

Highclare School

(A company limited by guarantee)

Governors' Report and Consolidated Financial Statements for the Year Ended 31 August 2023

Registered number: 1074596 (England & Wales)

Registered charity number: 528940

Highclare School
Financial Statements
For the Year Ended 31 August 2023

Contents

	Pages
Governors and General Information	1
Strategic Report	2 – 6
Governors' Report	7 – 8
Independent Auditor's Report	9 – 12
Consolidated Statement of Financial Activities	13
Consolidated Balance Sheet	14
Company Balance Sheet	15
Consolidated Statement of Cash Flows	16
Notes to the Consolidated Financial Statements	17 – 31

Highclare School

Governors and General Information

Governors:	J A Barrett (President) Mrs L E Flowith (Chairman) J R Brain ACA Mrs P A Mayall A I Hazel Mrs S D Watson A B Davison
Head:	Dr R Luker PhD MA BA (Hons) PGCE (Resigned 31 August 2023) Mrs S Cassell BA (Hons) PGCE (Acting Head from 1 September 2023)
Educational establishments:	Highclare Preparatory School: Woodfield Pre-Preparatory and Preparatory 241 Birmingham Road Wylde Green Sutton Coldfield West Midlands B72 1EA Highclare Preparatory School: St.Paul's Pre-Preparatory and Preparatory 88 Lichfield Road Sutton Coldfield West Midlands B71 2SY Highclare: The Abbey Senior School and Sixth Form 10 Sutton Road Erdington Birmingham B23 6QL
Registered office:	241 Birmingham Road Wylde Green Sutton Coldfield West Midlands B72 1EA
Bankers:	HSBC Bank Plc The Bridge Walsall WS1 1LN
Auditors:	Malcolm Piper & Company Limited Kingsnorth House Blenheim Way Kingstanding Birmingham B44 8LS
Senior management personnel:	Dr R Luker (Resigned 31 August 2023) Mrs S Cassell Mrs P Bennett Mrs M P A McGoldrick Mr M Coles Mrs J Griffiths Mrs H Good
Charity number:	528940
Company number:	1074596

Highclare School

Strategic Report

Objectives and Activities

The principal activity of the Group remains the provision of tuition and general education facilities to children between rising three and eighteen years.

The objectives of the Charity are:

- (a) To promote and provide for the advancement of education and training and in connection therewith to conduct, carry on, acquire and develop in the United Kingdom or elsewhere any boarding or day school or schools for the education of children and young people of both sexes;
- (b) To provide facilities in the interest of social welfare for the recreation and leisure time occupation for children and young people with the object of improving their conditions of life.

For over 90 years, Highclare has been pursuing its policy of encouraging pupils to achieve their full potential within a stimulating academic environment and to pursue excellence. The Highclare philosophy goes much further than educational excellence; we endeavour to work with both students and parents to equip our young people to cope with the pressures of modern society.

The School's focus continues to be on achievement of academic performance by a learning curriculum that is broad and balanced and kept constantly under review, the widening of access to the education provided by the School, enhancing the use of technology in teaching and improving the School's facilities and their access by the local community. Over the period, there was once again extensive refurbishment to continue the rolling programme of essential upgrading of the internal and external infrastructure of all school buildings, including external and internal refurbishment and decoration at three school locations plus the sports field and pavilion.

Recruitment and Training of Governors

Governors are familiar with the aims, objectives and practical operation of the School, often either by being parents or grandparents of children who are currently being educated at the School or having had children attend the School in the past. New Governors are appointed by the Board of Governors and elected at an Annual General Meeting following completion of 12 months of service.

Additionally, new Governors are provided with a copy of the latest financial statements and Memorandum and Articles of Association as well as a copy of the Charity Commission's guidance, 'The Essential Trustee: What you need to know, what you need to do'.

Governors undertake training as and when required appropriate to their specific needs and responsibilities.

The Governors determine the strategy and general policies of the School and meet as a Board at least 10 times a year. The implementation of the strategy together with the day-to-day management of the School is delegated to the Headmaster and the Senior Leadership Team.

Group Structure and Relationships

The School has a wholly owned non-charitable subsidiary, Highclare Investments Limited. Highclare Investments Limited also has a wholly owned non-charitable subsidiary, Highclare Limited. The principal activity of both subsidiaries is property ownership and management although both subsidiary companies were non-trading throughout the current financial year.

Highclare School

Strategic Report (continued)

Achievements and Performance

The Independent Schools' Inspectorate (ISI) carried out a focussed compliance and educational quality inspection in April 2023. Their judgements were:

1. "The quality of pupils' academic and other achievements is excellent."
2. "Pupils throughout the school display strongly positive attitudes to learning, both independently and collaboratively."
3. "Prep school pupils demonstrate excellent study skills."
4. "The quality of the pupils' personal development is excellent."
5. "Pupils deeply respect and value diversity within their school and show a keen appreciation of their own and other cultures."
6. "Pupils throughout the school demonstrate excellent self-knowledge, self-discipline and resilience in all aspects of their school lives."
7. "Pupils' moral understanding is highly developed and they maturely take responsibility for their own behaviour."

Academic achievement is a matter of record, with our pupils winning places at top independent and maintained grammar schools at junior level and gaining their choice of university after the Sixth Form.

Academic results during the year were once again excellent with a 98% pass rate at 'A' Level; and 75% passes at A* - C grades (including EPQ). At GCSE an impressive 93% of the candidates achieving grades 9 to 4 (A* to C equivalent) in five or more subjects, 27% achieving grades 9 to 7 and 93% attaining Maths and English. These grades were achieved alongside taking part in a full extra-curricular timetable, in keeping with the Highclare ethos of educating the whole person. The strength of teaching, processes and the dedication and continued hard work and application from staff and students placed us firmly amongst the top independent and maintained schools in the region.

Academic 'value added', using the CEM Centre's measures of MidYIS and Yellis, continues to be indicative of the good progress that the pupils make. This year's average residuals for MidYIS and Yellis (+0.07 and +0.05 respectively) which indicates candidates have made at least expected progress.

