



The Edward James Foundation Limited
(a company limited by guarantee)

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 SEPTEMBER 2020



The Edward James Foundation Limited
(a company limited by guarantee; Company Registration No. 06689362)

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Chair's introduction
For the year ended 30 September 2020

Welcome to our 2019/20 Annual Report. We embarked upon the year with strong student recruitment and ambitious plans for the future. It is testament to the remarkable resilience of the Foundation, and the agility of its governance and management, that we finished this historically challenging year with even stronger projections for student demand and even more ambitious plans for the future. During the first half of the year the College and the wider Foundation made excellent progress against our stated aims. In February and March, however, the Covid-19 pandemic forced necessary constraints on many of our activities.

Our immediate response to the pandemic was to appoint an Urgent Situation Committee comprised of four trustees and the executive team, and chaired by myself. With the support of the Board we were able to act quickly and decisively to safeguard the health and safety of staff, students and visitors, to ensure the financial stability of the Foundation and to remain flexible in terms of continuing our activities as much as possible in the circumstances. In line with Government regulations, the College and Gardens were forced to close for part of the year, though we continued to provide academic support for our students online. West Dean Stores have kept going, providing an invaluable lifeline to local residents.

The Foundation depends financially on income from short courses and these were affected by Government restrictions on movement and regulations on social distancing, even when we opened for a period in the summer and early autumn. We are confident, however, that once national restrictions are relaxed and the College is allowed to re-open, we will once again enjoy strong demand for our courses. The asset strength of the Foundation has enabled us to weather the storm by drawing on cash reserves. During the course of the year a management restructure produced efficiencies that will further strengthen the Foundation's financial position going forward.

The pandemic is likely to have significant consequences for the wider social and economic environment, both nationally and internationally. In anticipation of such change the Foundation is undertaking a strategic review of its longer-term plans and will shortly publish a new 2030 Strategic Plan. The result of the review is an enhanced belief in the Foundation's underlying strengths and possibilities, which gives us the confidence to be more ambitious than ever, with a number of exciting developments in prospect. We have also given greater than ever focus to defining and exploring our ethos and values and to making sure that they are embedded in all our activities. This is already leading to important new strands of work in areas such as environmental sustainability and equality, diversity and inclusion.

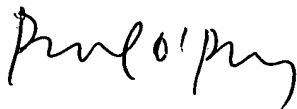
I would like to take this opportunity to recognize the tremendous professionalism and dedication of the senior team and all our staff during an exceptionally challenging period and to thank them for their hard work and commitment. Thanks to them West Dean has continued to thrive and provide an exceptional experience for students and visitors. I am particularly proud of the way we have supported students to help them complete their studies and achieve their ambitions, and of the support we have provided to the local community, especially the more vulnerable of our tenants.

I am also deeply grateful to my fellow trustees who have more than ever been generous with their time and expertise. We are fortunate to have a highly-functioning Board that is united in the single aim of ensuring the best outcomes for the Foundation. I would also like to record my thanks to our new Clerk to the Board, Mr Mark Ellul, whose skill and experience is helping us to improve our governance processes.

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Chair's introduction (continued)
For the year ended 30 September 2020

The Foundation rose to every challenge it was faced with during the year and has shown itself to be resilient, resourceful and determined. We are thankful to be emerging from the global crisis with confidence and optimism for the future.



Professor Paul O'Prey CBE
Chair of Trustees
25 March 2021

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Trustees' report
For the year ended 30 September 2020

The Trustees present their Annual report and audited accounts for the year ended 30 September 2020 which have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the Companies Act 2006 and the Charities SORP (FRS 102).

ABOUT US

The Edward James Foundation (the Foundation) is a registered charity which operates West Dean College of Arts and Conservation (the College). The Foundation also comprises West Dean Gardens, West Dean Estate and West Dean Tapestry Studio.

Our Objects

To advance, promote or carry out such charitable educational purposes as the Trustees in their absolute discretion think fit in particular by (but without limitation):

- (a) The delivery of education through West Dean College;
- (b) Provided that the activity at (a) above has (in the opinion of the Trustees) been fulfilled then in the Trustees discretion, as a secondary activity, preserving (in whole or in part) the West Dean Estate to the extent that the said Estate consists of land, buildings, and physical or natural environment, which is of historical, architectural, environmental or scientific importance.

Our Vision

To inspire learning in arts and conservation.

Through our work we aim to inspire creativity, champion traditional art and craft practices and advance the care of heritage objects.

Underpinning this is a commitment to:

- Celebrate our heritage and Edward James' legacy to inspire and teach; using West Dean House, our Collection and Archive, our Gardens and the wider Estate.
- Preserve an inspiring, creative and peaceful environment; for our students, staff, visitors and guests.
- Be a great place to work where people share a common goal and feel respected and cared for.
- Collaborate with partners who share our vision to enable each other to achieve our goals; including academic and cultural partners, donors, suppliers and clients.
- Be resourceful and efficient in all areas to secure a sustainable future for the College; through stewardship, innovation, excellence and enterprise.
- Be inclusive by ensuring we are welcoming to all.

OUR ACHIEVEMENTS AND PERFORMANCE

The vision for West Dean College was conceived in a series of letters between Edward James, our founder, and Aldous Huxley, beginning with an initial communication to the writer on Christmas Day 1939. In it, James wrote that he had been inspired by Huxley's 1937 book on idealism, *Ends and Means*, to gift his family home and Estate to create a community of artistic practice and education.

James established his eponymous Foundation in 1964 and the College opened its doors in 1971 as a centre for education and training in arts and conservation. Today, we continue to develop our portfolio of courses to provide the highest quality education and do so with a spirit of independence that, like our founder, aspires to difference, uniqueness and a freedom to experience the world and its nature through making and creativity.

Our role is to inspire learning in arts and conservation and to maintain the historic West Dean Estate. In support of these aims, our work encompasses four main areas which we report on below.

- Educational programmes
- Sharing our Collection and Archive
- West Dean Gardens
- The West Dean Estate and our local community

Impact of Covid-19 pandemic

2019/20 was a year of two very different halves: it began in line with expectations, another period of strong student recruitment and improving financial projections, until the arrival of the Covid-19 pandemic in March 2020. The impact of the pandemic on the second half of the year was unprecedented in the Foundation's history. There were distinct phases during the six-month period to the end of the financial year:

Phase I – Crisis Management

The primary focus during this phase was on the health, safety and wellbeing of students, staff and visitors, together with urgent financial decisions. An Urgent Situations Committee (USC) was formed in March 2020, comprised of four Trustees and the four members of the Executive Management Team. The Board delegated to USC certain authorities in order to expedite urgent decisions relating to health and safety and financial sustainability. USC met on a total of eight occasions during the six-month period to 30 September 2020. Key decisions and actions during phase I included:

- Ceasing all face to face teaching in the College, moving Higher Education courses online and suspending the Short Course programme;
- Closing West Dean Gardens to the paying public, retaining access only for local residents and staff;
- Guaranteeing salaries and wages until 30 June 2020, in order to protect employees during the initial months of the crisis;
- Disposing of financial investment holdings, in order to protect the cash position;
- Pausing of major roof repair project to West Dean House;

Trustees' report (continued)

For the year ended 30 September 2020

- Submitting serious incident reports to our regulators, the Office for Students and the Charity Commission, setting out the impact of the pandemic on our operations and our financial situation alongside mitigating plans.

Phase 2 – Stabilisation

Having undertaken the urgent actions outlined above, the focus during this phase was on stabilising the resulting position in the light of the ongoing impact of the pandemic. Key decisions and actions during this phase included:

- Developing a range of options for Higher Education students to complete their studies in 2019/20 or to return in 2020/21;
- Offering Short Course students enhanced credit transfers, in order to reduce refund demands;
- Developing a range of costed scenario models for the re-emergence from lockdown;
- Making use of the Government's Coronavirus Job Retention Scheme to help protect jobs;
- Undertaking a redundancy programme to reduce annual payroll costs by 10%;
- Recommencing the major roof repair project to West Dean House under strict conditions;
- Preparing a Covid-19 H&S Management Policy (and associated risk assessments);
- Completing and drawing-down a £6m bank loan to meet the cost of the major roof repair project.

Phase 3 – Re-emergence from lockdown

Having undertaken the stabilisation set out above, the focus during this next phase was on how to re-emerge from the first period of national lockdown. A Reopening Roadmap was agreed, based on the range of scenario models developed during the previous phase. Key milestones during this phase included:

- Publishing an open letter to the arts and conservation sectors in May 2020, offering partnership to any education provider to help protect high quality courses and/or teaching which might otherwise be lost;
- Launching a tactical marketing campaign to accompany the restart of the Short Course programme in August 2020;
- Implementing physical changes to ensure a Covid-Secure site for the return of students, staff and visitors;
- Developing the College's first online Short Courses;
- Reopening the Gardens to the public from late June 2020;
- Resuming face to face teaching on the Short Course programme from 1 August 2020 (5% of normal capacity only, ahead of an increase to a maximum of 75% of normal capacity from October 2020);
- Resuming the face to face teaching of Higher Education students in the final week of September 2020, at the beginning of the 20/21 academic year.

