' Abraham Darby

www.abrahamdarbyacademy.com

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

The Trustee presents the annual report and financial statements of the Charity for the year ended 31 August 2020. The financial statements have been prepared in accordance with the accounting policies set out in note 1 of the accounts and comply with the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). Legal and administrative information set out on pages 1 and 2 forms part of this report.

Trustee

The Master and Four Wardens of the Fraternity of the Art or Mystery of Haberdashers in the City of London, a body corporate commonly known as the Haberdashers' Company, is Trustee of the Charity in its capacity as the Governors of the Possessions and Revenues of the Free Grammar School of Newport, in the County of Salop, of the Foundation of William Adams. The Trustee receives no remuneration from the Charity.

Objects

The objects of the Charity are:

- to make land and buildings available for use by the Haberdashers' Adams' Grammar School and to keep those buildings insured; and
- to invest assets other than the land and buildings used by the School, to generate income for the benefit of the School, in particular for the maintenance of buildings (91% of net income), and for certain other beneficiaries named in the Scheme (9% of net income).

The Trustee has given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary public benefit guidance on advancing education in establishing strategy and planning activities for the Charity in pursuit of the objects. To increase social mobility and its connections with the local community, the School's admissions policy gives preference to boys of grammar school standard who live in the Newport area or are entitled to free school meals.

The Charity's Origin

In 1656 William Adams, a Member of The Court of Assistants of the Worshipful Company of Haberdashers, gave to the Company his land in Staffordshire within the Manor of Knighton, for the foundation of a free grammar school and four almshouses in the town of Newport, Shropshire and for the payment of various stipends. On his death in 1661 he devised further property to the Company.

The school was established by letters patent of Oliver Cromwell in 1656 and, after the death of William Adams, the Charity was established by Act of Parliament and the Master and Four Wardens incorporated as the Governors.

The School is a popular and highly successful selective school with boarding facilities. From 1999 to 2011, it was a Voluntary Aided school, with funding provided by Telford and Wrekin Education Authority. On 1 September 2011, the School became an Academy within the Haberdashers' Adams' Federation Trust (the Federation).

Statement of the Trustee's Responsibilities

The Trustee is responsible for preparing the Trustee's Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom generally accepted Accounting Practice).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of the resources of the Charity for that period. In preparing these financial statements the Trustee is required to:

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy the financial position of the Charity and which enable the Trustee to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the Charity's constitution. The Trustee is also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Governance

The Haberdashers' Company is governed by a Court of Assistants, whose members bring a range of expertise to their service both for the Company and on governing bodies of the Company's schools, including Haberdashers' Adams' and Haberdashers' Abraham Darby. The Trustee's duties are delegated to a number of Company committees:

- The Education Committee is responsible to the Court of Assistants for the affairs of the Charity.
- The Finance Committee advises the Education Committee on the Charity's financial affairs and sets investment policy. The chairmen of the Education, Property and Securities Committees are members of the Finance Committee.
- The Property and Securities Committees are responsible to the Finance Committee for managing the Charity's investments.
- The Membership and Appointments Committee ensures that appointments to each committee provide an appropriate range of skills and experience.

Induction processes for new committee members are tailored to individual needs by committee secretaries. Ongoing training for Court and Committee members includes provision of relevant Charity Commission publications and briefing sessions on current topics at committee meetings.

The Trustee has implemented a risk management strategy for all charities under its control, which comprises:

- annual review of risks faced by the charities;
- establishment and review of systems and procedures to mitigate those risks; and
- establishment and review of procedures to minimise potential impact on the charities should any of those risks materialise.

Related parties

The School has been federated with Haberdashers' Abraham Darby in Madeley, Telford, since September 2008 and, on conversion to an Academy itself on 1 September 2011, became part of the Haberdashers' Adams' Federation Trust, a separately constituted charity, sponsored by the local authority and by the Haberdashers' Company. Through the Federation, the School and Haberdashers' Abraham Darby Academy have a number of Governors in common but the Charity's object is to provide financial support for the School only and not for Haberdashers' Abraham Darby.

The Haberdashers' Company nominates four individuals to be members of the Federation along with itself. The members appoint the majority of the Directors of the Federation and the Directors appoint others to serve, along with themselves, as the Governors of the two academies. The Charity and the Federation Trust, having related objects and common control, are regarded as connected charities. As Trustee, the Haberdashers' Company maintains close contact with the Governors and the School, to ensure that the Charity's resources are applied to best effect at the School.

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

The Haberdashers' Company is also Trustee of the Haberdashers' Charities Investment Pool, a common investment fund in which the Charity's endowment funds are invested.

Investment powers and objectives

There are no constraints on the Trustee's general power of investment in the governing Scheme. Investment property is managed by the Property Committee of the Haberdashers' Company, advised by the property advisers. Supervision of other investments is exercised by the Securities Committee of the Haberdashers' Company.

The current investment objectives are:

- to collect all the monies due from the sale of investment property;
- to maximise net income from the limited amount of investment property that remains; and
- to maximise capital growth from other investments, subject first to producing a consistent level of income.

Proceeds of a property disposal for development in 2003 were invested to generate additional endowment income (from the Second Permanent Endowment Fund) which, under a Section 106 agreement with the local authority, must be used to maintain the Charity's listed buildings. The remaining land held for investment generates income from short leases.

The Charity's main investment is in the Haberdashers' Charities Investment Pool, 'the CIP fund', a common investment fund and registered charity with the Haberdashers' Company as Trustee. The investments in the CIP are managed by Cazenove Capital Management Limited.

The base date for the CIP fund is 30 June 2009, at which point the endowments were valued at £838k and additional capital of £985k has been added since that date. Preservation of real value of the endowment fund is monitored by indexing the base value to the greater of RPI or an index of salaries in the service sector, as a proxy for the rate at which costs increase at the schools. At 31 August 2020, the value of CIP endowment fund investment assets was £1,217k more than the indexed base value (2019: £1,107k).