Throughout the year both the Senior and Preparatory Schools continued to provide a vast range of co-curricular and extra-curricular activity. Highclare School is dedicated to educating the whole person and allowing them to fulfil their potential in so many ways through sport, music, drama, the Duke of Edinburgh Award scheme and the many activities and trips both local and abroad offered to pupils. These activities complement the learning through the curriculum and enrich personal development. This is what Highclare School is all about, giving the opportunities to pupils to learn important skills such as leadership, time management, teamwork, persistence and to grow in both self-confidence and self-assurance.

In the Senior School, extra-curricular clubs before school, at lunch and after school continued to play a huge part in the development of sport. Clubs included: football, netball, hockey, table tennis, rugby, basketball, badminton, indoor athletics and cricket. Highclare Sports Field continues to be used weekly in the double lessons for football and rugby and more recently for cricket in September and October, making use of the AstroTurf wicket. The pupils in U3/L4 continued to have a weekly swimming lesson at Erdington Leisure Centre, which is a fantastic opportunity for their development.

Highclare School

Strategic Report (continued)

Prep School sport is enhanced via the extra-curricular clubs before school, at lunchtime and after school. Clubs included football, netball, hockey, basketball, ballet, tennis, multi-sports and dancing as examples. Highclare Sports Field continues to be used by the Prep School 4 times a week and we also share facilities at the Senior School or across Prep School sites. Swimming is taught weekly for children in Reception, Year 1 and Year 2 and then on a half termly basis for children in Year 3-6. Fixtures take place for all children throughout the school (Year 1 upwards) in all sports such as swimming, tri-golf and hockey. Last year we played approximately 65 fixtures against other schools. These were both competitive and friendly.

The Duke of Edinburgh Scheme, which was established at Highclare School in 2013, continues to flourish. The awards involve a wide range of activities including sport, expeditions and volunteering all of which the students have to organise for themselves and which demands a great deal of personal input along with the tremendous support from the teaching staff involved, who also give up their free time to supervise the expeditions and manage the programme. This year saw fifteen pupils achieving bronze status and four silver status.

Music and drama continue to play an extremely important part of school life. Many events took place and many of the pupils maintained their progress via the interaction with the numerous visiting music teachers who continue to do so much valuable work. The London Academy of Music and Dramatic Arts ("LAMDA") is an extremely popular extra-curricular activity, which allows pupils to grow in confidence and develop their individuality. This has continued to flourish and, once again, many pupils took exams during the year.

Achievements and Performance (continued)

In the annual ISA Midlands art competition (regional) we successfully achieved three certificates, out of the eight entries submitted this year. This comprised of one 2nd Place certificate and two Highly Commended certificates.

The Preparatory School continues to promote the ongoing and all-round development of all the children in a nurturing and caring environment.

The Governors offer their congratulations to the girls and boys who participated in these achievements and thank the teachers and parents for their commitment and support.

Pastoral care continues to be a strength of the School with comprehensive policies on Personal, Social, Health and Citizenship Education (PSHCE), Social, Moral, Spiritual and Cultural aspects of Learning (SMSC) and careers guidance, together with an outstanding tutor system. School continues to work within the regulatory framework with regard to relationship and sex education and responded positively to the national initiatives on equity, diversity and equality that schools were asked to implement.

Community Involvement

The School has an on-going commitment to encourage all pupils of every age to engage (at appropriate levels) in community involvement. These include community carol singing, personal visits to residential and care homes and a local special needs school. Invitations are extended to these residents to attend a number of school events such as concerts and plays.

Charity plays a huge part in both the Senior and Preparatory Schools. The charities chosen by the student councils on each site this year were Shoe Aid, the Erdington Foodbank and The Sebbie Hall Kindness Foundation, plus The Red Movement (SA) and Rhino Art (students on the senior school visit to South Africa were able to work with these last two charities as part of their expedition). During the year the School raised over £11,000 (2022; over £10,000). In addition over £1,000 was raised for Comic Relief.

Highclare School

Strategic Report (continued)

This year has also seen the School donating gifts of food for the Trussell Trust foodbank operated in Erdington. Students have also collected and donated used spectacles to Lions International. The Governors are extremely grateful to the pupils and their parents for these considerable fund raising efforts, which were even more necessary during the cost of living crisis to assist those within the community who are struggling to cope.

The competitions in art and creative writing for local primary schools took place. The art competition, in the spring, attracted 180 entries on the theme of past and present, the 90 years to the present day to coincide with Highclare's 90th anniversary, whilst the creative writing competition focussed on writing a poem on Tutankhamun's tomb, Ancient Egypt or the wonderful world of exploration and adventure and attracted over 507 entries. We were able to welcome participants into school for the presentation events.

Neighbouring primary schools and local sporting teams enjoy the use of the School's recreational facilities at both the Senior School and Highclare Sports Field and the Church next door are able to use the car park every weekend when they are open, within current restrictions and able to provide services to the community. A local ballet school continues to use the Senior School hall on a weekly basis.

The Trustees have considered their response to the change to the law, as embodied in the Charities Act 2011, requiring that public benefit can no longer be presumed but must be demonstrated. In addition, they have had due regard for Charity Commission guidance on the subject. The Governors consider that these wider involvements and contributions to the community clearly demonstrate the greater public benefit requirements are being met.

Scholarship Awards

Academic scholarships are awarded to pupils who perform particularly well in our entrance assessments and have already demonstrated a considerable degree of all round commitment to their current school. Additional specialist scholarships are also awarded for those pupils showing a particular talent in music, sport or art. A limited number of bursaries are offered based on financial needs. The Highclare School Governors' Prize is a means-tested bursary available annually if all the necessary requirements are met to cover up to 100% of school fees for one pupil upon entering Senior School in U3 (Year 7). The School currently has awarded this bursary to six pupils: ranging from current U3 (Year 7) to L6 (Year 12).

Financial Review

Fee income has increased this year to £6,642,916 from 2022: £6,255,310.

The school has continued to make savings in overheads and costs where possible.

There was continued and necessary annual rolling replacement programme of IT facilities. The programme this year included the replacement of interactive smart boards, computers, iPads, servers and Wi-Fi provision to ensure that both pupils and staff continue to benefit from enhanced interactive teaching.