Moving into 2020/21, there have followed two further periods of national lockdown and so elements of the actions under the phases above have been repeated. Although the pandemic has affected the Foundation's financial position and necessitated urgent action, the experience has demonstrated the institution's resilience and the significant demand for its high-quality offer. This has galvanised the Executive and the Board to revisit and update the Foundation's 10-year strategic plan, Vision 2027; rather than any scaling-back, Vision 2030 will be released in 2021 with a renewed level of ambition for the years ahead.

Trustees' report (continued)

For the year ended 30 September 2020

Educational Programmes

The heart of our mission is to deliver the highest quality education in the arts and conservation and to preserve the knowledge and application of craft skills. Encompassing learning from one-day introductory sessions all the way through to post-graduate qualifications. Our course programmes give people the opportunity to learn practical hand skills in a wide range of subjects across art, craft, making and conservation. For many students, these support the development of a vocation or career and for all, they contribute to a life better lived.

Our aims, performance and achievements for 2019/20

Our pre-Covid aims for 2019/20 included:

- To complete a full portfolio review of our courses to ensure there is the right breadth and depth of subjects to enable progression for our students.
- To continue building on our access and participation strategy to ensure that our course programmes are accessible and welcoming to a wider range of people who can benefit from them.
- To develop the specifications for new buildings that form the capital element of Vision 2027 and which will extend and enhance the student learning spaces within our College campus.

Performance and achievement for 2019/20 inevitably centred on our response to the impact of Covid-19, although some progress was also made in respect of the pre-Covid aims. The key achievements in 2019/20 included:

- During the pandemic, we prioritised the health, safety and wellbeing of our student and staff community. We had no confirmed student cases on-site despite having students on campus all through the summer and in the Autumn Term became a testing centre for Covid-19 in order to enable students to return home for the vacation.
- Due to the pandemic, we had to rapidly adapt teaching delivery and assessment for most courses but successfully maintained high levels of HE completion through a flexible approach to offering options for students. Overall satisfaction ratings in the end of year survey increased across all measures by an average of 10%.
- Alongside maintaining and increasing free online content during the first lockdown, we developed our first online courses in the arts and crafts aimed at reaching new and existing short course audiences. We successfully bid for a grant from Historic England to train tutors in developing online content for our Building Conservation Masterclass courses, the first of which was delivered in December 2020.

We completed our major roof repair project in September 2020 and it has since won an award from the Sussex Heritage Trust for being a 'superb restoration of an historic building using appropriate traditional materials'.

- We introduced a Diversity Bursary for 2020/21, in order to increase participation from students from under-represented groups in higher education. We established an Equality, Diversity and Inclusivity (EDI) Working Group, which includes membership from the Board of Trustees, staff and students in order to develop an EDI strategy for the College and alongside this commissioned an audit and survey to take place during 2020/21.

Trustees' report (continued)
For the year ended 30 September 2020

Our aims for 2020/21:

- We will build on our successful online course development increasing the number of courses offered as pre-recorded, live-streamed or blended programmes. We will invest in staff training and development to support this work.
- We will continue to develop our plans for long-term growth and expansion both on-campus, through the implementation of the Campus Masterplan, and off-campus through consideration of alternative delivery sites.
- Subject to legal completion (see note 36 relating to Events after the end of the reporting period), we will acquire KLC School of Design, increasing the scale of our operation, opportunities for portfolio development and adding a London campus for course delivery.

Sharing our Collection and Archive

The Edward James Foundation Collection includes artworks, antiquities, artefacts, furniture, books, correspondence, deeds, documents and ephemera from pre-history to the twenty-first century. The Archive comprises correspondence, manuscripts, photographs, Estate deeds and other material relating to the history of the House and Estate, its resident families and the College. Among this is the extensive Edward James Archive that documents James' prominent role in 20th century arts and culture.

Our aims, performance and achievements for 2019/20

Our pre-Covid aims for 2019/20 included:

- To continue to work towards the adoption of national standards of Collections and Archive management.
- To complete a full appraisal of the Collection. This will provide the opportunity to rethink how the West Dean narrative is communicated throughout the Collection and will identify areas that require a fresh perspective.
- To catalogue the Edward James Biographical Papers (this section of the archive extensively documents the overlapping spheres of James' life and provides crucial links between James' international cultural activities, his family background and early life, West Dean House and the inception of the College).
- To undertake an audit of the Collection to verify and enhance catalogue information before it is imported into the Adlib Collections Management System.
- To continue to increase access to the Collection and archive by digitising significant items and publishing them online.
- To promote access to the Collection through an active loans programme in partnership with national and international museums and galleries.
- To review long-term storage and access requirements of the Collection and Archive.

Trustees' report (continued)
For the year ended 30 September 2020

Performance and achievement for 2019/20 inevitably centred on our response to the impact of Covid-19, although some progress was also made in respect of the pre-Covid aims. The key achievements in 2019/20 included:

- We progressed with the cataloguing of Edward James's biographical papers and imported the Collection inventory into the Axiel database.
- Despite the lockdown restrictions, all essential regular checks were maintained on the Collection throughout including on the environment and security.
- Items from the Collection were loaned to the National Portrait Gallery in London and the Arp Museum in Germany.
- The Collections Team commenced a re-evaluation of the Collection and historic interiors at West Dean through a research project titled 'Whose Heritage'. The project considers where items in the Collection have come from, how they got here and how they are displayed. Links have been formed with other organisations such as the Horniman Museum, Tatton House, the National Trust and the Pitt Rivers Museum.

Our aims for 2020/21

- We will continue to work towards the adoption of national standards required to achieve Museums Accreditation and Archives Service Accreditation.
- We will publish a digital catalogue of our archive material supported with images and contextual material to coincide with the College's 50th anniversary in 2021/22.
- We will continue to develop our national and international programme of loans to ensure that items from the Collection can be made available to wide and diverse audiences outside of the College.

West Dean Gardens

The award-winning grade II* listed West Dean Gardens are an inspirational setting for our educational work. They provide an opportunity for us to share the rich heritage of the estate with thousands of visitors who enjoy and admire both the gardens and their historical context, and they contribute to an extraordinary and inspiring sense of place for our students.

Our aims, performance and achievements for 2019/20

Our pre-Covid aims for 2019/20 included:

- To undertake two key landscaping projects:
 - restore the soil and existing planting around West Dean House which has been inaccessible for almost two years due to the major scaffolding for the roof project;
 - plant one hundred trees across the Garden, Park and Arboretum.

Trustees' report (continued)
For the year ended 30 September 2020

- To plant new flowering displays for visitors to enjoy year round and to augment the Walled Garden fruit tree collection with new trees and soft fruit bushes.
- To create new planting areas to support student education and wellbeing:
 - In the areas around student accommodation, create wild flower meadows and a juicing Orchard;
 - Explore the creation of a dye garden to help teach students about dying fabric using natural products.
- To raise environmental awareness by trialling peat-free alternatives and by using our Gravel Garden to demonstrate to students and visitors the range of plants that can be grown with very little water for seed germination.
- To complete the final glasshouse restoration project in the Walled Garden, which will bring all 26 growing environments back into operation by 2021.
- To begin creating ten artists' bothies in West Dean's parkland and Arboretum for artists and tourists to immerse themselves in our beautiful landscape.

Performance and achievement for 2019/20 inevitably centred on our response to the impact of Covid-19, although some progress was also made in respect of the pre-Covid aims. The key achievements in 2019/20 included:

- Remaining open as far as national restrictions permitted, which provided green space for exercise and wellbeing for local residents and NHS workers.
- A programme of tree-planting commenced through the gardens and parkland, which will continue in future years ensuring a maturing succession of veteran trees.
- Peat-free alternative material is now being used throughout the gardens. Interpretation for visitors will follow when the gardens can re-open fully.

Our aims for 2020/21

- Restoration of the final glasshouse in the Walled Garden will commence, alongside the reinstatement of cyclical maintenance (including 19/20 catch-up) to pre-Covid standards.
- Reinstatement of the borders around West Dean House, following the removal of scaffolding related to the major roof repair project. The planting scheme will be worthy of a grand country house and representative of the excellence and creativity of West Dean College.
- The introduction of year-round seasonal interest in Spring Garden borders creating a source of horticultural and artistic inspiration. Alongside, there will be a reinvigoration of the Spring and Wild Gardens after a year's Covid-related hiatus.
- Further sustainability improvements to explore how the gardens can reduce nitrates entering watercourses and increase the volume of compost made on site utilising forestry waste.

The West Dean Estate and our local community

The Estate is not only part of the inspirational setting for the College, but it offers natural and built assets to support expansion and it provides vital income generated from farming, forestry, letting, special events, Garden visitors and tourism. The health and good stewardship of the Estate is not just an aim, but a necessity to create a vibrant and sustainable place in which our community can live, work and learn. The Estate is one that conserves its heritage, habitats and special qualities, that inspires people through its College and Gardens, and that celebrates its unique position in the South Downs National Park.