From April 2017, the CIP adopted a total return approach. Since this date, the investment objective for the CIP is to maximise total return, whilst producing income broadly in line with the average level sought by charities constrained by income. From April 2017, the performance benchmark has been as follows:

Equities	MSCI AC World Index
Fixed Interest	FTSE Government All Stocks
Alternatives	LIBID 7 day +2%

The Trustee requires that investment risk is minimised in relation to the mix of asset classes and stocks held within each class.

Under the total return approach, all investment returns are received into the permanent endowment fund, whether in the form of income or realised or unrealised gains. With full regard to the overriding duty to manage investment assets to meet the long term needs of the participating charities, the Trustee then make transfers out of the accumulated unapplied total return in the endowment fund to a 'trust for application' to meet grants and other costs formerly paid out of net income. The remaining unapplied total return is retained within the permanent endowment fund.

Details of the movement on unapplied total return can be seen at note 6.

Reserves policy

The Charity aims to keep one year's income in unrestricted general funds. However, after a year of exceptional expenditure with the Covid19 pandemic and unexpected costs to bring the old boarding houses into a state of better repair, at 31 August 2020, the Charity's unrestricted general reserve was overdrawn at £54,576 (2019: surplus £35,319). With normal levels of income and reduced exceptional expenditure, the unrestricted general reserve should return to a positive balance again shortly. The ability to make grant payments for school maintenance from the unrestricted fund is constrained by

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

the need to make capital and interest payments on a loan taken to provide funding for a science building at the School. Payments for school maintenance may continue from a restricted fund. Full details of the Charity's reserves at year end are set out in note 12 to the financial statements.

Mission and strategy

The partnership between the Trustee and the Governors of the School has developed a unique and highly successful establishment serving day pupils and boarders. Although proud of its grammar school status, now also as an Academy, the School does not operate in isolation but works closely with the local authority and its Federation partner Haberdashers' Abraham Darby to serve the wider community of Telford and Wrekin. To increase social mobility and its connections with the local community, the School has introduced a new admissions policy to give preference to boys of grammar school calibre who live in the Newport area or are entitled to free school meals. However, the resources of the Charity are limited and the buildings at the School, some of which are listed, have suffered from scarcity of funding over many years. The aim of the Trustee and the Governors for the School's two sites is to achieve major improvements in the building stock, funded by grants, fundraising by and from parents and alumni and from the Charity itself.

The School has been able to attract some much-needed funding from a £1.3 million appeal (to which the Charity contributed) to convert the former performing arts centre into a sixth form centre and create a music centre from the old Coach House and £3.2 million from Building Schools for the Future to create a new humanities building, complete a new music and performing arts centre, including the remodelled Coach House and an auditorium, to refurbish the Maths block and to refresh some other teaching areas. The School is currently replacing the old sports pavilion but still needs to improve the old listed buildings. The strategy adopted by the Trustee has been and remains:

- to maximise the return from investment assets.
- to build up reserves to assist in repair and refurbishment of listed buildings.
- to assist the School in its own fundraising activities.
- to be prepared to use the Charity's assets to supplement grant funding for building projects.
- to protect the value of the Charity's endowment funds but, as a last resort, to be prepared to apply to the Charity Commission for permission to expend endowment capital on building projects, subject to replacement orders.

Public Benefit

The Charity provides public benefit by making available, at no charge, land, buildings and other support for the School, which is a State Academy with a private boarding facility. There are currently 918 pupils aged 11 to 18, including 100 boarders. The School serves the population of Newport, Shropshire and surrounding areas and is also able to accommodate pupils with a particular need to board but for whom boarding schools in the independent sector are not affordable. There are only around 38 maintained schools with boarding facilities in England and Wales and demand for boarding places remains high.

The School received an outstanding inspection report from Ofsted in 2013. The full report is available on the Ofsted website. The local authority, Telford and Wrekin, has demonstrated its faith in the School through co-sponsorship of the Haberdashers' Adams' Federation. The resources provided by the Charity for the School and the governors nominated by the Haberdashers' Company have made a substantial contribution to the School's ability to widen its area of benefit in Shropshire through participation in the Federation.

School buildings

The two sites and historic buildings occupied by the School are assets of the Charity. In recent years, additional buildings have been constructed with a mixture of public and private funding. In particular, the Sports Hall and Science Block were funded partly by the Charity but mainly by public funding. These newer buildings are held on the balance sheet of the Haberdashers' Adams' Federation Trust.

Haberdashers' Adams' Grammar School Charity

TRUSTEE'S REPORT

In 2010, the Charity took a bank loan of £550,000 to enable it to support funding of the Sports Hall, which was held initially on the Charity's balance sheet. When the School converted to an academy, that building was transferred to the balance sheet of the Haberdashers' Adams' Federation Trust, at which point the bank loan left the Charity's general fund overdrawn. However, the Charity serviced the loan without difficulty and the overdrawn fund balance was rectified in 2019. A further loan was taken out in February 2017 to purchase Beaumaris House, a nursing home on an adjoining site. This building, now renamed Beaumaris Hall has been converted to a modern boarding facility and replaces the old, senior boarding houses. The Trustee is considering the disposal of the old boarding houses (Beaumaris, Picken and Roddam) as they are no longer needed by the School.

The School's boarding facilities are now on two sites, with senior boarders in Beaumaris Hall and junior boarders a short walk from the School at Longford Hall.

The School makes contributions from its non-public funds to the Charity in recognition of financial support for building projects from the Charity. Contributions in the year ended 31 August 2020 were £50,000 (year ended 31 August 2019: £50,000).

Subsidiary company

Adams Newport Limited owned Shuker Field, a piece of land held for investment. On 11 December 2018 this land was sold to Persimmon Homes for £560,234. During the year, Adams Newport made a gift of the proceeds of sale (£465,678) to the Charity under Gift Aid, where it has been added to the Permanent Endowment and the money used to reduce its indebtedness to Lloyds and Coutts Bank.