There have been many other significant enhancements this year which included:

- *Extensive improvement of the cloakroom and changing area at Highclare Preparatory School: St Paul's;*
- *Major roof repairs to some areas of the school, including the tower at Highclare Senior School;*
- *Refurbishment of washroom facilities across the school.*

Highclare School

Strategic Report (continued)

Reserves Policy

It is the policy of the Charity to maintain separate reserve funds for specific purposes. The Charity aims to retain at a minimum consolidated unrestricted reserves equivalent to the carrying value of the tangible fixed assets, which amount to £5,039,147 as at 31 August 2023 (2022: £4,941,749) as a contingency in order to maintain the stable operation of the School in the case of future unforeseen events; the most recent financial years being a very good indicator of how appropriate that policy is to the future sustainability and stability of the School. It remains the objective of the Board of Governors for the reserves to continue to increase until this minimum target is met and through careful management and control of operational costs. The unrestricted reserves have been maintained at the year-end. Consolidated unrestricted reserves at 31 August 2023 amounted to £4,867,085 (2022: £4,760,959).

Risk Management

The major risks, to which the Charity is exposed, as identified by the Governors, have been reviewed and systems have been established to mitigate those risks. A risk register has been established and is updated throughout the year.

Friends of Highclare School ("FOHS")

The FOHS plays a very important part in the School, organising events for the children and parents and raising funds for the School. They are a committed and dedicated group of parents who aim to provide the best they can for the School. They also kindly operate a second-hand School uniform shop that is used by the parent body.

Child Protection Code of Practice

It is the policy of Highclare School to provide a safe and secure environment in which children can thrive and develop and where all aspects of their welfare will be safeguarded. A Child Protection policy and procedures has been adopted and is updated on a regular basis. This includes additional and necessary considerations for physical as well as psychological health, safety and well-being of all our pupils.

Plans for Future Periods

The Governors' plan is to continue to improve the educational and academic achievements of pupils by the provision of enhanced facilities. Constant monitoring of performance, and the potentially changing landscape of rules and requirements, means that the School's medium to long term strategy is kept under review and any changes that are necessary will be considered and implemented.

The use of Highclare Sports Field continues to evolve and expand and has been a significant contributing factor to the tremendous sporting success that both the Preparatory and Senior School have seen over the past year. Highclare Sports Field is also available to the local community and has seen a considerable increase in usage by a number of local schools and clubs during the year and this increase has continued into the following academic year.

The School continues its major school wide capital investment programme, which includes further developments in the landscaping and administration provision at Highclare Woodfield; and constant enhancements to school facilities. Additionally, the School's schedule of rolling maintenance in respect of areas such as roofing, rainwater pipes, fire security and the heating systems continues across all three locations, to ensure a high quality-learning environment is maintained for the pupils.

Approved by the Board on 13 December 2023 and signed on its behalf by:-

J R Brain
Governor



Highclare School

Governors' Report

The Governors submit their report and the audited consolidated financial statements of the Group for the year ended 31 August 2023.

The Governors have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' (FRS 102) in preparing the Annual Report and Financial Statements.

Structure, Governance and Management

The Company is limited by guarantee and is registered as a charitable educational trust. There is no share capital. Its Memorandum and Articles of Association govern the Company.

Governors' responsibilities

The Governors (who are also directors of Highclare School for the purposes of Company Law) are responsible for preparing the Annual Report (including the Strategic Report) and the Financial Statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company Law requires the Governors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Charitable Company and the Group and of the income and expenditure of the Group and Charitable Company for that period. In preparing those financial statements, the Governors are required to:

- select suitable accounting policies and 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 UK Accounting Standards have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Group or charitable company will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Group and Charitable Company and enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are also responsible for ensuring that the assets are properly applied in accordance with Charity Law.

The Governors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the Group and Charitable Company's auditor is unaware. Each of the Governors have confirmed that they have taken all steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Highclare School

Governors' Report (continued)

Organisational Management

The Directors of the Company are also Charity Trustees for the purposes of Charity Law and under the Company's Articles are known as Governors. The Governors are all members of the Company serving in a non-executive capacity and receive no emoluments. The day-to-day management of the School is delegated to the Head and the Senior Leadership Team.

The Governors who served in the year ended 31 August 2023 were:

J A Barrett (President)
Mrs L E Flowith (Chairman)
J R Brain (Treasurer)
Mrs P A Mayall
A I Hazel
Mrs S D Watson
A B Davison
Professor F Eperjesi (Resigned 5 October 2022)

Mrs L Flowith and Mr A Davison retire by rotation at the forthcoming Annual General Meeting and, being eligible; offer themselves for re-election at the Annual General Meeting.

Auditors

Malcolm Piper & Company Limited, as auditors, will be proposed to the Governors for re-election at the Annual General Meeting.

Approved by the Board on 13 December 2023 and signed on its behalf by:-

**J R Brain
Governor**

A handwritten signature in black ink, appearing to be 'J R Brain', written over a faint, stylized circular graphic.

Independent Auditor's Report to the Governors of Highclare School

(A Company Limited By Guarantee) (Registration number 1074596)

Year Ended 31 August 2023

Opinion

We have audited the financial statements of Highclare School (the 'parent charitable company') and its subsidiaries (the 'Group') for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Cash Flow Statement 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's and parent charitable company's affairs as at 31 August 2022, and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Governors' annual report, other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

[continued ...]

Independent Auditor's Report to the Governors of Highclare School (A Company Limited By Guarantee) (Registration number 1074596)

(continued)

Year Ended 31 August 2023

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report (incorporating the Strategic Report and the Governors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Governors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Governors' Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement set out on page 8 the Governors (who are also the Directors of the charitable company for the purposes of Company Law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed auditor under the Companies Act 2006 and report in accordance with this Act.

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

[continued ...]

**Independent Auditor's Report to the Governors of Highclare School
(A Company Limited By Guarantee) (Registration number 1074596)**

(continued)

Year Ended 31 August 2023

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, including fraud as detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to Highclare School, ("the Group and Company") and determined that the most significant are those that relate to the UK reporting framework under which the Company prepares its accounts and reports its results and the relevant UK tax compliance regulations. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements and those laws and regulations include those relating to health and safety, employee matters, environmental, and bribery and corruption practices;

- Having due regard to ISA 240 (Redrafted), The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements, we planned and designed our audit procedures to undertake such enquiry and testing which we deemed necessary to understand how the Company is complying with those frameworks. We made enquiries of the directors, senior management and those responsible for legal and compliance procedures within the "Group and Company" and we corroborated our enquiries by reference to other documentary evidence, where available, or other complimentary or compensating evidence and with other correspondence received and noted that there was no contradictory evidence;

- In designing the scope and depth of our work to assess the likely impact on the financial statements of fraud and other irregularities, we calculate a materiality level which is a percentage based upon turnover, profitability and gross balance sheet assets. This calculation produces a figure against which financial statement errors and irregularities are compared and indicates a level at which, in our opinion and judgement, this would cause transactions and balances within the financial statements to be misleading or materially incorrect.