The community in and around West Dean College and Gardens and West Dean village is an integral part of who we are. Encompassing West Dean village, West Dean Primary School and our tenants, the Weald and Downland Living Museum, and set within the South Downs National Park, we are a proud member of our local community.

Our aims, performance and achievements for 2019/20

Our pre-Covid aims for 2019/20 included:

- To complete the final glasshouse restoration project in the Walled Garden, which will bring all 26 growing environments back into operation by 2021.
- To complete major property refurbishments to houses and cottages across the site, including the former Singleton Station House.
- To commence relocation of the Estate works yard to facilitate campus developments as part of Vision 2027.
- To review and update the Whole Estate Plan as part of our continuous dialogue with the South Downs National Park Authority. We will also submit a planning performance agreement to them to agree an overarching approach to our capital development plans.
- We will explore further opportunities to support a sense of community within West Dean village. These include the potential for a village orchard and allotments.
- To complete the first phase of Ash dieback felling.

Performance and achievement for 2019/20 inevitably centred on our response to the impact of Covid-19, although some progress was also made in respect of the pre-Covid aims. The key achievements in 2019/20 included:

- Singleton Station House was successfully refurbished and, in the process, a second new dwelling was created, Ticket Office Cottage.
- Completion of the drafting of a Conservation Management Plan in respect of the College campus, ahead of a stakeholder consultation process.
- Completion of tree felling relating to Ash Dieback, which has ravaged the Sussex countryside. Areas of high priority were those relating to public safety, including roads and 22 miles of public rights of way. Wherever possible, works were completed with a view to minimising the impact to the landscape.

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Trustees' report (continued)

For the year ended 30 September 2020

- The thriving community hub of West Dean Stores continued operation throughout the year, adding a delivery service as vital source of support for vulnerable residents and locals in neighbouring villages.
- Regular contact was maintained with all tenants, commercial and residential, and those in difficulties arising from the pandemic were supported and still remain tenants.

Our aims for 2020/21

- The major refurbishment of at least five letting properties will commence, alongside a quinquennial survey of all farm holdings.
- A stakeholder consultation will be undertaken in respect of the Conservation Management Plan.
- A Sustainability consultant will be appointed to support the creation of an ambitious policy and action plan encompassing all elements of the Foundation's activities.
- An Asset Management Plan will be created, which sets out the approach to managing all financial investment assets and all land and building assets. It will support the delivery of long-term strategic plans and will unify the work done through the Whole Estate Plan, the Conservation Management Plan, the Campus Masterplan and, in due course, the Sustainability Plan.

OUR FUTURE PLANS

In November 2017, we publicly launched a ten-year strategic plan, Vision 2027. The plan placed a renewed emphasis on West Dean as first and foremost a place of education, with an overarching objective to 'inspire learning in art and conservation'.

We are currently reviewing the plan in 2020/21, in order to reflect the progress made to date and the impact of the Covid-19 pandemic. This latter period has demonstrated the institution's resilience and the significant demand for our high-quality educational offer. The strategic plan will be updated to Vision 2030, it will be launched during 2021 and it will present a renewed level of ambition for the years ahead. The Vision 2027 fund (see note 28) remains in place at the end of 2019/20 to reflect project designations which will continue, but it will be renamed as Vision 2030 from 2020/21).

Vision 2030 will remain true to the craft community philosophy developed by our founder, Edward James, and it will set out our ambitious plans for expansion and development.

OUR APPROACH TO SAFEGUARDING

West Dean College is committed to practices that protect children and vulnerable adults from abuse, exploitation, bullying, neglect and self-harm. We have a Safeguarding policy which covers our responsibility to protect and prevent students from radicalisation and extremism in response to the Prevent duty requirements. The College is committed to working with local safeguarding organisations including the local authorities, Channel, Prevent coordinators and other community and referral groups to ensure the safeguarding of all students.

Trustees' report (continued)
For the year ended 30 September 2020

We ensure that all roles are risk assessed to determine the need for vetting via an enhanced Disclosure and Barring Service (DBS) check. When, and if, a role requires regular interaction with children then the College will undertake regular updated criminal checks and instigate appropriate staff training and processes. This took place most recently when enhanced DBS checks and NSPCC training was provided to key roles within the new National Saturday Club scheme for young people which we launched in 2018/19 as part of our widening participation programme.

OUR APPROACH TO FUNDRAISING

The Trustees take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on their fundraising activities.



In demonstration of our commitment to good fundraising, The Edward James Foundation Limited is a member of the Fundraising Regulator and we uphold the standards set out in the Code of Fundraising Practice. This includes taking into account the needs of any individual donors who may be in vulnerable circumstances.

The Foundation's Fundraising policy and Gift Acceptance policy govern our approach to fundraising and this is reviewed annually. We did not engage external professional organisations to deliver any of our fundraising activity in 2019/20.

In 2019/20 we received 0 (2018/19: 0) complaints about our fundraising programme.

GRANT MAKING

A significant proportion of degree and diploma students and some short course students would be unable to study at West Dean College without some form of financial assistance towards tuition fees. The value of scholarships and bursaries awarded to students this year totalled £238,252 (2018/19 £368,094). Of this total, £218,663 (2018/19 £332,594) were made from the West Dean Scholarship Fund and the balance of £19,589 (2018/19 £35,500) was contributed from annual unrestricted operating budgets. The West Dean Scholarship Fund is administered by the Foundation using funds which have been designated by the Board or which have been restricted for this purpose by third party donations from partners and funders who share our mission to inspire the artists and conservators of the future, and to whom we are enormously grateful.

VOLUNTEERS

Volunteers are an integral part of the welcoming community of West Dean. We currently have around 60 volunteers, the majority of whom provide support within our beautiful gardens and surrounding landscape. We work to ensure that volunteers gain valuable experience whilst working at West Dean College and feel respected, safe and recognised for everything they do in support of our charitable activities. We've prioritised the health, safety and wellbeing of volunteers in the same way as we have for our employees during the Covid-19 pandemic. Unfortunately, this means there have been periods of time during the year when they've been unable to attend site, but their contribution will be more important than ever as we seek to recover in 2020/21.

PUBLIC BENEFIT

In setting their objectives and planning their activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

In addition to the significant subsidies which are applied to all the Charity's educational activities, the College awards a number of scholarships and bursaries to enable students who might otherwise be unable to do so to study at West Dean College. Students are considered on merit, potential and financial need. During the Covid-19 pandemic, we made freely available a significant amount of creative content via our website and social media channels. We also published an open letter to the arts and conservation sectors, offering partnership to any education provider to help protect high quality courses and/or teaching which might otherwise be lost.

We also provide public access to West Dean Estate, West Dean Gardens, West Dean House and West Dean College. During the Covid-19 pandemic, we continued to keep West Dean Stores open as an essential service to the local community and, when lockdown restrictions were lifted, we offered six months free access to West Dean Gardens for the NHS workers who played such an invaluable national role during the crisis.

RISKS AND UNCERTAINTIES

The Trustees have assessed the major risks to which the Foundation is exposed and are satisfied that systems and procedures are in place to manage and to mitigate these. Detailed consideration of risks is delegated to the Finance and Audit Committee, assisted by the Chief Executive and the Director of Finance and Business Systems, and is carried out at least three times a year. A formal review of the Foundation's risk management processes is undertaken on an annual basis by the Board. The Trustees recognise that systems can provide only reasonable, but not absolute, assurance that major risks are being adequately managed.

The biggest risks and uncertainties we are managing in 2020/21 are:

- The ongoing strategic, operational and financial risks associated with the Covid-19 pandemic. Since the year-end, there have been two further periods of national lockdown and the impact of the crisis continues. In particular:
 - Student recruitment: Any ongoing requirements for social distancing will impact on course capacities. Attitudes to the potential health risks also impact on take-up of places. These uncertainties are in addition to the ongoing risks to international student recruitment associated with the UK leaving the EU;
 - Financial: Even after claims from the Government's Coronavirus Job Retention Scheme and the implementation of cost saving measures (including redundancies), our business model is not viable in the long-term while social distancing restrictions remain in force. 2020/21 is projected to see another significant operating deficit and a further erosion of reserves. The action the Foundation took at the start of the Covid-19 pandemic in disposing of some of its financial investments to protect its cash position means that it has sufficient cash to meet its operating needs for the foreseeable future. Furthermore, the Foundation has substantial liquid financial investments which it could call upon if required. The Board of Trustees are therefore confident that the Foundation can continue operating as a going concern. Its strategic plan (see below) is intended to ensure long-term financial sustainability.