Finance

Group total incoming resources for the year were £196,742 (2019: £188,317).

Grants of £121,497 were made to the School during the year, predominantly for building maintenance (2019: £67,077).

Net outgoing resources for the year before investment gains were £48,587 (2019: incoming resources £1,619).

Net investment gains for the year were £100,931 (2019: £561,311). Total return on the endowment funds' investment in the Haberdashers' Charities Investment Pool was 6.2% (2019: 4.2%).

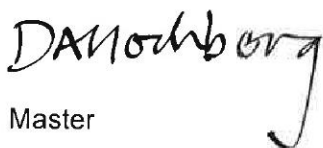
Objectives in the year ahead are:

- Dispose of surplus property to help pay off the outstanding loans.
- To make best use of the restricted School Maintenance Fund for the listed buildings at the School.

COVID-19 Impact

In March 2020, the economy was impacted by the global Covid-19 pandemic, Fortunately, the impact of the pandemic on the charity's financial affairs was limited. Although the value of the charity's investments fell as a result of the response to the pandemic, they had broadly recovered at the balance sheet date and had fully recovered by the date of signing.

Signed on behalf of the Trustee


Master


Warden

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY

Opinion

We have audited the financial statements of the Haberdashers' Adams' Grammar School Charity for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charity's affairs as at 31 August 2020 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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 Trustee's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustee has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent charity'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 Trustee is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY

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.

Matters on which we are required to report by exception

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

- the information given in the Trustee's Annual Report is inconsistent in any material respect with the financial statements; or
- the group and the parent charity has not kept sufficient accounting records; or
- the parent's financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustee

As explained more fully in the Trustee's Responsibilities Statement set out on pages 3 to 4, the Trustee is 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 Trustee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustee is responsible for assessing the group's and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

We have been appointed as auditors under the Charities Act 2011 and report in accordance with regulations made under that Act.

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.

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEE OF
HABERDASHERS' ADAMS' GRAMMAR SCHOOL CHARITY**

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

Use of our report

This report is made solely to the charity's Trustee in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Trustee those matters we are required to state to it in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the Trustee as a body for our audit work, for this report, or for the opinions we have formed.

Saffery Champness LLP

Saffery Champness LLP

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Date: *10 August 2021.*

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

Haberdashers' Adams' Grammar School Charity

GROUP STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 August 2020

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments from:						
Donations from the Trustee		50,000	-	-	50,000	48,333
Investments:						
Investment income	2	24,700	-	69,775	94,475	88,564
Investment property		2,042	-	-	2,042	1,420
Charitable activities:						
School buildings contributions		50,000	-	-	50,000	50,000
Other income:						
Other		225	-	-	225	-
Total return allocated to income	2	33,305	36,470	(69,775)	-	-
		<u>160,272</u>	<u>36,470</u>	<u>-</u>	<u>196,742</u>	<u>188,317</u>
Expenditure on:						
Raising funds		28,690	-	-	28,690	33,884
Charitable activities:						
Donations and grants		121,497	-	-	121,497	69,723
Other costs		58,219	-	36,923	95,142	83,091
	3	<u>208,406</u>	<u>-</u>	<u>36,923</u>	<u>245,329</u>	<u>186,698</u>
Net (expenditure)/income before gains on investments		(48,134)	36,470	(36,923)	(48,587)	1,619
Net (losses)/gains on investments	5	<u>(9,766)</u>	<u>-</u>	<u>110,697</u>	<u>100,931</u>	<u>561,311</u>
Net (expenditure)/income		(57,900)	36,470	73,774	52,344	562,930
Transfers between funds	12	<u>(469,345)</u>	<u>-</u>	<u>469,345</u>	<u>-</u>	<u>-</u>
Net movement in funds		(527,245)	36,470	543,119	52,344	562,930
Reconciliation of Funds:						
Total funds brought forward		558,215	71,656	4,142,040	4,771,911	4,208,981
Total funds carried forward	12	<u><u>30,970</u></u>	<u><u>108,126</u></u>	<u><u>4,685,159</u></u>	<u><u>4,824,255</u></u>	<u><u>4,771,911</u></u>

All results derive from continuing activities.

Haberdashers' Adams' Grammar School Charity

CHARITY STATEMENT OF FINANCIAL ACTIVITIES Year ended 31 August 2020

	Note	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2020 £	Total Funds 2019 £
Income and endowments from:						
Donations from the Trustee		50,000	-	-	50,000	48,333
Donation from subsidiary company		-	-	465,678	465,678	-
Investments:						
Investment income	2	24,700	-	69,775	94,475	88,564
Investment property		2,042	-	-	2,042	2,013
Interest due from subsidiary company		975	-	-	975	975
Charitable activities:						
School buildings contributions		50,000	-	-	50,000	50,000
Other income:						
Other		225	-	-	225	-
Total return allocated to income		33,305	36,470	(69,775)	-	-
		<u>161,247</u>	<u>36,470</u>	<u>465,678</u>	<u>663,395</u>	<u>189,885</u>
Expenditure on:						
Raising funds		29,828	-	-	29,828	27,914
Charitable activities:						
Donations and grants		121,497	-	-	121,497	69,723
Other costs		58,056	-	36,923	94,979	83,091
	3	<u>209,381</u>	<u>-</u>	<u>36,923</u>	<u>246,304</u>	<u>180,728</u>
Net (expenditure)/income before gains on investments		(48,134)	36,470	428,755	417,091	9,157
Net (losses)/gains on investments	5	<u>(9,766)</u>	<u>-</u>	<u>110,697</u>	<u>100,931</u>	<u>59,458</u>
Net (expenditure)/income		(57,900)	36,470	539,452	518,022	68,615
Transfers between funds	12	<u>(3,667)</u>	<u>-</u>	<u>3,667</u>	<u>-</u>	<u>-</u>
Net movement in funds		(61,567)	36,470	543,119	518,022	68,615
Reconciliation of Funds:						
Total funds brought forward		92,537	71,656	4,142,040	4,306,233	4,237,618
Total funds carried forward	12	<u>30,970</u>	<u>108,126</u>	<u>4,685,159</u>	<u>4,824,255</u>	<u>4,306,233</u>