- We also assessed the susceptibility of the Consolidated Financial Statements of the "Group and Company" to material misstatement using qualitative as well as quantitative factors, including how fraud might occur, and designed our audit testing and enquiries in such a way so as to enable us to identify the fraud risks across various parts of the business. In addition, we utilised internal and external information to perform a fraud risk assessment as part of our audit planning and testing procedures.

- We considered the risk of fraud through management override of controls and systems and, in response, we incorporated testing of large or unusual manual journal entries into our audit approach. We also considered the possibility of fraudulent or corrupt payments made through third parties and conducted detailed analytical review and substantive transaction testing on third party suppliers. Where instances of unusual behaviour patterns were identified through our testing, we performed additional audit procedures to address each identified risk. These procedures included testing of transactions back to source information and were designed to provide reasonable assurance that the financial statements were free from fraud or error. We also conducted specific audit procedures in relation to the risk of bribery and corruption by means of review of any marketing, promotion or discount activity determined by a risk-based process;

- Based on the results of our risk assessment we designed our audit procedures to identify non-compliance with such laws and regulations identified above. Our procedures involved journal entry testing, with a focus on journals meeting our defined risk criteria based on our understanding of the business and enquiries of "Group and Company" management; and

- If any instances of non-compliance with laws and regulations were identified, the audit team performed sufficient and appropriate audit procedures.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

[continued ...]

**Independent Auditor's Report to the Governors of Highclare School
(A Company Limited By Guarantee) (Registration number 1074596)**

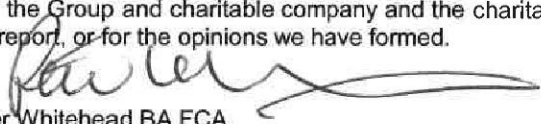
(continued)

Year Ended 31 August 2023

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

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Group and charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Whitehead BA FCA
Senior Statutory Auditor
For and on behalf of
Malcolm Piper & Company Limited
Kingsnorth House
Blenheim Way
Birmingham
B44 8LS

Dated: 13 December 2023

Highclare School

Consolidated Statement of Financial Activities (including Income and Expenditure Account) for the year ended 31 August 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	Total funds 2022 £
Income from:					
Charitable activities					
School fees receivable		6,642,916	-	6,642,916	6,255,310
Registration fees		11,987	-	11,987	11,045
School activities & trips		150,000	-	150,000	63,828
Investments					
Rents and lettings		8,250	-	8,250	8,250
Other					
Other income	4	314,129	-	314,129	279,773
Total income		7,127,282	-	7,127,282	6,618,206
Resources expended					
Expenditure on:					
Charitable activities					
School operating costs	5	(6,666,482)	(30)	(6,666,512)	(6,455,222)
School activities and trips		(150,000)	-	(150,000)	(63,828)
Governance costs	6	(11,150)	-	(11,150)	(11,640)
School finance costs	9	(36,422)	-	(36,422)	(13,336)
Exceptional Expenditure	10	(157,102)	-	(157,102)	-
Total expenditure	11	(7,021,156)	(30)	(7,021,186)	(6,544,026)
Net Income		106,126	(30)	106,096	74,180
Transfers between funds	20	-	-	-	-
Net movement in funds for year		106,126	(30)	106,096	74,180
Total funds brought forward at 1 September 2022		4,760,959	664	4,761,623	4,687,443
Total funds carried forward at 31 August 2023		4,867,085	634	4,867,719	4,761,623

All income and expenditure is derived wholly from continuing operations.

The consolidated statement of financial activities includes all gains and losses recognised during the year.

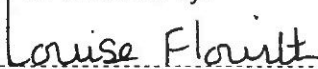
The notes on pages 17 to 31 form an integral part of these financial statements.

Highclare School

Consolidated Balance Sheet at 31 August 2023 (Registration number 1074596)

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	5,039,149	4,941,749
		<hr/> 5,039,149	<hr/> 4,941,749
Current assets			
Debtors	14	140,119	161,142
Cash at bank and in hand		2,163,526	2,354,712
		<hr/> 2,303,645	<hr/> 2,515,854
Creditors: Amounts falling due within one year	15	(1,920,400)	(2,055,408)
		<hr/> 383,245	<hr/> 460,446
Net current assets			
Total assets less current liabilities		5,422,394	5,402,195
Creditors: Amounts falling due more than one year	16	(554,675)	(640,572)
		<hr/> 4,867,719	<hr/> 4,761,623
Total net assets			
Charity Funds			
Restricted Funds	19	634	664
Unrestricted Funds			
General unrestricted funds	19	4,515,609	4,409,483
Revaluation reserves	19	351,476	351,476
		<hr/> 4,867,719	<hr/> 4,761,623

These financial statements were approved and authorised for issue by the Board on 13 December 2023 and signed on its behalf by:



 Mrs L E Flowith

Governor



 J R Brain

Governor

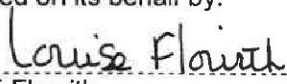
The notes on pages 17 to 31 form an integral part of these financial statements

Highclare School

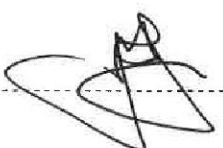
Balance Sheet at 31 August 2023 (Registration number 1074596)

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	12	3,015,796	2,918,399
Investment	13	950,000	950,000
		3,965,796	3,868,399
Current assets			
Debtors	14	2,345,418	2,366,441
Cash at bank and in hand		2,163,520	2,354,694
		4,508,938	4,721,135
Creditors: Amounts falling due within one year	15	(1,920,400)	(2,055,408)
Net current assets		2,588,538	2,665,727
Total assets less current liabilities		6,554,334	6,534,126
Creditors: Amounts falling due after more than one year	16	(554,675)	(640,572)
Total net assets		5,999,659	5,893,554
Charity Funds			
Restricted Funds	19	634	664
Unrestricted Funds			
General unrestricted funds	19	5,914,995	5,808,860
Revaluation reserves	19	84,030	84,030
		5,999,659	5,893,554