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- The strategic and financial risks associated with organisational change and transformation. The Foundation is currently updating its 10-year strategic plan 'Vision 2027' to become 'Vision 2030' and this will set out proposals for significant capital investment and operational growth. This process is being led by the Chief Executive and progress is monitored regularly by the Trustees. An updated financial plan will form part of the strategic plan and will reflect the erosion of reserves during the Covid-19 pandemic. Mitigation is sought for specific project risks, but the overall impact of change is also kept under review.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Operating deficit

A breakeven operating result was projected at the beginning of 2019/20, performance which would have consolidated the improving results of recent years. However, the impact of the Covid-19 pandemic has been unprecedented in the Foundation's history and it has led to a significant, unplanned operating deficit of £2.682m. The Foundation's insurance policies did not cover the loss arising from business interruption due to a global pandemic; after claiming £0.404m from the Government's Coronavirus Job Retention Scheme, the Foundation sustained the balance of the resulting financial burden. Although impacted financially by the crisis, the Foundation's pre-pandemic asset strength has given us the ability to react to the situation, to support students on award-bearing courses to complete their programmes of study and to adapt in readiness for the period of recovery ahead.

The operating deficit for the year of £2.682m (2019: £0.395m) is summarised below:

	Income	Expenditure	2020	2019
	£'000	£'000	Net	Net
			£'000	£'000
Financial investments	1,060	(21)	1,039	1,201
Trading (excluding memberships)	1,008	(1,973)	(965)	(380)
West Dean Estate	2,325	(1,409)	916	705
Fundraising (including memberships)	781	(221)	560	247
Insurance proceeds	228	-	228	-
Governance	-	(69)	(69)	(82)
Net operating income available for education	5,402	(3,693)	1,709	1,691
Education	2,420	(6,811)	(4,391)	(2,086)
Total operating deficit as per Consolidated statement of financial activities	7,822	(10,504)	(2,682)	(395)

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The Net operating income available for education of £1.709m (2019: £1.691m) was consistent with the previous year, but this headline figure masked compensating factors:

- The net return from Financial Investments fell by £0.162m compared with 2018/19. This was primarily due to the reduction in size of the financial investment portfolio following the disposal of holdings in March 2020 in order to protect the Foundation's cash position as the Covid-19 crisis unfolded;
- The deficit on Trading activities rose by £0.585m compared with 2018/19. This was due to the inability to open West Dean Gardens (including associated Shop and Restaurant) and to host Conferences during the periods of Covid-related operating restrictions;
- The surplus on West Dean Estate activities rose by £0.211m compared with 2018/19. Rental income has been largely unaffected to date during the pandemic, so reductions in costs on completion of the Ash Dieback tree-felling programme have led to better overall returns;
- Net Fundraising income rose by £0.313m compared with 2018/19. Based on underlying activities, the net income would have fallen slightly, but this was more than offset by income of £0.404m from the Government's Coronavirus Job Retention Scheme;
- One-off insurance claim proceeds of £0.228m were received in 2019/20. The claim related to a financial loss suffered as a consequence of adverse weather conditions forcing the closure of our Chilli Fiesta event in August 2019.

It is a central tenet of our charitable mission that we will subsidise the cost of our education programmes to ensure that the skills we teach may be preserved, and that our fees are competitive in the market place. This is achieved by careful financial planning over the medium-term and detailed budgeting in the short-term, but neither time-horizon could allow for the impact of the Covid-19 crisis; it is the purpose of reserves to absorb such unexpected events. Our net expenditure on Education in 2019/20 rose by £2.305m to £4.391m. This significant increase in net expenditure was primarily due to an unplanned fall in fee income of £2.744m, arising from the suspension of the Short Course programme during the periods of Covid-related operating restrictions. In the absence of any advance warning, the fall in fee income could only be partly offset by associated cost savings.

During the stabilisation phase of our response to the Covid-19 pandemic, and in recognition of the likely long-term impact, we undertook a redundancy programme in order to save 10% of payroll costs (approximately £0.5m per annum). The improvement in operating result will not be evident until 2020/21, but the associated costs of implementation are reflected in 2019/20. A combination of short-term general overhead savings and income from the Government's Coronavirus Job Retention Scheme helped protect against further redundancies.

Investment gains (reflected on the Consolidated statement of financial activities)

The investment gain during the year of £61.305m (2018/19: £0.577m) represents:

- An unrealised gain of £66.666m (2018/19: £nil) on the revaluation of investment properties. The size of this gain is exceptional and reflects a change in estimation technique to fair value. The estimated value was based on advice from professional external valuers;
- An unrealised loss of £3.964m (2018/19: gain of £0.577m) on the revaluation of financial investments. This reflects the general falls in financial investment markets as a consequence of the Covid-19 pandemic. Volatility has continued since the year end, but some of the losses have since been partially reversed.
- A realised loss of £1.300m (2018/19: £nil) on the disposal of financial investment assets. This loss arose when all holdings in Newton Global Income Fund were disposed of in April 2020, in order to protect the Foundation's cash position.

Trustees' report (continued)
For the year ended 30 September 2020

Investment policies

Under the Memorandum and Articles of Association, the Charity has the power to invest in any way that the Trustees see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects of the Foundation and in a manner that is legally charitable. The investment objective in force during the year was to maximise income yield while maintaining the value of capital in real terms. This objective has been reviewed during the period since the year-end and the Trustees have decided in future to adopt a total return approach. This objective will be conditional on:

- i. the free reserves requirement in our Reserves Policy being met at all times;
- ii. all investment decisions reflecting our Sustainability Policy;
- iii. all investment decisions either strengthening or leaving unchanged our ability to meet our charitable objectives.

The Finance and Audit Committee monitors investment performance and reports to the Board on a regular basis. Members of the Finance and Audit Committee have background experience and knowledge of finance and investment markets and property. An independent investment adviser assists the Trustees and, following a selection process, Mercer was appointed to this role in November 2020. Mercer will assist us during 2020/21 to complete a review and repositioning of our financial investments to ensure they align with our organisational values and ethical principles.

Actuarial gains on The Edward James Foundation Final Salary Pension Scheme

As at 30 September 2020, the actuarial valuation indicated a surplus of £1.768m (2019: £0.730m). However the Trustees have decided to restrict the asset recognised in the financial statements to £nil (see note 26 for further details).

Tangible fixed assets

The additions of £3.046m during 2019/20 were primarily due to £2.747m in respect of the major roof repair project to West Dean House.

Property investment fixed assets

The additions of £0.665m during 2019/20 related to the major refurbishment of residential houses on West Dean Estate, the most significant of which was Station House.

Cash balances

As at 30 September 2020, we held cash balances totalling £10.272m (2019: £4.350m). The levels of cash held rose significantly in spite of the operating deficit and expenditure on fixed asset additions, due primarily to:

- Net proceeds from a new £6m bank loan, entered into in order to approximately match the cost of the major roof repair project to West Dean House;
- Net proceeds of £6.072m from the disposal of all holdings in Newton Global Income Fund in April 2020, in order to protect our cash position.

Funding and reserves

The Foundation holds a wide range of investments which generate income to subsidise its educational activities. The primary sources of income are from financial investments, investment property, the opening of its gardens to the public (including shop and restaurant) and the operation of a conference facility. This income ensures that the fees charged for education provided by West Dean College can be maintained at significantly lower than cost.

The Edward James Foundation Limited
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Trustees' report (continued)
For the year ended 30 September 2020

The impact of Covid-19 pandemic in 2019/20 was that Net operating income available for Education was insufficient to meet the Net cost of Education, so generating a significant, unplanned Operating deficit which will be met from reserves.

As at 30 September 2020, the Foundation had general unrestricted reserves ("free reserves") of £0.1m surplus (2019: £2.8m deficit). This is below the targeted free reserves of £5.0m which equates to six months' charitable expenditure. The Trustees will therefore undertake an exercise during 2020/21 to release some of its designated reserves to enable the target to be met. Of the free reserves, a minimum of one-third (or two months' charitable expenditure) will be held in cash and two-thirds in financial investments with a redemption period no greater than one month. This policy will be fully reflected in the reserves position at the end of 2020/21.

Despite the erosion of reserves due to the Covid-19 pandemic, the Trustees remain satisfied that the Foundation has the asset strength to pursue its operating activities and to set an ambitious update to its strategic plans.

Statement of Trustees' responsibilities

The Trustees, who are also the Directors of The Edward James Foundation Limited for the purpose 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 the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company and the Group 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 (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial statements.
- Prepare the Financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 reparation and dissemination of financial statements may differ from legislation in other jurisdictions.


Disclosure of information to auditors

In so far as the Trustees are aware, there is no relevant audit information of which the Charitable Company's auditor is 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 auditor is aware of that information.

The Edward James Foundation Limited
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Trustees' report (continued)
For the year ended 30 September 2020

I declare that the Trustees have approved the Trustees' report (incorporating the Strategic Review) above and have authorised me to sign it on their behalf.



Professor Paul O'Prey CBE
Chair of Trustees
25 March 2021

The Edward James Foundation Limited
(a company limited by guarantee; Company Registration No. 06689362)

Statement of corporate governance
For the year ended 30 September 2020

The following statement is provided to enable the reader to understand The Edward James Foundations Limited's corporate governance framework and structure. It covers the year ending 30 September 2020 and the period up to the date of approval of the financial statements.