Haberdashers' Adams' Grammar School Charity

BALANCE SHEETS As at 31 August 2020

	Note	Group		Charity	
		2020 £	2019 (restated) £	2020 £	2019 (restated) £
Fixed assets					
Tangible assets	4	1,552,410	1,589,333	1,552,410	1,589,333
Investments	5	3,622,069	3,430,138	3,622,069	3,430,138
Investment in subsidiary company	13	-	-	23,662	35,000
Loan to subsidiary company	13	-	-	24,375	24,375
		<u>5,174,479</u>	<u>5,019,471</u>	<u>5,222,516</u>	<u>5,078,846</u>
Current assets					
Debtors: amounts receivable within one year	7	255,195	214,415	41,062	51,985
Investments: deposits		442,300	93,700	442,300	93,700
Cash at bank		12,707	4,650	-	4,650
Debtors: amount receivable after more than one year	8	-	214,133	-	-
		<u>710,202</u>	<u>526,898</u>	<u>483,362</u>	<u>150,335</u>
Liabilities					
Creditors: amounts falling due within one year	9	(887,926)	(189,358)	(709,123)	(337,848)
Net current (liabilities)/assets		<u>(177,724)</u>	<u>337,540</u>	<u>(225,761)</u>	<u>(187,513)</u>
Total assets less current liabilities		<u>4,996,755</u>	<u>5,357,011</u>	<u>4,996,755</u>	<u>4,891,333</u>
Creditors : amounts falling due after more than one year	10	(172,500)	(585,100)	(172,500)	(585,100)
Total net assets		<u><u>4,824,255</u></u>	<u><u>4,771,911</u></u>	<u><u>4,824,255</u></u>	<u><u>4,306,233</u></u>
The Funds of the Charity:					
Permanent endowment funds	12	4,685,159	4,142,040	4,685,159	4,142,040
Restricted funds	12	108,126	71,656	108,126	71,656
Unrestricted funds	12	30,970	558,215	30,970	92,537
Total Charity Funds		<u><u>4,824,255</u></u>	<u><u>4,771,911</u></u>	<u><u>4,824,255</u></u>	<u><u>4,306,233</u></u>

These financial statements were approved and authorised for issue by the Trustee on *29 July* 2021 and signed on behalf of the Trustee.

DANONBERG

Master

Frederick

Warden

NOTES TO THE ACCOUNTS

Year ended 31 August 2020

1. ACCOUNTING POLICIES

Basis of preparation

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

The financial statements have been prepared to give a true and fair view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a true and fair view. This departure has involved following the SORP (FRS 102) rather than the Accounting and Reporting by Charities: Statement of Recommended Practice (revised 2005) which has been withdrawn.

The accounts are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

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

The Trustee considers that there are no material uncertainties about the Charity's ability to continue as a going concern due to the total Charity funds at the year end.

Cash flow exemption

Advantage has been taken of the exemption for charities with income less than £500,000 from preparing a cash flow statement under SORP (FRS 102).

Group accounts

The financial statements consolidate the results of the Charity and its wholly-owned non-charitable subsidiary company Adams Newport Limited (incorporated 18 September 2008) on a line-by-line basis.

Funds structure

The Charity maintains funds as follows:

Permanent Endowment Fund: The Permanent Endowment Funds may not be expended and represent the land and buildings of the School and assets invested to generate income for restricted and unrestricted purposes.

Restricted Funds: Restricted Funds represent assets held and income received which are allocated by the donors for specific purposes.

Unrestricted Funds: The Unrestricted Funds represent income which is expendable at the discretion of the trustee in furtherance of the objects of the Charity.

Income recognition

All income is recognised in the SOFA when the conditions for receipt have been met and there is reasonable assurance of receipt.

Donations: Donations and all other receipts from fundraising are reported gross and any related fundraising costs are reported under the heading 'resources expended' as costs of generating funds. Tax recoverable relating to donations is accounted for in the same period as the related income.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS

Year ended 31 August 2020

Investment Income: Investment income is received without deduction of tax and is accounted for when receivable.

School buildings grants and contributions: Government grants for construction of new school buildings on the Charity's land are treated as incoming resources in a restricted fund which also holds those new buildings, subject to any interest retained by the Department for Children, Schools and Families. Unrestricted contributions toward new buildings are also received from non-public school funds.

Expenditure recognition

Resources expended are recorded on an accruals basis and include support costs which may be allocated direct or apportioned on the basis of staff time.

Costs of generating funds: Costs incurred in managing the Charity's investment assets and servicing loans are recorded under this heading.

Charitable activities: Expenditure incurred directly in meeting the objects of the Charity is recorded under this heading.

Governance costs: Costs incurred in administering the Charity itself, rather than in managing charitable activities, are recorded under this heading.

Allocation of support and governance costs

Support costs have been allocated between governance costs and other support costs. These include salaries and service charges relating to specific staff involved directly in facilitating charitable activities.

Governance costs relate to expenditure incurred in the general running of the Charity and include salaries and service charges for specific staff involved in compliance with constitutional and statutory requirements and audit fees.

Irrecoverable VAT

Irrecoverable VAT is charged against the expenditure heading for which it was incurred.

Tangible fixed assets and depreciation

The cost of historic assets of the Charity, being the original freehold land and buildings, are excluded from the balance sheet since reliable cost information is not available and conventional valuation approaches lack sufficient reliability. The original freehold land and buildings were purchased between 1656 and 1928, so the figure is unlikely to be material.

