

BROMSGROVE SCHOOL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2018

Charity Registration Number: 1118435
Company Registration Number: 06084879

haysmacintyre
Chartered Accountants
Registered Auditors
London

WEDNESDAY



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BROMSGROVE SCHOOL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2018

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BROMSGROVE SCHOOL FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2018

TRUSTEES

Mr T M Horton	Chairman
Sir D Arculus	President
Mr P West	Chairman of the School Governors
Mr P St J Bowen	
Mr M I Escolme	
Judge R J S Foster	
Digby Lord Jones of Birmingham	
Mrs J Lodge	
Mr M Luckman	
Mr R G Noake	
Mr M Taylor	
Mr S Towe CBE	

COMPANY SECRETARY

Mr James Sommerville

Website: www.bromsgrove-school.co.uk

ADVISERS

Bankers

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

Auditors

haysmacintyre
10 Queen Street Place
London
EC4R 1AG

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:	Bromsgrove School, Worcester Road, Bromsgrove, Worcestershire, B61 7DU

BROMSGROVE SCHOOL FOUNDATION

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2018

The Foundation's Trustees present their report for the year ended 31 August 2018 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 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 2018

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 and to raise the profile of the Foundation.

The annual Foundation Lecture, held in London, attracted over 150 guests. This took place at the Royal Geographical Society in Kensington with guest speaker Andrew Dunnett (Old Bromsgrovian). In addition to this, a number of smaller fundraising and 'thank you' events are held throughout the year - we welcomed supporters and legacy members to the annual Appreciation Lunch, for donors and legators. Our second former teaching staff reunion was held in May 2018, with the hope of increasing attendance each year. The Foundation, which partners with the School and the Alumni Committee to host events, has continued with the decade reunions, and in September 2017, the 1970-1979 leavers' event took place. The Foundation and Alumni Office also works with the Futures department to ensure that Old Bromsgrovians continue to offer help and support to current pupils.

The focus of fundraising activity in the year was legacies and parental deposit donations. During the 2017/18 academic year, one legacy was realised. Regular gifts continue to be received, including two large annual donations in perpetuity. During the summer term, some of our Upper Sixth parents donated part or all of their acceptance deposits to the Foundation. A recent initiative, launched in March 2018 at the Ninth Annual Foundation Lecture, saw the sale of a limited edition print of the historic quarter of the School. All proceeds raised from this ongoing sale will go to the Foundation's life-changing bursaries fund.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

During the year, donations and legacies have been received of £139,375 (2017: £101,611). In addition, there have been a significant number of additional future pledges and legacies. Investment income of £29,639 (2017: £27,636) was also earned.

The Foundation Trustees transferred £74,663 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, 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, a further £75,000 cash was transferred in to the investment portfolio. Over the reporting period the Trustees decided to move the portfolio from a medium risk 'lower range' strategy to a medium risk 'upper range' strategy bringing the Foundation into line with the main school. During the reporting period to 31 August 2018 the Foundation portfolio produced a gross total return of 4.9%, this was slightly behind the WMA Balanced Index which returned 5.6%.

The Foundation continues to target a minimum income yield of 3% from the investment portfolio. In the year a yield of 3.1% was achieved.

BROMSGROVE SCHOOL FOUNDATION

TRUSTEES' REPORT (continued)

YEAR ENDED 31 AUGUST 2018

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.

Reserves Policy

At 31 August 2018, the total unrestricted funds of the Foundation amounted to £1,038,622. The Trustees are satisfied that these reserves are sufficient to meet the Foundation's current commitment to the School in awarding funds for bursaries. The Trustees have a medium term target of raising unrestricted funds to around £3m in order that future awards for life changing bursaries can be made.

At 31st August 2018, the total restricted funds of the Foundation amounted to £10,251. Notes 6 and 7 of the financial statements sets out an analysis of the assets attributable to these funds and the purpose of the funds.

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.

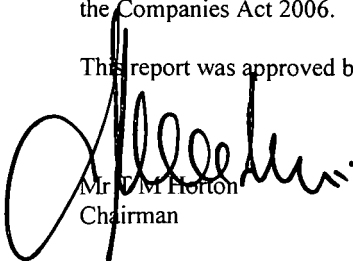
So far as each of the trustees is aware at the time the report is approved:

- 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 29th November 2018 and signed on its behalf by:


Mr M Horton
Chairman

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

Opinion

We have audited the financial statements of Bromsgrove School Foundation for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of the charitable company's net movement in funds, including the 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 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 4, 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, and for such internal control as the trustees 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 trustees are responsible for assessing the 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 trustees either intend to liquidate the 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

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.

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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BROMSGROVE SCHOOL FOUNDATION (continued)

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Trustees' Report (which incorporates the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

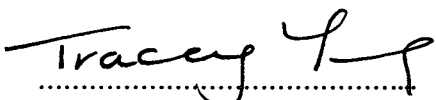
In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report (which incorporates the directors' report).