Governing document

The Edward James Foundation Limited (the Foundation) is a charitable company (the charitable company or Charity) limited by guarantee and governed by its Memorandum and Articles of Association. The original charity (now numbered 1126084-1, formerly 306372) has been retained as a dormant charity.

Governance framework

The Foundation is committed to exhibiting best practice in all aspects of corporate governance. Its Governance Handbook expands on the governance approach set out in the Memorandum and Articles of Association. Furthermore:

- It is registered with the regulator of Higher Education, the Office for Students.
- It has adopted the Committee of University Chairs Higher Education Code of Governance. As part of its adherence to this Code, the Foundation:
 - o Conducted an internal, high-level review of compliance at the point of adoption in 2018.
 - o Commenced discussions with Kingston City Group (KCG) to undertake a new internal audit arrangement in 2020. Due to COVID-19 this was postponed however it will be revisited as the Foundation emerges from the third lockdown.
 - o Appointed a Clerk to the Board in May 2020. Since being appointed, the Clerk to the Board has undertaken a Governance Review, the findings of which will be considered by the Board during the year ending 30 September 2021.
 - o Established an Equality, Diversity and Inclusivity (EDI) working group which held its first meeting in February 2021. The Foundation has also appointed an external consultancy to conduct an independent audit of its current policies, practices and procedures in relation to EDI.

Group Structure

The Foundation delivers education through West Dean College and, as a secondary activity, maintains and preserves the West Dean Estate. The Foundation is the parent company of a wholly-owned subsidiary, West Dean Limited. West Dean Limited is a trading company which manages the activities of the shop and restaurant in West Dean Gardens, the conference and event activities of West Dean College and the shop in West Dean Village.

Corporate Governance Structures

The Board of Trustees

The Foundation's governing body is its Board of Trustees who are responsible for policy matters and the overall direction of the Charity and have absolute discretion in applying its funds in furtherance of the objects of the Foundation. None of the Trustees has any beneficial interest in the Foundation and each Trustee guarantees to contribute £10 in the event of winding up.

As at 1 October 2019, the Board of Trustees comprised ten trustees however, due to two retirements, this reduced to eight by 30 September 2020 and remains at eight as at the date of approval of the financial statements for the year ending 30 September 2020.

The Edward James Foundation Limited
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Statement of corporate governance (continued)
For the year ended 30 September 2020

The Board of Trustees usually meets five times a year however, to navigate the challenges posed by COVID-19, during the year ending 30 September 2020 it met on seven occasions (2019: five). Members of the Foundation's Executive Management Team attended all Board meetings during the year ending 30 September 2020.

Prompted by the COVID-19 pandemic, all Board and sub-committee meetings since March 2020 have taken place by video conference.

Sub-committees

The Foundation has various sub-committees who support, and report to, the Board of Trustees:

- **The Education Committee**

Purpose: To review the range of subject areas, the range of qualifications, the quality of the teaching provision, regulatory matters affecting education at West Dean College and the stewardship of the Foundation's archive and art collections.

Composition: Three members of the Board, the Chief Executive and the Principal & Deputy Chief Executive (formerly the Director of Education).

Meeting frequency: Scheduled to meet at least three times per year. During the year ending 30 September 2020 it met two times (2019: three).

- **The Finance and Audit Committee**

Purpose: To review the Foundation's annual revenue and capital budgets, financial performance, financial forecasts, investments and controls. It also assesses the adequacy of the Foundation's risk management policies, its insurance needs and the financial implications of any special initiatives. It is responsible for overseeing the relationship with the Group's external financial auditors and finalising the Foundation's audited group financial statements for approval by the Board of Trustees.

Composition: Three members of the Board, the Chief Executive and the Director of Finance and Business Systems (formerly the Head of Finance and Business Systems).

Meeting frequency: Scheduled to meet at least three times per year. During the year ending 30 September 2020 it met six times (2019: three).

- **The Estate Committee**

Purpose: To strategically review the management of West Dean Estate.

Composition: Seven members of the Board as at 1 October 2019 however, following two of the Trustees retiring, this reduced to four by 30 September 2020 and remains at four as at the date of approval of the financial statements for the year ending 30 September 2020. The Chief Executive, Director of Estates and Director of Finance and Business Systems are also members.

Meeting frequency: Scheduled to meet at least two times per year. During the year ending 30 September 2020 it met two times (2019: two).

Statement of corporate governance (continued)
For the year ended 30 September 2020

- **Urgent Situations Committee**

Purpose: The Urgent Situations Committee (USC) was established in March 2020 to support the Chief Executive and Executive Management Team in terms of emergency response, crisis management and ensuring business continuity. The USC acts with the delegated authority of the Board during designated periods of urgent and serious situations, in order to:

- protect the health, safety and welfare of staff, students and visitors;
- support the Chief Executive by authorising any material financial transactions or budget amendments (i.e. revenue items in excess of £100,000, borrowings and asset disposals) necessary to protect the financial resilience and sustainability of the Foundation; and
- support the Chief Executive with any other urgent matter which falls within the Primary Responsibilities of the Board (as set out in the Handbook of Governance).

Composition: Four members of the Board and all members of the Executive Management Team.

Meeting frequency: As required. To navigate the challenges posed by COVID-19, it met eight times during the year ending 30 September 2020.

- **The Remuneration Committee**

Purpose: To review and agree salaries for all staff based upon the recommendations of the Chief Executive.

Composition: Four members of the Board as at 1 October 2019 however, following one of the Trustees retiring, this reduced to three by 30 September 2020 and remains at three as at the date of approval of the financial statements for the year ending 30 September 2020.

Meeting frequency: The Remuneration Committee meets at least once per year. During the year ending 30 September 2020 it met once (2019: once).

The Chief Executive's remuneration package is reviewed annually by the Remuneration Committee, who can seek external advice if desired. The Remuneration Committee is chaired by a Trustee who is not the Chair of the main Board of Trustees and it has adopted the Committee of University Chairs' Remuneration Code. The Chief Executive is not a member of the Remuneration Committee.

In reviewing the Chief Executive's remuneration package, the Remuneration Committee considers factors such as:

- The experience and qualifications of the Chief Executive;
- the Chief Executive's performance which is assessed annually against objectives formally agreed at the start of a financial year;
- the breadth of sectors in which the Foundation operates and the level of responsibility this entails; and
- the Foundation's geographical location.

Statement of corporate governance (continued)
For the year ended 30 September 2020

- **The Nominations Committee**

Purpose: To manage, on behalf of the Board, the process for appointing new Trustees.

Composition: Mike McCart (Chair) and Caroline Griffith.

Meeting frequency: The Nominations Committee last met on 18 October 2019 with the full Board in attendance to appoint Professor Paul O'Prey CBE as Chair.

Recruitment, election and training of Trustees

Although the Nominations Committee manages the process for appointing new Trustees, the power of appointing successor or additional Trustees is vested in the Members of the company who, as noted above, are also the Trustees. The number of Trustees may not exceed twelve nor be less than three. Trustees serve for four-year terms before being considered for reappointment.

Trustees are selected on the basis of their specialist skills and knowledge of relevance to the Foundation's broad activities. New Trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the Handbook of Governance, the Charity structure and decision making processes, recent activities and financial performance and plans. There is formal training for Trustees as required.

Day-to-day management

The Trustees have delegated responsibility for the day-to-day management of the Foundation to the Chief Executive.

The Edward James Foundation Limited
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Statement of internal control
For the year ended 30 September 2020

The following statement is provided to enable the reader to understand The Edward James Foundations Limited's system of internal control. It covers the year ending 30 September 2020 and the period up to the date of approval of the financial statements.

System of internal control

The Edward James Foundation Limited's system of internal control is embedded in its ongoing operations and includes:

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board of Trustees.
- Regular reviews by the Board of Trustees of periodic and annual financial reports which indicate financial performance against forecasts.
- A clearly defined schedule of limits of authority which is reviewed and agreed by the Board of Trustees.
- An ongoing process designed to identify and prioritise the risks to the achievement of operational objectives, strategic aims and compliance obligations, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- Setting targets to measure financial and other operational performance.
- The adoption of formal project management, for example, through a Project Steering Group.

The Board is ultimately responsible for the Foundation's system of internal control and for reviewing the effectiveness of these arrangements. The Board has delegated detailed consideration of risks to the Finance and Audit Committee. Furthermore, it has delegated day-to-day responsibility to the Chief Executive, who is the Accountable Officer as defined by the Office for Students, for maintaining a sound system of internal control that supports the achievement of the Foundation's strategy, whilst safeguarding its assets.

Despite the challenges presented by Covid-19, the Foundation has made a determined effort to ensure its system of internal controls continue to function. Since the start of the pandemic, the Foundation's Board of Trustees, Finance and Audit Committee and Urgent Situations Committee have closely monitored the Foundation's cash position and cash forecasts.

Risk management

The Foundation maintains a critical risk register. This is updated regularly and reviewed by the Foundation's Finance and Audit Committee.

The Executive Management Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the Foundation's various departments.

The Finance and Audit Committee and the Board of Trustees have regularly reviewed the key strategic, corporate compliance and financial risks to which the Foundation is exposed together with the operating, financial and compliance controls that have been implemented to mitigate the risks.

