

Registered Charity number 528402

**Haberdashers' Adams' Grammar
School Charity**

Financial Statements

for the year ended

31 August 2021

FINANCIAL STATEMENTS 2021

CONTENTS	Page
Legal and administrative details	1
Trustee's report	3
Independent auditors' report	8
Group statement of financial activities	11
Charity statement of financial activities	12
Balance sheets	13
Notes to the financial statements	14

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

FINANCIAL STATEMENTS 2021

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 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:

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).

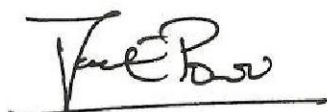
Net outgoing resources for the year before investment gains were £45,239 (2020: outgoing resources £48,587).

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 16/6/2022 ~~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**

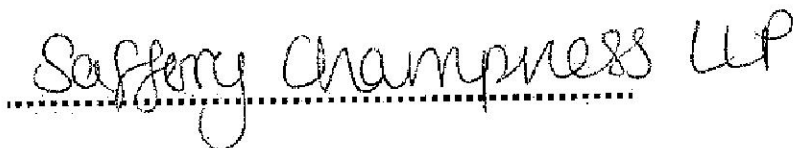
accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws 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	<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	52,344
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	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	<u>72,810</u>	<u>82,175</u>	<u>5,158,671</u>	<u>5,313,656</u>	<u>4,824,255</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 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		<u>17,635</u>	<u>(25,951)</u>	<u>(36,923)</u>	<u>(45,239)</u>	<u>417,091</u>
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)		<u>45,507</u>	<u>(25,951)</u>	<u>469,845</u>	<u>489,401</u>	<u>518,022</u>
Transfers between funds	11	<u>(3,667)</u>	<u>-</u>	<u>3,667</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>41,840</u>	<u>(25,951)</u>	<u>473,512</u>	<u>489,401</u>	<u>518,022</u>
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>72,810</u>	<u>82,175</u>	<u>5,158,671</u>	<u>5,313,656</u>	<u>4,824,255</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

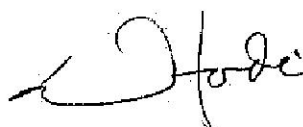
Year ended 31 August 2021

	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
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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.

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.

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	19,653	19,716	18,093	9,516

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	<u>1,822,953</u>	<u>1,722,115</u>	<u>3,545,068</u>	<u>3,040,300</u>

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	<u>32,540</u>	<u>30,517</u>	<u>32,540</u>	<u>30,517</u>
	<u>43,388</u>	<u>255,195</u>	<u>43,388</u>	<u>41,062</u>

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>

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).

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	(48,134)	36,470	(36,923)	(48,587)
Net (losses)/gains on investments	(9,766)	-	110,697	100,931
Net income/(expenditure)	(57,900)	36,470	73,774	52,344
Transfers between funds	(469,345)	-	-	469,345
Net movement in funds	(527,245)	36,470	543,119	52,344
Reconciliation of Funds:				
Fund balances brought forward	558,215	12,232	558,215	71,656
Fund balances carried forward	30,970	108,126	4,685,159	4,824,255

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>