

**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](http://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

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](http://www.adamsgs.org.uk)

High Street  
Newport  
Shropshire  
TF10 7BD

**Haberdashers' West Midlands Academy Trust**

**Haberdashers' Abraham Darby**

[www.abrahamdarbyacademy.com](http://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



## **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.

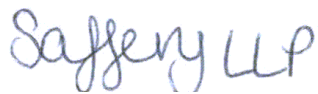
During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

This report is made solely to the 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

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<br>Funds<br>£ | Restricted<br>Funds<br>£ | Permanent<br>Endowment<br>Funds<br>£ | Total<br>Funds<br>2023<br>£ | Total<br>Funds<br>2022<br>£ |
|---|------|----------------------------|--------------------------|--------------------------------------|-----------------------------|-----------------------------|
| <b>Income and endowments from:</b>                          |      |                            |                          |                                      |                             |                             |
| 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>              |
| <b>Expenditure on:</b>                                      |      |                            |                          |                                      |                             |                             |
| 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>              |
| <b>Net income/(expenditure) before gains on investments</b> |      | 17,709                     | 40,376                   | (36,923)                             | 21,162                      | 75,497                      |
| <b>Net losses on investments</b>                            | 5    | <u>(81,802)</u>            | <u>-</u>                 | <u>(63,677)</u>                      | <u>(145,479)</u>            | <u>(123,098)</u>            |
| <b>Net income/(expenditure)</b>                             |      | (64,093)                   | 40,376                   | (100,600)                            | (124,317)                   | (47,601)                    |
| <b>Transfers between funds</b>                              | 11   | <u>(3,667)</u>             | <u>-</u>                 | <u>3,667</u>                         | <u>-</u>                    | <u>-</u>                    |
| <b>Net movement in funds</b>                                |      | (67,760)                   | 40,376                   | (96,933)                             | (124,317)                   | (47,601)                    |
| <b>Reconciliation of Funds:</b>                             |      |                            |                          |                                      |                             |                             |
| Total funds brought forward                                 |      | 214,219                    | 124,114                  | 4,927,722                            | 5,266,055                   | 5,313,656                   |
| <b>Total funds carried forward</b>                          | 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<br>£        | 2022<br>£        |
|--|------|------------------|------------------|
| <b>Fixed assets</b>                                      |      |                  |                  |
| 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> |
| <b>Current assets</b>                                    |      |                  |                  |
| 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>   |
| <b>Liabilities</b>                                       |      |                  |                  |
| Creditors: amounts falling due within one year           | 8    | (243,204)        | (243,747)        |
| <b>Net current liabilities</b>                           |      | <u>(74,534)</u>  | <u>(86,619)</u>  |
| <b>Total assets less current liabilities</b>             |      | 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> |
| <b>Total net assets</b>                                  |      | <u>5,141,738</u> | <u>5,266,055</u> |
| <b>The Funds of the Charity:</b>                         |      |                  |                  |
| Permanent endowment funds                                | 11   | 4,830,789        | 4,927,722        |
| Restricted funds   | 11   | 164,490          | 124,114          |
| Unrestricted funds                                       | 11   | 146,459          | 214,219          |
| <b>Total Charity Funds</b>                               |      | <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**

|  | <b>Total<br/>2023<br/>£</b> | <b>Total<br/>2022<br/>£</b> |
|--|-----------------------------|-----------------------------|
| Interest receivable  | 25,972                      | 21,306                      |
| Distributions from Haberdashers' Charities Investment Pool | 77,276                      | 80,292                      |
| <b>Total</b>   | <b>103,248</b>              | <b>101,598</b>              |

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2023**

**3. ANALYSIS OF EXPENDITURE**

|   | Charitable<br>activities<br>£ | Raising<br>funds<br>£ | Govern-<br>ance<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|---|-------------------------------|-----------------------|----------------------|--------------------|--------------------|
| <b>Costs directly allocated to activities</b>     |                               |                       |                      |                    |                    |
| 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<br>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              |
| <b>Total expenditure</b>                          | <b>127,783</b>                | <b>6,713</b>          | <b>29,620</b>        | <b>164,116</b>     | <b>128,167</b>     |

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<br>£     | 2022<br>£     |
|--------------------|---------------|---------------|
| Wages and salaries | 27,375        | 21,586        |
| National insurance | 3,729         | 2,876         |
| Pension costs      | 5,843         | 3,293         |
|                    | <b>36,947</b> | <b>27,755</b> |

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

**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):

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

**4. TANGIBLE ASSETS**

|                             | <b>2023</b>      | <b>2022</b>      |
|-----------------------------|------------------|------------------|
|                             | <b>£</b>         | <b>£</b>         |
| Freehold Land and Buildings |                  |                  |
| <b>Cost</b>                 |                  |                  |
| Balance as at 31 August     | <u>1,863,896</u> | <u>1,863,896</u> |
| <b>Depreciation</b>         |                  |                  |
| Balance at 1 September      | 385,332          | 348,409          |
| Charge for the year         | <u>36,923</u>    | <u>36,923</u>    |
| Balance at 31 August        | <u>422,255</u>   | <u>385,332</u>   |
| <b>Net book value</b>       |                  |                  |
| 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)).

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2023**

**5. INVESTMENTS**

|  | Unrestricted<br>Funds<br>£ | Permanent<br>Endowment<br>Funds<br>£ | Total<br>£ |
|--|----------------------------|--------------------------------------|------------|
| <b>Freehold investment property</b>            |                            |                                      |            |
| Market value at 1 September 2022               | -                          | 115,500                              | 115,500    |
| Market value at 31 August 2023                 | -                          | 115,500                              | 115,500    |
| <b>Haberdashers' Charities Investment Pool</b> |                            |                                      |            |
| 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  |
| <b>Diversified Property Fund for Charities</b> |                            |                                      |            |
| 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    |
| <b>Property Income Trust for Charities</b>     |                            |                                      |            |
| 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.