Buildings acquired by the Charity since 1945 are capitalised at historical cost, less depreciation. Buildings on the Charity's land funded predominantly by government grant are capitalised in the Haberdashers' Adams' Federation Trust.

Freehold land is not depreciated. Depreciation is charged so as to write down the value of freehold properties, other than freehold land, to their estimated residual value on a straight line basis over their remaining expected useful economic lives at a rate of 2% per annum.

Fixed asset investments

Investments, excluding the investment in the trading subsidiary, are stated at market value. All gains and losses are taken to the SOFA as they arise.

The Charity's investment in the Property Income Trust for Charities was previously included in current assets and carried at historic cost. In 2020, it was reclassified to fixed asset investments and revalued to fair value. The prior year figures have been restated so as to be comparable.

The Charity's investment in its subsidiary is carried at historic cost.

NOTES TO THE ACCOUNTS Year ended 31 August 2020

Fixed asset investment property

In accordance with FRS 102, investment property is revalued annually by the trustee or external valuers and the aggregate surplus or deficit is transferred to the appropriate fund holding the investment.

Financial instruments

The Charity has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial instruments are recognised in the balance sheet of the Charity when it becomes party to the contractual provisions of the instrument.

Financial assets

Basic financial assets, which include trade and other debtors and cash and bank balances, are initially recognised at transaction price including transaction costs and are subsequently carried at amortised cost.

Other financial assets, including investments in equity instruments which are not subsidiaries, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss.

Financial assets are derecognised when:

- the contractual rights to the cash flows from the asset expire or are settled, or
- substantially all the risks and rewards of the ownership of the asset are transferred to another party, or
- control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, which include trade and other creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Charity's accounting policies, the Trustee is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods where necessary.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

2. INVESTMENT INCOME

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Interest receivable	24,700	-	24,700	20,368
Distributions from Haberdashers' Charities Investment Pool	33,305	36,470	69,775	68,196
Total – Charity and Group	58,005	36,470	94,475	88,564

3. ANALYSIS OF EXPENDITURE

	Charitable activities £	Raising funds £	Govern- ance £	Total 2020 £	Total 2019 £
Costs directly allocated to activities					
Insurance of School buildings	10,111	-	-	10,111	9,190
Less: insurance paid by School	(10,517)	-	-	(10,517)	(8,847)
Depreciation of School buildings	36,923	-	-	36,923	36,923
Grants to School	121,498	-	-	121,498	67,077
Grants to other institutions	-	-	-	-	2,646
Property advice and management fees	-	1,346	-	1,346	930
Legal fees and professional advice	-	-	26,114	26,114	13,897
Loan interest	-	17,144	-	17,144	20,261
Impairment of investment of subsidiary company	-	11,338	-	11,338	-
Support costs	-	-	69	69	6,736
Allocated direct	-	-	69	69	6,736
Allocated on the basis of staff time:					
Staff costs	25,300	-	2,563	27,863	27,582
Service charges	4,009	-	406	4,415	4,333
Total expenditure – Charity	187,324	29,828	29,152	246,304	180,728
Other expenditure – subsidiary company	-	10,200	163	10,363	5,970
Consolidation adjustment	-	(11,338)	-	(11,338)	-
Total expenditure - Group	187,324	28,690	29,315	245,329	186,698

Under joint employment contracts of staff and a paymaster arrangement, salary costs for the Haberdashers' Company and its charities are paid by the Haberdashers Operating Company and allocated to the various entities on the basis of time spent. The average number of employees in the year was 2 (2019:2). Neither of the employees received employment benefits for services to the Charity exceeding £60,000.

The Trustee receives no remuneration from the Charity and was not reimbursed for expenses except where noted above.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

3. ANALYSIS OF EXPENDITURE (continued)

Expenditure on legal fees and professional advice includes the following amounts paid to the Charity's auditors (including VAT):

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Audit fees	9,516	5,670	9,516	5,670
Tax advisory services	10,200	5,970	-	-
Total – Charity and Group	19,716	11,640	9,516	5,670

4. TANGIBLE ASSETS – CHARITY AND GROUP

Freehold Land and Buildings	Not subject to replacement £	Total £
Cost		
Boarding House	1,570	1,570
Longford Hall	66,608	66,608
Land at rear of Lloyds Bank Plc	1,295	1,295
Reinstallation of staircase in School House	30,000	30,000
Wood Centre – classroom block	350,173	350,173
Coach House	140,000	140,000
Beaumaris Hall	904,750	904,750
Old alms house buildings	369,500	369,500
Balance at 31 August 2020	<u>1,863,896</u>	<u>1,863,896</u>
Depreciation		
Balance at 31 August 2019	274,563	274,563
Charge for the year	36,923	36,923
Balance at 31 August 2020	<u>311,486</u>	<u>311,486</u>
Net book value – Charity and Group		
At 31 August 2020	<u>1,552,410</u>	<u>1,552,410</u>
At 31 August 2019	<u>1,589,333</u>	<u>1,589,333</u>

Included in freehold land and buildings is land with a cost of £17,795 which is not depreciated.

The freehold land and buildings included an asset (disposed of in 2018) which is subject to a Charity Commission replacement order which expires in 2033. This order requires annual transfers from net income of the unrestricted funds to the Permanent Endowment Fund to replace past capital expended.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

5. INVESTMENTS

	Unrestricted Funds (restated) £	Permanent Endowment Funds £	Group Total (restated) £
Freehold investment property			
Market value at 1 September 2019	-	115,500	115,500
Market value at 31 August 2020	-	115,500	115,500
Haberdashers' Charities Investment Pool			
Market value at 1 September 2019	-	2,929,603	2,929,603
Unrealised gain	-	110,697	110,697
Market value at 31 August 2020	-	3,040,300	3,040,300
Diversified Property Fund for Charities			
Market value at 1 September 2019	270,535	-	270,535
Unrealised loss	(1,528)	-	(1,528)
Market value at 31 August 2020	269,007	-	269,007
Property Income Trust for Charities			
Market value at 1 September 2019	114,500	-	114,500
Increase in investment cash	91,000	-	91,000
Unrealised loss	(8,238)	-	(8,238)
Market value at 31 August 2020	197,262	-	197,262
Total market value at 31 August 2020	466,269	3,155,800	3,622,069
Total market value at 31 August 2019	385,035	3,045,103	3,430,138

Land at Longford Hall was revalued in 2011 by Carter Jonas. The Trustee has subsequently reviewed these values and believes there has been no material change.