These financial statements were approved and authorised for issue by the Board on 13 December 2023 and signed on its behalf by:



 Mrs L E Flowith Governor



 J R Brain Governor

The notes on pages 17 to 31 form an integral part of these financial statements

Highclare School

Consolidated Cash Flow Statement for the Year Ended 31 August 2023

	Note	2023 £	2022 £
Net cash inflow from operating activities	21	179,197	415,556
Cash flow from investing activities			
Payments to acquire tangible fixed assets		(256,732)	(241,713)
Receipts from sale of tangible fixed assets		422	1,680
Rents received from investment properties		8,250	8,250
Net cash flow from investing activities		(248,063)	(231,783)
Cash flow from financing activities			
Repayment of loans		(85,898)	(85,899)
Loan interest paid		(36,422)	(13,336)
Net cash flow from financing activities		(122,320)	(99,235)
Net (decrease) increase in cash and cash equivalents		(191,186)	84,538
Cash and cash equivalents at 1 September 2022		2,354,712	2,270,174
Cash and cash equivalents at 31 August 2023		2,163,526	2,354,712
Cash and cash equivalents consist of:			
Cash at bank and in hand		2,163,526	2,354,712

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

1. Accounting Policies

General Information and Basis of Accounting

The Charity is a Company Limited by Guarantee in the United Kingdom. The members of the company are the Trustees named on page 1. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £10 per member of the Charity. The address of the registered office is given in the Charity information on page 1 of the financial statements. The nature of the Charity's operations and principal activities are detailed in the Strategic Report on page 2.

The Company has taken advantage of section 62 of the Companies Act 2006 and deleted the word "Limited" from its name.

The Charity constitutes a Public Benefit Entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and Republic of Ireland issued in October 2019, the Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice.

The consolidated financial statements have been prepared under the historical cost accounting convention, other than in the case of certain freehold properties and investment properties, which are stated at valuation. The consolidated financial statements are prepared in sterling, which is the functional currency of the Charity and rounded to the nearest pound. There are no discontinued operations.

The significant accounting policies applied in the preparation of these financial statements for the Group and Charitable Company ("Charity") are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of Consolidation

The Group financial statements consolidate the financial statements of the company and its subsidiary undertakings, Highclare Investments Limited (company registered number 02963934) and Highclare Limited (company registered number 02963938). Intra-group transactions and profits are eliminated on consolidation.

No separate statement of financial activities is presented for the Company as permitted by section 408 of the Companies Act 2006. The Company had total income from charitable activities of £6,804,903 (2022: £6,330,183), income from investments of £8,250 (2022: £8,250) and other income of £314,129 (2022: £279,773). Total expenditure on charitable activities was £6,816,482 (2022: £6,519,050), governance and finance costs of £47,572 (2022: £24,976) and exceptional costs of £157,102 (2022: £nil). The net income for the year amounted to £265,518 (2022: £74,180).

Funds

Unrestricted funds are funds which are available for use at the discretion of the Trustees in furtherance of the general objectives of the Charity and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted funds is set out in the notes to the financial statements.

Income Recognition

All income is included in the Statement of Financial Activities when the Charity is legally entitled to the income after any performance conditions have been met; the amount can be quantified with reasonable accuracy; and it is probable that the income will be received.

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

1. Accounting Policies (continued)

Donations

For donations to be recognised the Charity will have been notified of the amounts and settlement date in writing. If there are conditions attached to the donation, and this requires a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled. Donations receivable for the general purposes of the school are credited to unrestricted funds. Donations subject to specific wishes of the donors are credited to relevant restricted funds.

Charitable Income

Fees receivable and charges for services are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the school.

Investment Income

Investment income is earned through holding assets for investment purposes such as property. It includes interest earned and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest and rental income are recognised as the charity's right to receive payment is established.

Expenditure Recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties; it is probable that the settlement will be required; and the amount of the obligation can be measured reliably. All costs are incurred in the furtherance of the charitable activities.

Costs of Raising Funds

Costs of generating funds are those costs incurred in attracting voluntary income and those incurred in trading activities that raise funds.

Charitable Activities

Charitable activities include expenditure on providing education and include both direct costs and support costs relating to the activity.

Support Costs

Support costs are those that assist the work of the Charity but do not directly represent charitable activities and include central functions and governance costs. They are incurred directly in support of expenditure on the objectives of the Charity. Where support costs cannot be directly attributed to particular headings they have been allocated to cost of raising funds and expenditure on charitable activities on a basis consistent with the use of resources e.g. staff costs by the time spent and other costs by their usage.

Governance Costs

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, external audit, any legal advice for the Governors and all the costs of complying with constitutional and statutory requirements, such as the cost of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

Leases

Rentals paid under operating leases are charged to income in the period to which they relate.

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

1. Accounting Policies (continued)

Tangible Fixed Assets

Tangible fixed assets acquired are capitalised in the balance sheet at their original cost or valuation. Items costing less than £750 are written off as an expense in the period in which they are acquired.

Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Freehold properties	up to 50 years straight line
Leasehold improvements	up to 50 years straight line
Fixtures, fittings and equipment	between 2 and 5 years straight line
Computer equipment (teaching)	a maximum of 4 years straight line
Motor vehicles	a maximum of 5 years straight line
Investment properties	not depreciated

Assets under Construction

Costs incurred in fixed assets under construction are capitalised as they are incurred. The total cost of the project will be assessed against its realisable value upon completion of the project and it will then be transferred to the appropriate asset category. No depreciation is charged during the project construction. Where a project is aborted, the costs are immediately written off to the Statement of Financial Activities ("SOFA").

Investment Properties

Investment properties are accounted for in accordance with FRS 102, which provides that these should not be subject to periodic depreciation charges (unless held on lease), but should be shown at fair value. This is contrary to the Companies Act 2006, which states that, subject to any provision for depreciation or diminution in value, fixed assets are normally to be stated at purchase price or production cost. Current cost accounting or the revaluation of specific assets to fair value, as determined at the date of their last valuation, is also permitted.

