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**BROMSGROVE SCHOOL FOUNDATION  
REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 AUGUST 2016**

Charity Registration Number: 1118435  
Company Registration Number: 06084879

THURSDAY



\*L5YF878H\*  
LD3 19/01/2017 #77  
COMPANIES HOUSE

haysmacintyre  
Chartered Accountants  
Registered Auditors  
London

**BROMSGROVE SCHOOL FOUNDATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 31 AUGUST 2016**

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**BROMSGROVE SCHOOL FOUNDATION**

**REFERENCE AND ADMINISTRATIVE DETAILS**

**YEAR ENDED 31 AUGUST 2016**

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**TRUSTEES**

Mr R G Noake	Chairman (Resigned as Chairman 1 December 2016)
Mr M Horton	Chairman (Appointed 1 December 2016)
Sir D Arculus	President
Mr P Clague	Headmaster
Mr S Towe CBE	Chairman of the School Governors
Mr M I Escolme	
Judge R J S Foster	
Digby Lord Jones of Birmingham	
Mrs J Lodge	
Mr M Luckman	
Mr M Taylor	

**COMPANY SECRETARY**

Mr James Sommerville

Website: [www.bromsgrove-school.co.uk](http://www.bromsgrove-school.co.uk)

**ADVISERS**

**Bankers**

Lloyds TSB Bank Plc  
112 High Street  
Bromsgrove  
Worcestershire  
B61 8EZ

**Auditors**

haysmacintyre  
26 Red Lion Square  
London  
WC1R 4AG

**Solicitors**

Veale Wasborough  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

**Investment Advisers**

Rathbone Brothers plc  
Temple Point  
1 Temple Row  
Birmingham  
B2 5LG

**Insurance Brokers**

HSBC (Schools Division)  
Rockwood House  
9 – 17 Perrymount Road  
Haywards Heath  
West Sussex  
RH16 3DU

**STATUS AND ADMINISTRATION**

Bromsgrove School Foundation is a company limited by guarantee, not having a share capital and is governed by its memorandum and articles of association.

Company Registration number:	06084879
Registered Charity number:	1118435
Registered office:	Worcester Road, Bromsgrove, Worcestershire, B61 7DU

## **BROMSGROVE SCHOOL FOUNDATION**

### **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2016**

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The Foundation's Trustees present their report for the year ended 31 August 2016 under the Companies Act 2006 together with the audited financial statements for the year and confirm that the financial statements comply with the requirements of the Act, the charity's governing document and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015).

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Bromsgrove School Foundation was incorporated as a company limited by guarantee (registered company number 06084879) on 6 February 2007, and as a charity (registered charity number 1118435) on 20 March 2007.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

The Charity is governed by its Memorandum and Articles of Association arising from incorporation in 2007.

##### **Directors and Professional Advisers**

A list of Trustees and professional advisers appears on page 1. The Trustees are also the Directors of the charitable company.

##### **Recruitment and Training of Trustees**

The Charity's Trustees are appointed at a meeting of the Board of Trustees, following a selection process which takes into consideration eligibility, personal competence, specialist skills and local availability. New Trustees are inducted into the workings of the School Foundation, including the provision of key information covering board policy, School ethos and financial information.

##### **Risk Management**

The Foundation Trustees conduct annually a formal review of the Risk Assessments undertaken by the Head of Foundation to identify the major risks to which the Foundation is exposed. These risks are reviewed on a rolling basis and mitigation and control procedures are put in place as necessary.

#### **OBJECTS, VISION, OBJECTIVES AND ACTIVITIES**

##### **Charitable Objects**

The Charity's objects as set out in the Memorandum of Association are:

- to promote and advance any charitable purpose connected with Bromsgrove School ("the School"); and
- to promote other educational charity purposes (whether or not connected with Bromsgrove School) for the benefit of the local community.

##### **Vision**

To provide a first class education to all deserving pupils, irrespective of their parents' ability to pay school fees.