The Charity's investment in the Property Income Trust for Charities was previously included in current assets and carried at historic cost. In 2020, it was reclassified to fixed asset investments and revalued to fair value.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

6. MOVEMENT ON UNAPPLIED TOTAL RETURN

Unapplied total return is calculated relative to the value of the trust for investment at 30 June 2009 (base value), that being the base date determined by the Trustee as appropriate for the Charity's endowment fund. New endowment gifts totalling £984,559 have been received since the base date.

	Trust for investment £	Unapplied Total Return £	Total 2020 £	Total 2019 £
Trust for investment at 1 September 2019	1,822,953	1,106,650	2,929,603	2,877,988
Investment returns:				
Investment income	-	69,775	69,775	68,196
Realised and unrealised gains	-	110,697	110,697	51,615
Transfer to trust for application	-	(69,775)	(69,775)	(68,196)
Trust for investment at 31 August 2020	1,822,953	1,217,347	3,040,300	2,929,603

7. DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Interest receivable	3,418	3,342	3,418	3,342
Rents receivable	1,517	432	1,517	432
Investment income	3,953	8,976	3,953	8,976
Prepayments	1,657	8,464	1,657	8,464
Due from subsidiary company	-	-	-	25,770
Shuker Field – sale proceeds	214,133	188,200	-	-
Other debtors and prepayments	30,517	5,000	30,517	5,000
	255,195	214,414	41,062	51,984

8. DEBTORS: AMOUNTS RECEIVABLE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Shuker Field – sale proceeds	-	214,133	-	-
	-	214,133	-	-

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Purchase of alms house	92,375	92,375	92,375	92,375
Bank loan	412,600	46,000	412,600	46,000
Loan from the Haberdashers Operating Company	289,800	-	-	-
Bank overdraft	-	-	111,302	-
Grants to beneficiaries	6,795	6,795	6,795	6,795
Loan interest accrued	941	1,240	941	1,240
Deferred income	4,167	4,167	4,167	4,167
Due to subsidiary company	-	-	-	148,490
Other creditors and accruals	81,248	38,781	80,943	38,781
	<u>887,926</u>	<u>189,358</u>	<u>709,123</u>	<u>337,848</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Bank loan repayable as follows:				
1 to 2 years	46,000	412,600	46,000	412,600
2 to 5 years	126,500	138,000	126,500	138,000
More than 5 years	-	34,500	-	34,500
	<u>172,500</u>	<u>585,100</u>	<u>172,500</u>	<u>585,100</u>

A loan of £690,000 was drawn from Coutts & Co on 1 February 2010. The loan is unsecured, repayable over 15 years and the interest rate at year end was 2.31%. At 31 August 2020 the outstanding balance was £218,500 (2019: £264,500).

A second loan of £950,000 was drawn from Coutts & Co on 7 February 2017 for the purchase of Beaumaris Court (now Beaumaris Hall). A sum of £441,749 was paid off during 2017/18, following the sale of the headmaster's house. The balance of the loan was repaid in May 2019 and was replaced with a new loan from Lloyd Bank PLC. The balance on the new loan at 31 August 2020 of £366,600 is shown in note 9 above. The loan is of fixed term, repayable in full 2 years after the loan was drawn (16 April 2019) and was fully repaid in February 2021. Interest is payable quarterly at 2.4% over base rate (2.50% at year end)

The loans are being underwritten by the Worshipful Company of Haberdashers.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

11. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS

	Subsidiary Company £	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds £
Tangible assets	-	-	-	1,552,410	1,552,410
Fixed asset investments	-	466,269	-	3,155,800	3,622,069
Investment in subsidiary	(59,375)	-	-	59,375	-
Net current assets/(liabilities)	48,037	(286,461)	108,126	(47,426)	(177,724)
Creditors due after more than one year	-	(137,500)	-	(35,000)	(172,500)
	<u>(11,338)</u>	<u>42,308</u>	<u>108,126</u>	<u>4,685,159</u>	<u>4,824,255</u>

12. THE FUNDS OF THE GROUP AND CHARITY

	Balance 31 August 2019 £	Income £	Expend- iture £	Net investment gains/ (losses) £	Net transfers £	Balance 31 August 2020 £
Unrestricted Funds						
General fund	35,319	111,247	(191,376)	(9,766)	-	(54,576)
Designated school fund (a)	57,218	50,000	(6,667)	-	(3,667)	96,884
Unrestricted – Charity	92,537	161,247	(198,043)	(9,766)	(3,667)	42,308
Subsidiary company	465,678	(975)	(10,363)	-	(465,678)	(11,338)
Unrestricted – Group	<u>558,215</u>	<u>160,272</u>	<u>(208,406)</u>	<u>(9,766)</u>	<u>(469,345)</u>	<u>30,970</u>
Restricted Funds						
Annual Payments Fund (b)	-	-	-	-	-	-
Governors' Fund (c)	7,788	-	-	-	-	7,788
School Maintenance Fund (d)	63,868	36,470	-	-	-	100,338
	<u>71,656</u>	<u>36,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>108,126</u>
Endowment Funds						
Permanent Endowment (e)	2,610,801	-	(36,923)	52,838	469,345	3,096,061
Second Permanent Endowment (f)	1,531,239	-	-	57,859	-	1,589,098
	<u>4,142,040</u>	<u>-</u>	<u>(36,923)</u>	<u>110,697</u>	<u>469,345</u>	<u>4,685,159</u>
Total Charity Funds	<u>4,771,911</u>	<u>196,742</u>	<u>(245,329)</u>	<u>100,931</u>	<u>-</u>	<u>4,824,255</u>