The Edward James Foundation Limited
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Statement of internal control (continued)
For the year ended 30 September 2020

Effectiveness of the system of internal control

A formal review of the Foundation's risk management processes is undertaken on an annual basis by the Board of Trustees. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. The Board of Trustees recognises that systems can provide reasonable, but not absolute, assurance that major risks are being adequately managed.

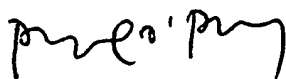
External audit

The Board of Trustees is informed by comments made by the Foundation's external auditors in their management letters and seeks to act upon these to improve internal controls.

Internal audit

The Foundation commenced discussions with Kingston City Group (KCG) to undertake an internal audit arrangement in 2020. Due to COVID-19 this was postponed however it will be revisited as the Foundation emerges from the third lockdown.

This Statement of Internal Control was approved by the Trustees and the Chief Executive on 25 March 2021.



Professor Paul O'Prey CBE
Chair of Trustees



Alexander Barron ACA FRSA
Chief Executive

The Edward James Foundation Limited
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Independent auditor's report to the members of The Edward James Foundation Limited
For the year ended 30 September 2020

Opinion

We have audited the financial statements of The Edward James Foundation Limited for the year ended 30 September 2020 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheets, the consolidated statement of cash flows and the 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 affairs of the Group and the parent charitable company as at 30 September 2019 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 the 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

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 Group's or the parent 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 The Edward James Foundation Limited (continued)
For the year ended 30 September 2020

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

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' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic 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 Group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- the Group or parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

Matters prescribed by the Office for Students (OfS) "Regulatory advice 9: Accounts direction"

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes during the year ended 30 September 2020 have been applied to those purposes and managed in accordance with relevant legislation;
- No funds were provided by the OfS and Research England during the year ended 30 September 2020; and
- the requirements of OfS's accounts direction have been met.

Independent auditor's report to the members of The Edward James Foundation Limited (continued)
For the year ended 30 September 2020

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 18, 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 the 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 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 Trustees 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 as auditors under the Companies Act 2006 and report in accordance with that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Use of our report

This report is made solely to the charitable company's members and the Trustees, 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 and Trustees 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, the charitable company's members and Trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Liz Hazell (Senior Statutory Auditor)

For and on behalf of

Saffery Champness LLP

Chartered Accountants and Statutory Auditors

71 Queen Victoria Street

London

EC4V 4BE

Date: 8 April 2021.

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

The Edward James Foundation Limited
(a company limited by guarantee; Company Registration No. 06689362)

Consolidated statement of financial activities including income and expenditure account
For the year ended 30 September 2020

	Notes	Unrestricted Fund £	Restricted Fund £	Total 2020 £	Total 2019 £
Income from:					
Donations, legacies and grants	3	504,311	276,548	780,859	425,686
Income from charitable activities	4	2,419,766	-	2,419,766	5,163,786
Income from trading activities	5	1,007,857	-	1,007,857	1,856,279
Investment income					
- Properties	6	2,324,795	-	2,324,795	2,295,406
- Financial investments	6	1,000,843	59,306	1,060,149	1,224,020
Other income	7	228,174	-	228,174	-
Total income		7,485,746	335,854	7,821,600	10,965,177
Expenditure on					
Raising funds					
- Fundraising cost		220,535	-	220,535	179,403
- Trading costs		1,973,315	-	1,973,315	2,236,465
- Property investment management		1,408,960	-	1,408,960	1,590,290
- Financial investment management		20,983	-	20,983	22,945
Charitable activities	8	6,707,795	172,045	6,879,840	7,331,232
Total resources expended		10,331,588	172,045	10,503,633	11,360,335
Net gain / (loss) on investments	13	61,622,025	(316,883)	61,305,142	577,346
Loss on disposal of subsidiary		-	-	-	(2,281)
Net incoming / (outgoing) resources before transfers		58,776,183	(153,074)	58,623,109	179,907
Transfers between funds	27,28	39,655	(39,655)	-	-
Net income / (expenditure) for the year		58,815,838	(192,729)	58,623,109	179,907
Other recognised gains and losses					
Actuarial (loss)/gain on defined benefit pension schemes	26	(11,000)	-	(11,000)	112,000
Net gain on revaluation of tangible fixed assets		-	-	-	103,693
Net movement in funds		58,804,838	(192,729)	58,612,109	395,600
Fund balances at					
1 October		80,421,980	1,968,569	82,390,549	81,994,949
Fund balances at					
30 September		139,226,818	1,775,840	141,002,658	82,390,549

The Consolidated statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. It includes all gains and losses for the year and all activities are continuing.

The notes on pages 33 to 62 form an integral part of the financial statements.

The Edward James Foundation Limited
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Consolidated and Charity Balance Sheets
For the year ended 30 September 2020

	Notes	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed assets					
Intangible assets	14	3,969	61,979	3,969	61,979
Tangible assets	15	31,145,067	28,756,720	31,133,619	28,742,366
Property investments	16	95,108,649	27,665,416	95,108,649	27,665,416
Financial investments	17	15,034,857	26,467,045	15,034,860	26,488,841
		<u>141,292,542</u>	<u>82,951,160</u>	<u>141,281,097</u>	<u>82,958,602</u>
Current assets					
Stocks	19	90,491	259,284	23,111	183,735
Debtors	20	2,140,856	1,726,206	2,209,160	1,867,391
Cash at bank and in hand		10,272,254	4,350,308	10,156,298	4,182,658
		<u>12,503,601</u>	<u>6,335,798</u>	<u>12,388,570</u>	<u>6,233,784</u>
Creditors: amounts falling due within one year	21	(4,525,797)	(4,306,334)	(4,422,866)	(4,211,762)
Net current assets		<u>7,977,804</u>	<u>2,029,464</u>	<u>7,965,704</u>	<u>2,022,022</u>
Total assets less current liabilities		149,270,346	84,980,624	149,246,801	84,980,624
Creditors: amounts falling due after more than one year	22	(8,207,290)	(2,407,845)	(8,207,290)	(2,407,845)
Provisions for liabilities and charges	23	(60,398)	(182,230)	(60,398)	(182,230)
Net assets		<u>141,002,658</u>	<u>82,390,549</u>	<u>140,979,113</u>	<u>82,390,549</u>
Income funds					
Restricted funds	27	1,775,840	1,968,569	1,775,840	1,968,569
Unrestricted funds					
Designated funds	28	139,174,177	83,204,034	139,174,177	83,204,034
General unrestricted funds	28	52,641	(2,782,053)	29,096	(2,782,053)
		<u>139,226,818</u>	<u>80,421,980</u>	<u>139,203,273</u>	<u>80,421,980</u>
		<u>141,002,658</u>	<u>82,390,549</u>	<u>140,979,113</u>	<u>82,390,549</u>

The total income of the Charity as an individual entity for the year was £6,878,418 (2019: £9,682,138) and its net deficit was £2,833,786 (2019: £395,600 deficit). A Statement of financial activities for the Charity as an individual entity is not included using the exemption given in section 408 of the Companies Act 2006.

The notes on pages 33 to 62 form an integral part of the financial statements.

The accounts were approved by the Trustees and the Chief Executive. They were authorised for issue on 25 March 2021.

Professor Paul O'Prey CBE
Chair of Trustees

Alexander Barron ACA FRSA
Chief Executive

The Edward James Foundation Limited
(a company limited by guarantee; Company Registration No. 06689362)

Consolidated statement of cash flows
For the year ended 30 September 2020

	Notes	2020	2019
		£	£
Net cash (outflow)/ inflow from operating activities	33	(2,217,594)	841,712
Investing activities			
Purchase of tangible fixed assets		(3,046,215)	(3,178,101)
Purchase of intangible fixed assets		(42,874)	(61,979)
Proceeds from disposal of tangible fixed assets		2,301	21,333
Purchase of investment property		(664,647)	(524,935)
Proceeds from disposal of investments		6,071,658	-
Net cash inflow/(outflow) from investing activities		2,320,223	(3,743,682)
Financing activities			
Additional borrowings		5,907,456	-
Repayment of borrowings		(88,139)	(113,511)
Net cash generated/(used) from investing activities		5,819,317	(113,511)
Net increase/(decrease) in cash equivalents		5,921,946	(3,015,481)
Cash and cash equivalents at beginning of year	34	4,350,308	7,365,789
Cash and cash equivalents at end of year	34	10,272,254	4,350,308

The notes on pages 33 to 62 form an integral part of the financial statements.

The Edward James Foundation Limited
(a company limited by guarantee; Company Registration No. 06689362)

Notes to the Financial statements
For the year ended 30 September 2020

I. Accounting policies

Company information

The Edward James Foundation Limited is a private company, limited by guarantee. It is incorporated in England and Wales. The registered office is Estate Office, West Dean, Chichester, West Sussex, PO18 0QZ.

I.1 Accounting convention

These Financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102"), the Charities SORP (FRS 102), the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The Financial statements are prepared in sterling, which is the functional currency of the Group. Monetary amounts in these Financial statements are rounded to the nearest £.

The Financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

I.2 Going concern

At the time of approving the Financial statements, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group took prompt action at the start of the COVID-19 pandemic to increase its cash reserves by liquidating some of its financial investments. It went on to record an operating deficit for the year ending 30 September 2020. Despite such factors, the Group possesses considerable asset strength. Furthermore, the Foundation has sufficient cash reserves and liquid financial investments to enable it to continue operating comfortably beyond 12 months after the date of approving the Financial statements. The Trustees therefore continue to adopt the going concern basis of accounting in preparing the Financial statements.

I.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the charitable objectives unless the funds have been designated for other purposes.

Designated funds are either represented by the carrying value of assets that the Group requires to carry out its business or reflect funds set aside by the Trustees for future projects as explained in the notes to the Financial statements.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of restricted funds are set out in the notes to the Financial statements.

I.4 Incoming resources

Income is recognised when the Group is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Group has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Legacies are recognised on receipt or otherwise if the Group has been notified of an impending distribution, the amount is known, and receipt is expected. If the amount is not known, the legacy is treated as a contingent asset.

Government grants are recognised within Donations and legacies. Income from Government grants is recognised when there is evidence of entitlement, receipt is probable and the amount can be measured reliably.

Notes to the Financial statements (continued)
For the year ended 30 September 2020

I. Accounting policies (continued)

I.4 Incoming resources (continued)

Trading income is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Fees received in relation to educational courses are initially reflected on the balance sheet as deferred income and recognised as income over the period of the course.

I.5 Resources expended

Resources expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. These estimates are based on staff time, floor area, student and delegate activity levels and equipment utilisation. The irrecoverable element of VAT is included within the area of expense to which it relates.

The cost of raising funds represents the costs associated with generating incoming resources other than from undertaking charitable activities, and includes costs relating to: the letting of land and buildings on West Dean Estate, in-hand forestry, the management of quoted investments, West Dean Gardens, conference and event activities and fundraising.

Charitable activities represent the costs applied by the Charitable company in undertaking its work to meet its charitable objectives. They include all direct costs of West Dean College's educational provision, all bursaries and scholarships payable to students and those support costs incurred that enable the educational activity to be undertaken.

Governance costs are those associated with constitutional and statutory requirements. They include both direct costs and a share of indirect staff costs.

Support costs represent the costs incurred by the Charitable company which, while not directly related to the charitable educational provision of West Dean College, are necessary to facilitate their provision. These costs include marketing, finance, human resources and IT.

All grants, bursaries and allowances towards fees are included as expenditure in the period for which the award is given.

I.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following basis:

Product design rights	straight line over 5 years
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Notes to the Financial statements (continued)
For the year ended 30 September 2020

I. Accounting policies (continued)

I.7 Tangible fixed assets

Tangible fixed assets are initially valued at cost and subsequently valued at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	straight line over 7 to 50 years
Plant and machinery	straight line over 4 to 20 years
Fixtures, fittings and equipment	straight line over 10 years
Motor vehicles	straight line over 5 years

Freehold land, some of the Charity's buildings and chattels are not depreciated. The buildings, including the main house, and the chattels held by the Charity are not depreciated as the useful economic lives of these assets are of such significant lengths that the accumulated depreciation charges are considered to be immaterial.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/expenditure for the year.

Capitalisation and replacement

Building improvements costing more than £2,500 together with furniture and equipment costing more than £500 per item are capitalised and carried in the balance sheet at historical cost less depreciation.

I.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially measured at cost and subsequently measured at fair value. Fair value for the year ending 30 September 2020 is based on open market value for residential properties and net present value of future rental yields for commercial / farming lets. In previous years, an internally generated valuation was used hence this represents a change in estimation technique. The surplus or deficit on revaluation is recognised in net income/expenditure for the year. Transaction costs are expensed as incurred.

I.9 Financial investments

Financial investments are initially measured at transaction price excluding transaction costs, and are subsequently measured at fair value at each reporting date. Changes in fair value are recognised in net income/expenditure for the year. Transaction costs are expensed as incurred.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities. Investments in subsidiary companies are measured at cost.

I.10 Impairment of fixed assets

At each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Notes to the Financial statements (continued)
For the year ended 30 September 2020

I. Accounting policies (continued)

I.11 Stocks

Stocks include finished goods held for sale, food and drink held as raw materials for catering operations and fuel. Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition. Items held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost and are expensed as they are used.

I.12 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

I.13 Financial instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

I.13.1 Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest rate method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

I.13.2 Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

I.13.3 Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

I.14 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee services are received.

Termination benefits are recognised immediately as an expense when the Group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Notes to the Financial statements (continued)
For the year ended 30 September 2020

I. Accounting policies (continued)

I.15 Retirement benefits

The Group operates two post-employment benefit plans:

i) Defined contribution pension scheme

A defined contribution pension scheme is a post-employment benefit plan under which an organisation pays fixed contributions to a pension scheme administered by a third party and will have no legal or constructive obligation to pay further amounts. Obligations for contributions are recognised as an expense in the periods during which services are rendered by employees.

ii) Defined benefit pension scheme

A defined benefit pension scheme is a post-employment benefit plan under which an organisation's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the organisation.

The cost of providing benefits under the defined benefit pension plan is determined using the projected unit credit method; and is based on actuarial advice.

The change in the net defined liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as incurred.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in income/(expenditure) in subsequent periods.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other recognised gains and losses in the period in which they occur and are not reclassified to income/(expenditure) in subsequent periods.

The net defined benefit pension liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligation is to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme, which is currently assessed by the Trustees as £nil.

I.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

I.17 Taxation

The Foundation is a registered charity and is not subject to taxation on income or gains so far as they are applied for wholly charitable purposes. Any income tax recovered on investment income and covenanted subscriptions is included with the respective income.

West Dean Limited donates its taxable profits by way of Gift Aid to The Edward James Foundation Limited.

Notes to the Financial statements (continued)
For the year ended 30 September 2020

1. Accounting policies (continued)

1.18 Basis of consolidation

The Financial statements consolidate the results of the Charitable company and its wholly owned subsidiary, West Dean Limited on a line by line basis. Prior to its disposal in 2018/19, the results of the Group also consolidated another wholly owned subsidiary, Tragopan Corporation Limited.

2. Critical accounting estimates and judgements

In the application of the Group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

2.1 Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the Financial statements.

2.1.1 Stocks

Calculation of these provisions requires judgements to be made, which include forecast consumer demand and a review of obsolete stock.

2.2 Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

2.2.1 Useful life, residual value and impairment of tangible fixed assets

The carrying value of tangible fixed assets is calculated on the basis of estimates of depreciation periods derived from the expected useful life of the asset concerned and residual values. The expected useful life of the asset concerned and its estimated residual value may change under the influence of technological developments, market circumstances and changes in the use of the asset. These factors may also give rise to the need to recognise an impairment on assets.

2.2.2 Fair value of investment property

The fair value of investment property is based upon open market values for residential properties and net present value of future rental yields for commercial / farming lets.

2.2.3 The financial risks associated with its Final Salary Pension Scheme.

In 2011, the Scheme was closed to further accrual, so eliminating the risk of further deficits arising in respect of future employee service, but the liabilities in respect of past service have yet to be fully secured and therefore fluctuate with movements in markets and actuarial assumptions. The investment strategy is reviewed regularly and has contributed towards a more proactive exit strategy; a significant de-risking exercise has been undertaken early in 2020/21. A series of Liability Management Exercises was planned for 2019/20, but was held in abeyance when the Covid-19 pandemic commenced. Since 2018, the Scheme has been in surplus on a Technical Provisions basis and the next target is to achieve a surplus on a Self-Sufficiency basis.

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2020

3. Donations, legacies and grants

	Unrestricted Funds	Restricted Funds	Total 2020	Total 2019
	£	£	£	£
Donations and gifts	100,248	276,548	376,796	425,686
Government grants	404,063	-	404,063	-
	<u>504,311</u>	<u>276,548</u>	<u>780,859</u>	<u>425,686</u>

	Unrestricted Funds	Restricted Funds	Total 2019
	£	£	£
Donations and gifts	<u>60,102</u>	<u>365,584</u>	<u>425,686</u>

Government grants reflect amounts receivable by the Foundation under the Government's Coronavirus Job Retention Scheme. There are no unfulfilled conditions attached to this income. The only other form of Government assistance which the Foundation has benefitted from is the deferral of a VAT payment for the quarter ending 31 March 2020.