The treatment of investment properties under the Companies Act does not give a true and fair view, as these assets are not held for consumption but as investments, the disposal of which would not materially affect the operations of the Group. In such a case, it is the current value of these investments, and changes in that current value, which are of prime importance. Consequently, for the proper appreciation of the financial position, the accounting treatment required by FRS 102 is considered appropriate for investment properties.

Details of the current value and historical cost information for investment properties are given in the Tangible Fixed Asset note.

Investments

Fixed asset investments in subsidiaries are measured at historical cost less provision for any permanent diminution in value.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the SOFA.

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction, it is measured at present value.

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

1. Accounting Policies (continued)

Impairment

Assets not measured at fair value are reviewed for indications that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying value. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in the SOFA.

Provisions

Provisions are recognised when the Charity has an obligation at the balance sheet date because of a past event; it is probable that an outflow of economic benefits will be required in settlement; and the amount can be reliably estimated.

Employee Benefits

When employees have rendered service to the Charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

The Charity operates a defined contribution pension plan for the benefit of its employees. Contributions are expensed to the SOFA as they become payable in accordance with the rules of the scheme.

Taxation

The Company is registered as a Charitable Educational Trust and, under the provisions of Section 505, Income and Corporation Taxes Act 1988, is exempt from liabilities to taxation on its charitable activities. No corporation tax liability arises on the results of the subsidiary undertakings for the year.

Government Grants

The company receives government grants in respect of the HM Job Retention Scheme and other local government support initiatives. Income from government and other grants are recognised at fair value when the company has entitlement after any performance conditions are met, it is probable that the income will be received and the amount can be measured reliably. If entitlement is not met, these amounts are deferred.

Going concern

Having reviewed the cash position, the Governors consider that the Group has adequate resources to continue its current operations and pursue its Long Term Strategy, as they believe it has the ability to meet its debts as they fall due. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

2. Income from Charitable Activities

During the year, no donations were received and classified as restricted funds. All charitable income for the current and prior year is attributable to unrestricted funds.

3. Income from Investments

All investment income for the current and prior year is attributable to unrestricted funds.

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

4. Income from Other Activities

	2023 £	2022 £
Other Income	314,129	279,773

Other Income is attributable to unrestricted funds.

5. School Operating Costs

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Salaries	4,469,297		4,469,297	4,132,083
Teaching materials	232,449		232,449	145,327
Kitchen expenses	507,945		507,945	432,389
Rent, rates and insurance	111,660		111,660	94,863
Heat and light	220,532		220,532	225,808
Cleaning	207,515		207,515	286,282
Training	14,841		14,841	13,652
Repairs and maintenance	244,590		244,590	433,914
Motor and transport	43,164		43,164	51,945
School activities and trips	150,000		150,000	63,828
Depreciation:				
Fixtures, vehicles and equipment	117,154		117,154	130,840
Freehold buildings	42,134		42,134	56,717
Amortisation of goodwill	-		-	11,530
Profit on disposal of fixed assets	(375)		(375)	(1,680)
Support costs:				
Printing and stationery	199,821		199,821	192,845
Advertising	19,356		19,356	34,655
Sundry expenses	106,903	30	106,933	60,529
Professional charges	102,676		102,676	125,758
Bank charges	74,392		74,392	52,741
	6,864,054	30	6,864,084	6,544,026

All expenditure for the current and prior year is in respect of the furtherance of the charitable activities of which £30 (2022 - £30) was attributable to restricted funds and £ 6,864,054 (2022 - £6,543,996) was attributable to unrestricted funds.

Included within school operating costs are school activities and trips, governance costs (note 6) and school finance costs (note 9), which have been disclosed separately on the Statement of Financial Activities.

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

6. Governance Costs

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total 2023 £	Total 2022 £
Auditors' remuneration (note 10)	11,150	-	11,150	11,640

7. Staff Costs

The average monthly number of employees and full time equivalents (FTE) during the year was as follows:

	2023		2022	
	Number	FTE	Number	FTE
Teachers	115	83	138	85
Administration	28	23	27	22
Auxiliary staff	17	11	24	15
	160	117	189	122

	2023 £	2022 £
Staff costs for above persons:		
Wages and salaries	3,964,898	3,642,361
Social security costs	303,188	286,472
Other pension costs	201,211	203,250
	4,469,297	4,132,083

There were three (2022: three) employees whose emoluments as defined for taxation purposes amounted to over £60,000. Their emoluments fell within the following bands: nil £60,001 to £70,000 (2022: one), two £70,001 - £80,000 (2022: one), nil £120,001 - £130,000 (2022: one) and one £130,001 - £140,000.

Pension costs in respect of the above employees totalled £28,512 (2022: £28,031).

Defined contribution pension scheme

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. Two (2022: two) higher paid employees are accruing benefits under the group defined contribution pension scheme and one (2022: one) employee has their pension contributions paid into a private pension scheme. The total pension costs charge to all schemes represents contributions payable by the Group and amounted to £201,211 (2022: £203,250).

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

8. Trustees' and Key Management Personnel Remuneration and expenses

The Governors do not receive any remuneration from the School, have no accruing pension arrangements and had no expenses reimbursed in either the year to 31 August 2023 or the previous financial year.

The total amount of employee benefits received by key management personnel is £504,273 (2022: £481,782). The Charity considers its key management personnel are the Senior Leadership Team.