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS

Year ended 31 August 2020

12. THE FUNDS OF THE CHARITY (continued)

- (a) The Designated School Fund receives income from the School which is designated for use in connection with the School buildings.
- (b) The Annual Payments Fund receives and distributes 9% of the net general fund income of the Charity to beneficiaries listed in the governing Scheme of the Charity.
- (c) The Governors' Fund is available to make payments in support of School activities at the discretion of the Governors.
- (d) The School Maintenance Fund receives income from the Second Permanent Endowment Fund which may be used only for the purpose of maintaining the School's listed buildings, under a Section 106 agreement with the local authority.
- (e) The Permanent Endowment Fund is a mixture of buildings and investments. The buildings are functional endowment, which are subject to depreciation. The balance of the endowment is invested to produce income for the General fund and receives annual repayments from the Designated School Fund. These repayments will continue until 2033, when the Charity Commission replacement order will have been satisfied.
- (f) The Second Permanent Endowment Fund was created to receive assets transferred from the main Permanent Endowment Fund, which are subject to further restriction in that income from the investments of this fund must be credited to the restricted School Maintenance Fund.

13. TRADING SUBSIDIARY

Name	Share capital £	Activities
Adams Newport Limited (Company number 6702065)	23,662	To hold investment property.

A summary of trading results and balance sheet are shown below:

	2020 £	2019 £
Turnover (rental income)	-	(593)
Administration expenses	(10,363)	(5,970)
Operating loss	(10,363)	(6,563)
Interest payable	(975)	(975)
Retained loss before gain on investment and distributions	(11,338)	(7,538)
Net gain on investment	-	501,853
Distribution	(465,678)	-
Retained (loss)/profit	(477,016)	494,315
Current assets	338,142	550,823
Creditors falling due within one year	(290,105)	(25,770)
Secured loan from the Charity	(24,375)	(24,375)
Net assets	23,662	500,678

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

14. TAXATION

The Charity does not trade for tax purposes and it is not liable to corporation tax on its surplus.

15. RELATED PARTIES

The School is part of the Haberdashers' Adams' Federation Trust, a separate charity for which the Haberdashers' Company is Sponsor and provides a majority of directors. The Charity and the Trust, having related objects and common control, are regarded as connected charities. The School made a contribution from non-public funds of £50,000 (2019: £50,000) to support building projects from the Charity.

The Haberdashers' Company, a City Livery Company incorporated by royal charter, is named as the permanent Trustee of the Haberdashers' Adams' Grammar School Charity.

The Charity's endowment funds are invested predominantly in the Haberdashers' Charities Investment Pool, a common investment fund also having the Haberdashers' Company as Trustee. Distributions of £69,775 (2019: £68,196) were received from the Investment Pool in the year; unrealised gains of £110,697 (2019: £51,615) were generated by the Charity's investment in the Pool.

The Trustee was reimbursed for certain expenses incurred in the year on behalf of the Charity (see note 2 for details for both the current and prior year). Neither the Trustee nor any member of its governing body, the Court of Wardens, otherwise receives any remuneration or benefits from the Charity (2019: £nil).

A donation of £50,000 (2019: £48,333) was received from the Trustee in the year. This was to help mitigate administrative expenses and grants to schools.

The Charity gave a grant of £Nil (2019: £441) in the year to the Haberdashers Benevolent Foundation. This related to 1/6th of the total grant paid to named beneficiaries in the Charity Commission Scheme.

In September 2019 the Haberdashers Operating Company made a loan of £478,000 to Adams Newport Limited. By year end £188,200 had been repaid leaving £289,800 outstanding. This loan was fully repaid in February 2021.

Adams Newport Limited made a payment of £465,678 (2019: £Nil) to the Charity during the year.

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

16. GROUP STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted Funds	Restricted Funds	Permanent Endowment Funds	Total Funds 2019
	£	£	£	£
Income and endowments from:				
Donations and legacies	48,333	-	-	48,333
Investments:				
Investment income	50,274	38,290	-	88,564
Investment property	1,420	-	-	1,420
Charitable activities:				
School buildings contributions	50,000	-	-	50,000
	<u>150,027</u>	<u>38,290</u>	<u>-</u>	<u>188,317</u>
Expenditure on:				
Cost of raising funds	33,884	-	-	33,884
Charitable activities				
Donations and grants	67,077	2,646	-	69,723
Other costs	9,112	37,056	36,923	83,091
	<u>110,073</u>	<u>39,702</u>	<u>36,923</u>	<u>186,698</u>
Net income before gains on investments and tangible investments	39,954	(1,412)	(36,923)	1,619
Net gains on investments	509,696	-	51,615	561,311
Net income	549,650	(1,412)	14,692	562,930
Transfers between funds	(3,667)	-	3,667	-
Net movement in funds	545,983	(1,412)	18,359	562,930
Reconciliation of Funds:				
Fund balances brought forward	12,232	73,038	4,123,681	4,208,981
Fund balances carried forward	<u>558,215</u>	<u>71,656</u>	<u>4,142,040</u>	<u>4,771,911</u>