##### **Objectives**

To raise sufficient funds ultimately to enable the School to provide places to all deserving pupils on a needs blind basis.

This is a long, possibly very long term ambition which will be affected by investment returns and levels of economic confidence, as well as other factors which cannot accurately be foreseen at any one time.

## **BROMSGROVE SCHOOL FOUNDATION**

### **TRUSTEES' REPORT (continued)**

**YEAR ENDED 31 AUGUST 2016**

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#### **OBJECTS, VISION, OBJECTIVES AND ACTIVITIES (continued)**

From time to time, the Trustees agree with the School, interim milestones towards the ultimate ambition.

##### **Activities**

To meet the above objectives, it is intended that appeals will be made to all those with a connection to Bromsgrove School i.e. alumni, parents and friends, through a fundraising programme consisting of major gifts, regular giving and legacies. This is supported by a programme of non-fundraising events designed to encourage interest and involvement with the School - friend raising - and to raise the profile of the Foundation.

The Annual Foundation Lecture was again a huge success, with over 130 guests in attendance. This was held at the Lansdowne Club in London, with guest speaker Stephen Page (Old Bromsgrovian) and CEO of Faber and Faber. In addition to this a number of smaller friendraising and 'thank you' events were held throughout the year. This year, we welcomed new and regular supporters to the donors' thank you reception, hosted two Ladies lunches featuring Guest Speakers Sally-Ann Hales QC and Veronica Kumeta (former parent) of the Charity, Ladies Fighting Breast Cancer. In addition the Headmaster hosted members of the annual Sir Thomas Cookes Legacy Society over lunch to thank them for making a pledge in their wills. The Foundation, which partners with the School and the Alumni Committee to host events, has enjoyed reintroducing the decade reunions, commencing with the Pre-1960s leavers in September 2015. Almost 100 OBs were in attendance for this event.

The focus of fundraising activity in the year was legacies and parental deposit donations. During the 2015/16 academic year, one legacy was received in full following an earlier pledge. At the end of the summer term, the Headmaster wrote to all Upper Sixth leaving parents to ask if they would consider leaving their admission deposits to the Foundation Bursaries scheme. A total of £19,521 was raised from this appeal. Additionally, two members of the Class of 2016 set up direct debits using the new online donation tool via the School website.

#### **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

During the year donations and legacies have been received of £62,346 (2015: £60,711). The School also donated £54,389 in the year relating to legacy funds previously held within the School. In addition there have been a significant number of additional future pledges and legacies. Investment income of £20,406 (2015: £17,058) was also earned.

The Foundation Trustees transferred £39,884 to the School in the year to assist in the funding of bursaries. The decision on the amount to be transferred to the School for use in bursaries and scholarships remains at the sole discretion of the Foundation Trustees. The School continues to support the Springboard Foundation with two pupils currently at Bromsgrove. The School, however, retains the exclusive right to apportion the money to any bursary or scholarship it so chooses unless the original donation had specific terms attached to it, or the Foundation Trustees direct the money to individual scholarships.

##### **Investment Policy and Performance**

Funds generated by the Foundation are passed to the School's Investment Advisers where they are held in a separate nominated Foundation account on behalf of the Foundation. A Foundation Trustee has been appointed to the School's Investment Committee which has the responsibility for managing both the School's and the Foundation's investment portfolios.

During the year funds totalling £175,000 were added to the portfolio for investment. Given the ongoing Brexit Debate the portfolio was defensively positioned with the new capital being invested steadily and cautiously. The Foundation's investment performance is benchmarked against the WMA Income Index. Given the additions to the portfolio over the cautious investment stance, which is in line with the trustees' requirements, the portfolio underperformed the WMA Income Index, although it did produce a healthy total return of 9.71% after fees.

##### **Public Benefit**

The Trustees confirm that they have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charity.