9. School finance costs

	2023 £	2022 £
Bank loan Interest	36,422	13,336

10. Exceptional items

Exceptional items relate to amounts incurred during the year, which are not of a recurring nature. These are as follows:

	2023 £	2022 £
Legal and professional fees in respect of various planning related work	157,102	-

11. Total Resources Expended

	2023 £	2022 £
Total resources expended on charitable activities includes:		
Depreciation of tangible fixed assets	159,288	187,557
Amortisation of intangible fixed assets		
- purchased goodwill	-	11,530
Surplus on disposal of tangible fixed assets	(375)	(1,680)
Auditor's remuneration in respect of non-audit services	7,524	9,378
	<hr/>	<hr/>
Governance costs includes:	2023 £	2022 £
Auditors' remuneration in respect of audit services		
- for audit services	11,150	11,640
- for other services	7,524	9,378
	<hr/>	<hr/>
	18,674	21,018
	<hr/>	<hr/>

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

12. Tangible Fixed Assets

Group	Investment properties	Freehold properties	Fixtures, fittings, vehicles & equipment	Total
Cost or valuation	£	£	£	£
At 1 September 2022	219,162	6,049,230	2,529,638	8,798,030
Additions	-	101,250	155,482	256,732
Disposals	-	-	(836,482)	(836,482)
At 31 August 2023	219,162	6,150,480	1,848,638	8,218,280
Depreciation				
At 1 September 2022	-	1,645,089	2,211,192	3,856,281
Charged in the year	-	42,134	117,154	159,288
Elimination on disposals	-	-	(836,435)	(836,435)
At 31 August 2023	-	1,687,220	1,491,911	3,179,131
Net Book Value				
At 31 August 2023	219,162	4,463,260	356,727	5,039,149
At 31 August 2022	219,162	4,404,141	318,446	4,941,749
Company				
Cost or valuation				
At 1 September 2022	219,162	2,921,295	2,529,638	5,670,095
Additions	-	101,250	155,482	256,732
Disposals	-	-	(836,482)	(836,482)
At 31 August 2023	219,162	3,022,545	1,848,638	5,090,345
Depreciation				
At 1 September 2022	-	540,504	2,211,192	2,751,696
Charged in the year	-	42,134	117,154	159,288
Elimination on disposals	-	-	(836,435)	(836,435)
At 31 August 2023	-	582,638	1,491,911	2,074,549
Net Book Value				
At 31 August 2023	219,162	2,439,907	356,727	3,015,796
At 31 August 2022	219,162	2,380,791	318,446	2,918,399

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

12. Tangible Fixed Assets (continued)

- i) On an historical cost basis the freehold property would be included at:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Cost	5,621,002	5,519,752	2,791,010	2,689,760
Depreciation	(1,655,175)	(1,604,591)	(581,087)	(530,503)
	<hr/>	<hr/>	<hr/>	<hr/>
	3,965,827	3,915,161	2,209,923	2,159,257
	<hr/>	<hr/>	<hr/>	<hr/>

Freehold land and buildings at 241 Birmingham Road, Wylde Green were re-valued during the year ended 31 August 1995 at open market value with vacant possession by Weatherall, Green & Smith, independent chartered surveyors. The Governors are satisfied that this valuation remains appropriate, and currently have no intention to perform further revaluations.

The transitional rules set out in FRS 102 – ‘Financial Reporting Standards applicable in the UK and Republic of Ireland’ were applied on implementation of FRS 102. Accordingly, the book values at implementation have been retained as deemed cost. The Governors are aware of their responsibilities to ensure that there has been no impairment to the value at which the properties are included in the financial statements. Based on advice and enquiry of appropriate professionals the Governors are confident that the value of the freehold properties at the date of transition to FRS 102 is not impaired and the ultimate market value exceeds the book values retained at implementation of FRS 102.

- ii) On a historical cost basis the investment property would be included at:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Cost	219,162	219,162	219,162	219,162
Depreciation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	219,162	219,162	219,162	219,162
	<hr/>	<hr/>	<hr/>	<hr/>

In accordance with the requirements of FRS 102, but contrary to the requirements of the Companies Act 2006, investment properties are not depreciated. Instead, their ongoing current value is reviewed annually, which the Governors consider necessary in order to show a true and fair view.

The property was acquired in 2005 and is stated at cost. The Governors consider that its current market value at 31 August 2023 is in excess of its accounts carrying value.

- iii) Included in Group freehold land and buildings is land with a total cost or valuation of £1,027,500 (2022: £1,027,500) which is not depreciated.
- iv) All fixed assets other than the investment properties are used for direct charitable purposes.

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

13. Investment

The investment represents 950,000 £1 ordinary shares acquired at par in Highclare Investments Limited, (company registered number 02963934) a wholly owned subsidiary. Highclare Investments Limited also has a wholly owned subsidiary, Highclare Limited, (company registered number 02963938) in which it holds 900,000 £1 ordinary shares again acquired at par. The principal activity of both subsidiaries is property ownership and management and both are incorporated in England.

	Highclare Investments Limited		Highclare Limited	
	2023 £	2022 £	2023 £	2022 £
Summary profit and loss account				
Turnover	-	-	-	-
Administrative expenses	-	(4,756)	-	(5,999)
Net loss for the year and Retained in the subsidiary	-	(4,756)	-	(5,999)
The assets and liabilities of the subsidiaries were:				
Fixed assets	2,048,350	2,048,350	875,000	875,000
Current assets	2	2	3	3
Creditors: Amounts falling due within one year	(1,331,811)	(1,331,811)	(873,488)	(873,488)
Total net assets	716,541	716,541	1,515	1,515
Aggregate share capital and reserves	716,541	716,541	1,515	1,515

14. Debtors

	Group		Company	
	2023 £	2022 £	2023 £	2022 £
Due within one year:				
Outstanding fees	13	4	13	4
Amounts owed by subsidiary undertakings	-	-	2,205,351	2,205,299
Other debtors	58,182	93,551	58,130	93,551
Prepayments	81,924	67,587	81,924	67,587
	140,119	161,142	2,345,418	2,366,441

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

15. Creditors: Amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	85,899	85,899	85,899	85,899
Trade creditors	288,870	181,262	288,870	181,262
Fees in advance	845,638	759,098	845,638	759,098
Other taxation and social security	72,985	67,269	72,985	67,269
Other creditors	383,466	396,895	383,466	396,895
Accruals	242,066	560,496	242,066	560,496
Friends of Highclare School Fund	1,476	4,489	1,476	4,489
	1,920,400	2,055,408	1,920,400	2,055,408

In the year, Friends of Highclare School have contributed towards the purchase of defibrillators.

Bank loans and overdrafts are secured by a fixed charge over book debts and a floating charge over all other assets of the Group, together with mortgages over certain freehold properties.