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 charitable company; or
- the charitable company financial statements are not in agreement with the accounting records and returns; 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' exemptions in preparing the trustees' report and from the requirement to prepare a strategic 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 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.



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

10 Queen Street Place
London
EC4R 1AG

4 December 2018

BROMSGROVE SCHOOL FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2018

INCOME AND EXPENDITURE	Notes	Unrestricted Fund £	Restricted Funds £	2018 Total £	2017 Total £
Income from:					
Voluntary income:					
Donations and legacies		139,375	-	139,375	101,611
Investments		29,639	-	29,639	27,636
Total Income		<u>169,014</u>	<u>-</u>	<u>169,014</u>	<u>129,247</u>
Expenditure					
Cost of raising funds:					
Investment manager's fees		1,353	-	1,353	5,331
Charitable activities:					
Awards	8	74,663	-	74,663	71,262
Total Expenditure		<u>76,016</u>	<u>-</u>	<u>76,016</u>	<u>76,593</u>
Net income		92,998	-	92,998	52,654
Gains on Investments:	2				
Realised		(3,725)	-	(3,725)	677
Unrealised		18,212	-	18,212	55,686
Net movement in funds		<u>107,485</u>	<u>-</u>	<u>107,485</u>	<u>109,017</u>
Total funds brought forward		931,137	10,251	941,388	832,371
Total funds carried forward		<u>£1,038,622</u>	<u>£10,251</u>	<u>£1,048,873</u>	<u>£941,388</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. All of the charitable company's income, expenditure and gains in the prior year related to unrestricted funds.

The accompanying notes form part of these financial statements.

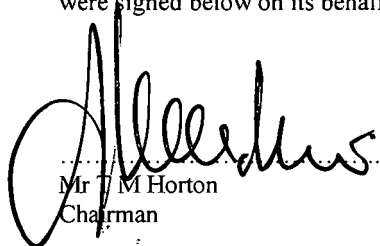
BROMSGROVE SCHOOL FOUNDATION

BALANCE SHEET

AT 31 AUGUST 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Investments	2	997,332	909,197
CURRENT ASSETS			
Debtors	4	1,679	5,083
Cash at bank		79,470	63,413
		<u>81,149</u>	<u>68,496</u>
CREDITORS: amounts falling due within one year	5	<u>(29,608)</u>	<u>(36,305)</u>
NET CURRENT ASSETS/(LIABILITIES)		<u>51,541</u>	<u>32,191</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>£1,048,873</u></u>	<u><u>£941,388</u></u>
FUNDS			
Unrestricted fund (<i>including investment revaluation reserves of £150,266</i>)	6	1,038,622	931,137
Restricted funds	6	10,251	10,251
		<u><u>£1,048,873</u></u>	<u><u>£941,388</u></u>

The financial statements were approved and authorised for issue by the Board of Trustees on 29th November 2018 and were signed below on its behalf by:


 Mr T M Horton
 Chairman

The accompanying notes form part of these financial statements.

BROMSGROVE SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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), Section 1A of FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below:

Income

Investment income is accounted for on a receivable basis.

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

Expenditure

Expenditure is 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 ASSET INVESTMENTS

	Listed investments	Cash	Total
	£	£	£
Balance at 1 September 2017	890,643	18,554	909,197
Additions	168,011	(168,011)	-
Disposals at opening market value	(135,512)	131,787	(3,725)
Management fees paid	-	(1,352)	(1,352)
New Funds	-	75,000	75,000
Unrealised gains	18,212	-	18,212
Balance at 31 August 2018	<u>£941,355</u>	<u>£55,978</u>	<u>£997,332</u>

BROMSGROVE SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2018

3. TRUSTEES' REMUNERATION

No trustee received any remuneration or reimbursement of expenses.

4. DEBTORS	2018 £	2017 £
Other debtors	<u>£1,679</u>	<u>£5,083</u>

5. CREDITORS: Amounts falling due within one year	2018 £	2017 £
Amounts payable to Bromsgrove School	<u>£29,608</u>	<u>£36,305</u>

6. FUNDS	31 August 2017 £	Income £	Expenditure £	Investment Gains £	31 August 2018 £
General fund	931,137	169,014	(76,016)	14,487	1,038,622
Restricted funds:					
John Nicholls Fund	5,251	-	-	-	5,251
Roger Brazier Fund	5,000	-	-	-	5,000
	<u>£941,388</u>	<u>£169,014</u>	<u>£ (76,016)</u>	<u>£ 14,487</u>	<u>£1,048,873</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 Roger Brazier Fund represents donations to be used to support the learning of pupils with Dyslexia.

7. ANALYSIS OF FUNDS	Unrestricted Fund £	Restricted Funds £	Total £
2018			
Investments	997,332	-	997,332
Net current Assets	41,290	10,251	51,541
	<u>£1,038,622</u>	<u>£10,251</u>	<u>£1,048,873</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 £74,663 (2017: £71,262) to Bromsgrove School Limited towards the funding of bursaries.