## **BROMSGROVE SCHOOL FOUNDATION**

### **TRUSTEES' REPORT (continued)**

**YEAR ENDED 31 AUGUST 2016**

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#### **Reserves Policy**

The Trustees intend to build up unrestricted funds to around £3 million and utilise the income generated from investing these resources to fund scholarships and bursaries.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The trustees (who are also directors of Bromsgrove School Foundation for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

So far as each of the trustees is aware at the time the report is approved:

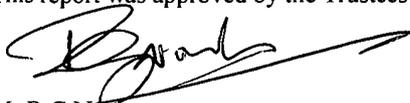
- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITORS**

haysmacintyre will be proposed for re-appointment as auditors in accordance with Section 485 of the Companies Act 2006.

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 1 December 2016 and signed on its behalf by:



Mr R G Noake  
Chairman

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BROMSGROVE SCHOOL FOUNDATION**

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We have audited the financial statements of Bromsgrove School Foundation for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities set out in the Trustees' Report, the trustees (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.

We have been appointed auditor under the Companies Act 2006. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its net movement in funds, including the 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.

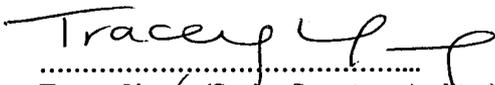
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

- the charitable company has not kept adequate and sufficient accounting records; or
- the charitable company's financial statements are not in agreement with the accounting records; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Trustees' Report.

  
.....  
**Tracey Young (Senior Statutory Auditor)**  
for and on behalf of haysmacintyre, Statutory Auditor

**26 Red Lion Square  
London  
WC1R 4AG**

! ~~December~~ ..... 2016

**BROMSGROVE SCHOOL FOUNDATION**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

<b>INCOME AND EXPENDITURE</b>	<b>Notes</b>	<b>Unrestricted Fund £</b>	<b>Restricted Funds £</b>	<b>2016 Total £</b>	<b>2015 Total £</b>
<b>Income from:</b>					
Voluntary income:					
Donations and legacies		116,734	-	116,734	60,711
Investments		20,406	-	20,406	17,058
<b>Total Income</b>		<u>137,140</u>	<u>-</u>	<u>137,140</u>	<u>77,769</u>
<b>Expenditure</b>					
Cost of generating funds:					
Investment manager's fees		4,050	-	4,050	3,780
Charitable activities:					
Awards	8	39,884	-	39,884	27,043
<b>Total Expenditure</b>		<u>43,934</u>	<u>-</u>	<u>43,934</u>	<u>30,823</u>
<b>Net income</b>		93,206	-	93,206	46,946
<b>Gains on Investments:</b>	2				
Realised		361	-	361	2,730
Unrealised		51,533	-	51,533	(14,690)
<b>Net movement in funds</b>		<u>145,100</u>	<u>-</u>	<u>145,100</u>	<u>34,986</u>
Total funds brought forward		677,020	10,251	687,271	652,285
Total funds carried forward		<u>£822,120</u>	<u>£10,251</u>	<u>£832,371</u>	<u>£687,271</u>

The charitable company had no recognised gains or losses other than those included in the above Statement of Financial Activities.

All of the charitable company's activities during the above two financial years derived from continuing activities.

The accompanying notes form part of these financial statements.

BROMSGROVE SCHOOL FOUNDATION

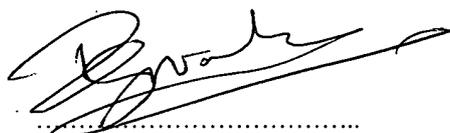
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BALANCE SHEET

AT 31 AUGUST 2016

	Notes	2016		2015	
		£	£	£	£
<b>FIXED ASSETS</b>					
Investments	2		858,165		635,322
<b>CURRENT ASSETS</b>					
Debtors	4	191		231	
Cash at bank		31,396		88,637	
		<u>31,587</u>		<u>88,868</u>	
<b>CREDITORS: amounts falling due within one year</b>	5	<u>(57,381)</u>		<u>(36,919)</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(25,794)</u>		<u>51,949</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>£832,371</u>		<u>£687,271</u>
<b>FUNDS</b>					
Unrestricted fund ( <i>including investment revaluation reserves of £94,495</i> )	6		822,120		677,020
Restricted funds	6		10,251		10,251
			<u>£832,371</u>		<u>£687,271</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 1 December 2016 and were signed below on its behalf by:



Mr R G Noake  
Chairman

The accompanying notes form part of these financial statements.