**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<br>for<br>investment<br>£ | Unapplied<br>Total<br>Return<br>£ | Total<br>2023<br>£ | Total<br>2022<br>£ |
|---|---------------------------------|-----------------------------------|--------------------|--------------------|
| 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)           |
| <b>Trust for investment at 31 August 2023</b> | <b>1,822,953</b>                | <b>1,462,745</b>                  | <b>3,285,698</b>   | <b>3,349,375</b>   |

**7. DEBTORS: AMOUNTS RECEIVABLE WITHIN ONE YEAR**

|                     | 2023<br>£     | 2022<br>£     |
|---------------------|---------------|---------------|
| 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        |
|                     | <b>38,970</b> | <b>65,566</b> |

## Haberdashers' Adams' Grammar School Charity

### NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2023

#### 8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                              | 2023<br>£      | 2022<br>£      |
|------------------------------|----------------|----------------|
| 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<br>£     | 2022<br>£     |
|---------------------------------|---------------|---------------|
| 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> |

**NOTES TO THE FINANCIAL STATEMENTS**  
**Year ended 31 August 2023**

**10. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|   | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Permanent<br>Endowment<br>Funds<br>£ | Total Funds<br>£ |
|---|----------------------------|--------------------------|--------------------------------------|------------------|
| 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<br>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<br>31 August<br>2022<br>£ | Income<br>£    | Expend-<br>iture<br>£ | Net<br>investment<br>gains/<br>(losses)<br>£ | Net<br>transfers<br>£ | Balance<br>31 August<br>2023<br>£ |
|-----------------------------------|-----------------------------------|----------------|-----------------------|--|-----------------------|-----------------------------------|
| <b>Unrestricted Funds</b>         |                                   |                |                       |  |                       |                                   |
| 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>                    |
| <b>Restricted Funds</b>           |                                   |                |                       |  |                       |                                   |
| 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>                    |
| <b>Endowment Funds</b>            |                                   |                |                       |  |                       |                                   |
| Permanent Endowment (e)           | 3,177,078                         | -              | (36,923)              | (30,394)                                     | 3,667                 | 3,113,428                         |
| Second Permanent<br>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>                  |
| <b>Total Funds</b>                | <u>5,266,055</u>                  | <u>185,278</u> | <u>(164,116)</u>      | <u>(145,479)</u>                             | <u>-</u>              | <u>5,141,738</u>                  |

**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.

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

**13. TAXATION**

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



**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<br>Funds<br>£ | Restricted<br>Funds<br>£ | Permanent<br>Endowment<br>Funds<br>£ | Total<br>Funds<br>2022<br>£ |
|---|----------------------------|--------------------------|--------------------------------------|-----------------------------|
| <b>Income and endowments from:</b>                          |                            |                          |                                      |                             |
| 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>              |
| <b>Expenditure on:</b>                                      |                            |                          |                                      |                             |
| 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>              |
| <b>Net income (expenditure) before gains on investments</b> | 70,481                     | 41,939                   | (36,923)                             | 75,497                      |
| <b>Net gains/(losses) on investments</b>                    | 74,595                     | -                        | (197,693)                            | (123,098)                   |
| <b>Net income/(expenditure)</b>                             | 145,076                    | 41,939                   | (234,616)                            | (47,601)                    |
| <b>Transfers between funds</b>                              | (3,667)                    |                          | 3,667                                | -                           |
| <b>Net movement in funds</b>                                | 141,409                    | 41,939                   | (230,949)                            | (47,601)                    |
| <b>Reconciliation of Funds:</b>                             |                            |                          |                                      |                             |
| Total funds brought forward                                 | 72,810                     | 82,175                   | 5,158,671                            | 5,313,656                   |
| <b>Total funds carried forward</b>                          | <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<br>activities<br>£ | Raising<br>funds<br>£ | Govern-<br>ance<br>£ | Total<br>2022<br>£ |
|--|-------------------------------|-----------------------|----------------------|--------------------|
| <b>Costs directly allocated to activities</b>  |                               |                       |                      |                    |
| 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              |
| <b>Total expenditure</b>                       | <b>105,559</b>                | <b>5,786</b>          | <b>16,822</b>        | <b>128,167</b>     |

# 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<br>Funds<br>£ | Permanent<br>Endowment<br>Funds<br>£ | Total<br>£ |
|--|----------------------------|--------------------------------------|------------|
| <b>Freehold investment property</b>            |                            |                                      |            |
| Market value at 1 September 2021               | -                          | 115,500                              | 115,500    |
| Market value at 31 August 2022                 | -                          | 115,500                              | 115,500    |
| <b>Haberdashers' Charities Investment Pool</b> |                            |                                      |            |
| 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  |
| <b>Diversified Property Fund for Charities</b> |                            |                                      |            |
| 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    |
| <b>Property Income Trust for Charities</b>     |                            |                                      |            |
| 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  |

# 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<br>Company<br>£ | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Permanent<br>Endowment<br>Funds<br>£ | Total<br>Funds<br>£ |
|---|----------------------------|----------------------------|--------------------------|--------------------------------------|---------------------|
| 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<br>one year | -                          | (64,167)                   | -                        | (16,333)                             | (80,500)            |
|   | -                          | 231,791                    | 124,114                  | 4,927,722                            | 5,283,627           |

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

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