16. Creditors: Amounts falling due after more than one year

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans	554,675	640,572	554,675	640,572

Maturity of borrowings

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Bank loans				
Amounts fall due on the bank loans as follows:				
Within one year	85,899	85,899	85,899	85,899
Between one and two years	85,899	85,899	85,899	85,899
Between two and five years	257,697	257,697	257,697	257,697
Over five years	211,078	296,976	211,078	296,976
	640,573	726,471	640,573	726,471

Bank loans for the group and company include the following:

- (a) A mortgage loan which had a remaining balance at the year-end of £507,240 (2022: £576,471) carries interest at the Bank's Sterling Base Rate plus 1% (2022 Bank's Sterling Base Rate plus 1%). This loan is repayable by termly instalments of £23,077 which commenced September 2013 and ends in 2028.
- (b) A second loan with a remaining balance at the year-end of £133,333 (2022: £150,000), which is repayable by termly capital instalments of £5,556 payable on 1 September, 2 January and 1 May commencing on 1 September 2013 and ends in 2033. The loan carries interest at the Bank's Sterling Base Rate plus 3.00% and is paid monthly.

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

17. Operating leases

At 31 August 2023, the School was committed to making the following payments under non-cancellable operating leases. These commitments are analysed as follows:

	Group		Company	
	2023	2022	2023	2022
	£	£	£	£
Other				
Within one year	51,088	48,088	51,088	48,088
Between one and five years	154,242	182,330	154,242	182,330
Over five years	165,000	128,000	165,000	128,000
	370,330	358,418	370,330	358,418

Included in the operating leases disclosure above is a twenty-five year tenancy lease with Birmingham City Council signed on 6 September 2018 over land referred to as "Highclare Sports Field". Under this agreement, there is a five yearly rent review.

18. Contingent liabilities

In the event that bank borrowings arise, the Company has guaranteed the bank borrowing of the other Group undertakings.

19. Funds Reconciliation

Group	As at 1 September 2022 £	Income £	Expenditure £	Transfers £	As at 31 August 2023 £
Restricted funds	664	-	(30)	-	634
Unrestricted funds	4,409,483	7,127,282	(7,021,186)	-	4,515,609
Revaluation reserve	351,476	-	-	-	351,476
Total funds	4,761,623	7,127,282	(7,021,216)	-	4,867,719
Company	As at 1 September 2022 £	Income £	Expenditure £	Transfers £	As at 31 August 2023 £
Restricted funds	664	-	(30)	-	634
Unrestricted funds	5,808,860	7,127,282	(7,021,186)	-	5,914,995
Revaluation reserve	84,030	-	-	-	84,030
Total funds	5,893,554	7,127,282	(7,021,216)	-	5,999,659

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

19. Funds Reconciliation (continued)

Fund descriptions

a) *Unrestricted funds*

The unrestricted funds are retained as necessary to meet the general requirements of the School. The Charity aims to retain consolidated unrestricted reserves equivalent to the carrying value of the tangible fixed assets, which amount to £5,039,149 as at 31 August 2023 (2022: £4,941,749) as a contingency in order to maintain the stable operation of the School in the case of future unforeseen events. It remains the objective of the Board of Governors for the reserves to continue to increase until this minimum target is met and through careful management and control of operational costs. The unrestricted reserves have been maintained at the year-end. Consolidated unrestricted reserves at 31 August 2023 amounted to £4,867,085 (2022: £4,760,959), as shown in the notes above.

b) *Restricted funds*

During the year, prizes of £30 (2022: £30) were awarded. The remaining restricted funds £634 (2022: £664) relate to donations received for prize funds at Seniors Speech Day and for use by the Music, Modern Foreign Language and Physical Education departments.

c) *Revaluation reserve*

The revaluation reserve represents unrealised surpluses on the revaluation of fixed assets to market value in prior years. An amount is transferred to the unrestricted fund each year on the same basis that the asset is depreciated.

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

20. Analysis of net assets between funds

Group	Unrestricted funds £	Restricted Funds £	Total Funds £
Fund balances at 31 August 2023 are represented by:			
Tangible fixed assets	5,039,149	-	5,039,149
Current assets	2,303,011	634	2,303,645
Current liabilities	(1,920,400)	-	(1,920,400)
Long term liabilities	(554,675)	-	(554,675)
Total net assets	4,867,085	634	4,867,719
Unrealised gains included above on tangible fixed assets	351,476	-	351,476
Company	Unrestricted Funds £	Restricted Funds £	Total Funds £
Fund balances at 31 August 2023 are represented by:			
Tangible fixed assets	3,015,796	-	3,015,796
Investment	950,000	-	950,000
Current assets	4,508,304	634	4,508,938
Current liabilities	(1,920,400)	-	(1,920,400)
Long term liabilities	(554,675)	-	(554,675)
Total net assets	5,999,025	634	5,999,659
Unrealised gains included above on tangible fixed assets	84,030	-	84,030

21. Reconciliation of net income to net cash flow from operating activities

	2023 £	2022 £
Net income for year	106,095	74,180
Rents received from Investment properties	(8,250)	(8,250)
Depreciation of tangible fixed assets	159,288	187,557
Surplus on disposal of tangible fixed assets	(375)	(1,680)
Amortisation of intangible fixed assets	-	11,530
Interest payable	36,422	13,336
(Increase)/decrease in debtors	21,023	(76,901)
(Decrease)/increase in creditors	(135,007)	215,784
Net cash flow from operating activities	179,197	415,556

Highclare School
Notes to the Consolidated Financial Statements
for the Year Ended 31 August 2023 (continued)

22. Transactions involving Governors

Governors' interests in contracts.

During the financial year ending 31 August 2023, £71,595 (2022: £13,725) was invoiced by Jon Flowith & Partners. The fees related to building, planning and other complex strategic property matters for the school. Mrs Louise Flowith, the Chair of Governors and a partner in that consulting practice, absented herself from discussions and instructions to the partnership, which were given expressly to her husband Jon Flowith, a Chartered Surveyor, by designated Governors. All transactions were provided on an arm's length basis and appropriate safeguards and governance processes observed. This amount was paid in the year ending 31 August 2023. An additional £12,000 has been accrued in respect of the work done prior to the year end but not yet invoiced.

As part of its insurances the Group maintains cover for the Governors and officers against liabilities in relation to their duties to the School. The cost for 2023 was £3,151 (2022: £2,864).

23. Related party transactions

There is no controlling party. The Company has taken advantage of the exemptions not to disclose intra-group transactions on the basis that all subsidiaries are 100% owned and all transactions with other Group companies are eliminated in the consolidated financial statements.