**BROMSGROVE SCHOOL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2015), the Financial Reporting Standard for Smaller Entities (effective 1 January 2015) and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below:

**Incoming Resources**

Investment income is accounted for on a receivable basis.

Donations and legacies are included on receipt or being notified of a distribution if earlier.

**Resources Expended**

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

Grants payable are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional, such grants being recognised as expenditure when the conditions attaching are fulfilled. Grants offered subject to conditions which have not been met at the year-end are noted as a commitment, but not accrued as expenditure.

Governance costs comprise direct costs for the statutory and governance expenditure of the charity together with an allocation of support costs.

**Investments**

Listed investments are valued at their closing middle market price on the balance sheet date. Realised and unrealised gains/losses on investments are included in the Statement of Financial Activities.

**Funds**

Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objects.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the donor.

**2. FIXED ASSETS INVESTMENTS**

	<b>Listed investments</b>	<b>Cash</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Balance at 1 September 2015	615,415	19,906	635,321
Additions	137,673	233,929	371,602
Disposals at opening market value	(62,638)	(137,653)	(200,291)
Unrealised gains	51,533	-	51,533
Balance at 31 August 2016	<u>741,983</u>	<u>116,182</u>	<u>£858,165</u>

The cost of listed investments was £647,488 (2015: £569,101)

There was one investment which represents more than 5% of the total value of investments - JP Morgan US Equity Income Fund (5.9%)

**BROMSGROVE SCHOOL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2016**

**3. TRUSTEES' REMUNERATION**

No trustee received any remuneration or reimbursement of expenses.

<b>4. DEBTORS</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Other debtors	£191	£231
	<u>          </u>	<u>          </u>

<b>5. CREDITORS: Amounts falling due within one year</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Amounts payable to Bromsgrove School	£57,381	£36,919
	<u>          </u>	<u>          </u>

<b>6. FUNDS</b>	<b>31 August</b>	<b>Incoming</b>	<b>Resources</b>	<b>Investment</b>	<b>31 August</b>
	<b>2015</b>	<b>Resources</b>	<b>Expended</b>	<b>Gains</b>	<b>2016</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
General fund	677,020	137,140	(43,934)	51,894	822,120
Restricted funds:					
John Nicholls Fund	5,251	-	-	-	5,251
Robert Brazier Fund	5,000	-	-	-	5,000
	<u>          </u>				
	<u>£687,271</u>	<u>£137,140</u>	<u>£ (43,934)</u>	<u>£ 51,894</u>	<u>£832,371</u>
	<u>          </u>				

The John Nicholls Fund represents a donation which is to be used for the Bromsgrove School Expedition Club or if this is not possible the interest should be used to fund an annual award to a deserving Sixth Former to attend a qualifying course at one of the Great Outdoor Pursuit Centres.

The Robert Brazier Fund represents donations to be used to support the learning of pupils with Dyslexia.

<b>7. ANALYSIS OF FUNDS</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
	<b>Fund</b>	<b>Funds</b>	<b>£</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Investments	858,165	-	858,165
Net current (Liabilities)/assets	(36,045)	10,251	(25,794)
	<u>          </u>	<u>          </u>	<u>          </u>
	<u>£822,120</u>	<u>£10,251</u>	<u>£832,371</u>
	<u>          </u>	<u>          </u>	<u>          </u>

**8. ULTIMATE PARENT UNDERTAKING**

Bromsgrove School Limited is the sole member of Bromsgrove School Foundation and is the ultimate parent company. The Foundation made awards of £39,884 (2015: £27,043) to Bromsgrove School Limited towards the funding of bursaries.