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

17. CHARITY STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2019

	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds 2019 £
Income and endowments from:				
Donations from the Trustee	48,333	-	-	48,333
Investments:				
Investment income	50,274	38,290	-	88,564
Investment property	2,013	-	-	2,013
Interest due from subsidiary company	975	-	-	975
Charitable activities:				
School buildings contributions	50,000	-	-	50,000
	<u>151,595</u>	<u>38,290</u>	<u>-</u>	<u>189,885</u>
Expenditure on:				
Raising funds	27,914	-	-	27,914
Charitable activities:				
Donations and grants	67,077	2,646	-	69,723
Other costs	9,112	37,056	36,923	83,091
	<u>104,103</u>	<u>39,702</u>	<u>36,923</u>	<u>180,728</u>
Net income before gains on investments and tangible investments	47,492	(1,412)	(36,923)	9,157
Net gains on investments	7,843	-	51,615	59,458
Net income/(expenditure)	55,335	(1,412)	14,692	68,615
Transfers between funds	(3,667)	-	3,667	-
Net movement in funds	51,668	(1,412)	18,359	68,615
Reconciliation of Funds:				
Fund balances brought forward	40,869	73,068	4,123,681	4,237,618
Fund balances carried forward	<u>92,537</u>	<u>71,656</u>	<u>4,142,040</u>	<u>4,306,233</u>

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

18. ANALYSIS OF EXPENDITURE FOR THE YEAR ENDED 31 AUGUST 2019

	Charitable activities £	Raising funds £	Govern- ance £	Total 2019 £
Costs directly allocated to activities				
Insurance of School buildings	9,190	-	-	9,190
Less: insurance paid by School	(8,847)	-	-	(8,847)
Depreciation of School buildings	36,923	-	-	36,923
Grants to School	67,077	-	-	67,077
Grants to other institutions	2,646	-	-	2,616
Property advice and management fees	-	930	-	930
Legal fees and professional advice	-	-	13,897	13,897
Loan interest	-	20,261	-	20,261
Support costs				
Allocated direct	-	6,723	13	6,736
Allocated on the basis of staff time:				
Staff costs	24,520	-	3,062	27,582
Service charges	3,852	-	481	4,333
Total expenditure – Charity	135,361	27,914	17,453	180,728
Other expenditure – subsidiary company	-	5,970	-	5,970
Total expenditure - Group	135,361	33,884	17,453	186,698

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

19. INVESTMENTS FOR THE YEAR ENED 31 AUGUST 2019

	Subsidiary Company £	Unrestricted Funds (restated) £	Permanent Endowment Funds £	Group Total (restated) £
Freehold investment property				
Market value at 1 September 2018	58,381	-	115,500	173,881
Disposal – Shuker Field	(58,381)	-	-	(58,381)
Market value at 31 August 2019	-	-	115,500	115,500
Haberdashers' Charities Investment Pool				
Market value at 1 September 2018	-	-	2,877,988	2,877,988
Unrealised gain	-	-	51,615	51,615
Market value at 31 August 2019	-	-	2,929,603	2,929,603
Diversified Property Fund for Charities				
Market value at 1 September 2018	-	247,692	-	247,692
Increase in investment cash	-	15,000	-	15,000
Unrealised gain	-	7,843	-	7,843
Market value at 31 August 2019	-	270,535	-	270,535
Property Income Trust for Charities				
Market value at 1 September 2018	-	65,500	-	65,500
Increase in investment cash	-	49,000	-	49,000
Market value at 31 August 2019	-	114,500	-	114,500
Total market value at 31 August 2019	-	385,035	3,045,103	3,430,138
Total market value at 31 August 2018 (restated)	58,381	247,692	2,993,488	3,299,561

Haberdashers' Adams' Grammar School Charity

NOTES TO THE ACCOUNTS Year ended 31 August 2020

20. ANALYSIS OF GROUP NET ASSETS BETWEEN FUNDS FOR THE YEAR ENDED 31 AUGUST 2019

	Subsidiary Company £	Unrestricted Funds £	Restricted Funds £	Permanent Endowment Funds £	Total Funds Restated £
Tangible assets	-	-	-	1,589,333	1,589,333
Fixed asset investments	-	385,035	-	3,045,103	3,430,138
Investment in subsidiary	(59,375)	-	-	59,375	-
Net current (liabilities)/assets	525,053	(118,331)	71,656	(140,838)	337,540
Creditors due after more than one year	(214,133)	(174,167)	-	(410,933)	(585,100)
	<u>465,678</u>	<u>92,537</u>	<u>73,068</u>	<u>4,142,040</u>	<u>4,771,911</u>

21. THE FUNDS OF THE GROUP AND CHARITY FOR THE YEAR ENDED 31 AUGUST 2019

	Balance 31 August 2018 £	Income £	Expend- iture £	Net investment gains £	Net transfers £	Balance 31 August 2019 £
Unrestricted Funds						
General fund	27,476	95,469	(95,469)	7,843	-	35,319
Designated school fund	13,393	56,126	(8,634)	-	(3,667)	57,218
Unrestricted – Charity	40,869	151,595	(104,103)	7,843	(3,667)	92,537
Subsidiary company	(28,637)	(1,568)	(5,970)	501,853	-	465,678
Unrestricted – Group	<u>12,232</u>	<u>150,027</u>	<u>(110,073)</u>	<u>509,696</u>	<u>(3,667)</u>	<u>558,215</u>
Restricted Funds						
Annual Payments Fund	-	2,646	(2,646)	-	-	-
Governors' Fund	7,788	-	-	-	-	7,788
School Maintenance Fund	65,280	35,644	(37,056)	-	-	63,868
	<u>73,068</u>	<u>38,290</u>	<u>(39,702)</u>	<u>-</u>	<u>-</u>	<u>71,656</u>
Endowment Funds						
Permanent Endowment	2,619,420	-	(36,923)	24,637	3,667	2,610,801
Second Permanent Endowment	1,504,261	-	-	26,978	-	1,531,239
	<u>4,123,681</u>	<u>-</u>	<u>(36,923)</u>	<u>51,615</u>	<u>3,667</u>	<u>4,142,040</u>
Total Charity Funds	<u>4,208,981</u>	<u>188,317</u>	<u>(186,698)</u>	<u>561,311</u>	<u>-</u>	<u>4,771,911</u>