4. Income from charitable activities

	School of Arts	School of Conservation	Total 2020	Total 2019
	£	£	£	£
Fees receivable	<u>1,696,435</u>	<u>723,331</u>	<u>2,419,766</u>	<u>5,163,786</u>

	School of Arts	School of Conservation	Total 2019
	£	£	£
Fees receivable	<u>3,783,531</u>	<u>1,380,255</u>	<u>5,163,786</u>

5. Income from trading activities

	2020	2019
	£	£
West Dean Gardens (The Edward James Foundation Limited)	283,428	441,558
West Dean Gardens (West Dean Limited)	387,836	853,277
Conferences (West Dean Limited)	86,650	319,731
West Dean Stores (West Dean Limited)	<u>249,943</u>	<u>241,713</u>
Income from trading activities	<u>1,007,857</u>	<u>1,856,279</u>

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2020

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Properties				
West Dean Estate income	2,324,795	-	2,324,795	2,295,406
Financial investments				
Income from financial investments	980,166	59,306	1,039,472	1,211,000
Interest receivable	6,677	-	6,677	17,020
Net interest on defined benefit pension scheme	14,000	-	14,000	(4,000)
	<u>1,000,843</u>	<u>59,306</u>	<u>1,060,149</u>	<u>1,224,020</u>

	Unrestricted Funds £	Restricted Funds £	Total 2019 £
Properties			
West Dean Estate income	2,295,406	-	2,295,406
Financial investments			
Income from financial investments	1,140,326	70,674	1,211,000
Interest receivable	17,020	-	17,020
Net interest on defined benefit pension scheme	(4,000)	-	(4,000)
	<u>1,153,346</u>	<u>70,674</u>	<u>1,224,020</u>

West Dean Estate income included £2,002,360 (2019: £1,940,102) in respect of rental income from land and buildings.

7. Other Income

	2020 £	2019 £
Proceeds from Insurance claim	228,174	-

Following the partial cancellation of the Group's Chilli Fiesta in August 2019, a claim was made on the Group's event cancellation insurance. Proceeds totalling £228,174 (2019: £nil) were received during the year in full settlement.

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2020

8. Charitable activities

	School of Arts	School of Conservation	Total 2020	Total 2019
	£	£	£	£
Staff & staff related costs	1,665,234	1,381,196	3,046,430	2,732,525
Visiting tutors & lecturers	317,015	50,814	367,829	659,694
Material & other course costs	272,737	132,974	405,711	541,994
Catering provisions	108,486	61,321	169,807	376,046
Premises costs	205,244	182,374	387,618	371,167
Insurance	87,755	87,755	175,510	154,366
Irrecoverable VAT	164,140	62,262	226,402	248,180
Depreciation	140,241	114,561	254,802	252,939
Other charitable expenditure	117,752	101,536	219,288	298,056
	<u>3,078,604</u>	<u>2,174,793</u>	<u>5,253,397</u>	<u>5,634,967</u>
Grant Funding of activities (note 9)	76,922	161,330	238,252	368,094
Share of support costs (note 10)	745,716	642,475	1,388,191	1,328,171
	<u>3,901,242</u>	<u>2,978,598</u>	<u>6,879,840</u>	<u>7,331,232</u>
Analysis by fund				
Unrestricted funds	3,851,797	2,855,998	6,707,795	7,087,637
Restricted funds	49,445	122,600	172,045	243,595
	<u>3,901,242</u>	<u>2,978,598</u>	<u>6,879,840</u>	<u>7,331,232</u>
	School of Arts	School of Conservation	Total 2019	
	£	£	£	
Staff & staff related costs	1,510,205	1,222,320	2,732,525	
Visiting tutors & lecturers	573,692	86,002	659,694	
Material & other course costs	344,464	197,530	541,994	
Catering provisions	254,569	121,477	376,046	
Premises costs	207,399	163,768	371,167	
Insurance	77,183	77,183	154,366	
Irrecoverable VAT	183,135	65,045	248,180	
Depreciation	140,761	112,178	252,939	
Other charitable expenditure	171,009	127,047	298,056	
	<u>3,462,417</u>	<u>2,172,550</u>	<u>5,634,967</u>	
Grant Funding of activities (note 9)	140,135	227,959	368,094	
Share of support costs (note 10)	716,180	611,991	1,328,171	
	<u>4,318,732</u>	<u>3,012,500</u>	<u>7,331,232</u>	
Analysis by fund				
Unrestricted funds	4,259,813	2,827,824	7,087,637	
Restricted funds	58,919	184,676	243,595	
	<u>4,318,732</u>	<u>3,012,500</u>	<u>7,331,232</u>	

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2020

9. Grants payable

	School of Arts £	School of Conservation £	Total 2020 £	Total 2019 £
Grants to individuals	<u>76,922</u>	<u>161,330</u>	<u>238,252</u>	<u>368,094</u>

	School of Arts £	School of Conservation £	Total 2019 £
Grants to individuals	<u>140,135</u>	<u>227,959</u>	<u>368,094</u>

Grants to individuals include bursaries and scholarships of £19,589 (2019: £35,500) funded internally by the Foundation, together with bursaries and scholarships of £218,663 (2019: £332,594) paid from the West Dean Scholarship Fund.

10. Support costs

	Support costs £	Governance costs £	Total 2020 £	Support costs £	Governance costs £	Total 2019 £	Basis of allocation
Staff costs	1,012,294	39,182	1,051,476	906,254	35,878	942,132	Staff time and student/delegate days
Depreciation	63,701	-	63,701	63,235	-	63,235	Staff time and student/delegate days
Marketing costs	98,357	-	98,357	114,209	-	114,209	Staff time and student/delegate days
Other costs	144,835	-	144,835	162,940	-	162,940	Staff time and student/delegate days
Audit fees							
Current year	-	19,600	19,600	-	19,000	19,000	Governance
Prior year	-	6,500	6,500	-	16,010	16,010	Governance
Legal and professional	-	1,540	1,540	-	4,086	4,086	Governance
Trustee related expenses	-	2,182	2,182	-	2,059	2,059	Governance
	<u>1,319,187</u>	<u>69,004</u>	<u>1,388,191</u>	<u>1,246,638</u>	<u>81,533</u>	<u>1,328,171</u>	

Governance costs include payments to the auditors as follows:

	2020 £	2019 £
Saffery Champness LLP		
Audit (Group)	19,600	19,000
Other	(4,500)	4,500
Audit (Group) - prior year	<u>11,000</u>	<u>16,010</u>

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Notes to the Financial statements (continued)
For the year ended 30 September 2020

11. Trustees

None of the Trustees (or any persons connected with them) received any remuneration or benefits from the Group during the year.

Expenses totalling £2,182 relating to travel and subsistence were either reimbursed to, or paid directly on behalf of, four Trustees (2019: £2,059 to four Trustees).

During the year, £2,255 (2019: £1,962) was paid in respect of insurance to:

- Protect the Charity from loss arising from the neglect or defaults of its Trustees;
- Indemnify the Trustees against consequences of any neglect or default on their part.

12. Employees

Staff Costs during the year were:

	2020	2019
	£	£
Wages and salaries	4,709,227	4,240,175
Social security costs	362,454	327,326
Other pension costs	219,465	184,197
	5,291,146	4,751,698

Included in the above are the following amounts relating to compensation for loss of office of 23 employees:

- Wages and salaries: £186,432 (2019: £nil): This includes redundancy payments of £92,687 (2019: £nil), payments in lieu of notice of £80,351 (2019: £nil) and settlement of outstanding annual leave £13,394 (2019: £nil);
- Social Security costs £13,382 (2019: £nil); and
- Other Pension costs: £4,597 (2019: £nil).

Average number of employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Direct education staff	49	47
Other staff	180	178
	229	225

Notes to the Financial statements (continued)
For the year ended 30 September 2020

12. Employees (continued)

Higher paid employees

Employees receiving benefits (including compensation for loss of office and excluding employer pension contributions) in the following range were:

	2020 Number	2019 Number
£150,000 - £159,999	1	-
£140,000 - £149,999	-	1
£100,000 - £109,999	1	-
£90,000 - £99,999	-	1
£80,000 - £89,999	2	-
£70,000 - £79,999	2	1
	<u>6</u>	<u>3</u>

Included in above are employees earning a basic salary (before salary sacrifice) of over £100,000 per annum:

	2020 Number	2019 Number
£145,000 - £149,999	1	-
£135,000 - £139,999	-	1
£105,000 - £109,999	1	-
	<u>2</u>	<u>1</u>

Remuneration of key management personnel

Members of the Foundation's Senior Management Team (SMT), which includes the Chief Executive, were considered to be key management personnel. The employment costs of the members of the SMT were:

	2020 £	2019 £
Wages and salaries (including compensation for loss of office)	641,105	527,342
Benefits	10,069	8,455
Social security costs	69,635	57,054
Other pension costs	43,327	34,764
	<u>764,136</u>	<u>627,615</u>

Remuneration of the Chief Executive

Details of the remuneration package of the Chief Executive, who for Office for Students reporting purposes is the Foundation's Head Provider, are:

	2020 £	2019 £
Basic Salary	129,730	129,083
Performance-related pay (in relation to the year ended 30 September 2019)	5,000	-
Employer's pension contribution	10,924	10,466
Salary sacrifice arrangements	10,924	10,466
Company car	6,376	5,667
Medical insurance	757	626
	<u>163,711</u>	<u>156,308</u>

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12. Employees (continued)

The Chief Executive's basic salary is 6.23 (2019: 7.06) times the median total remuneration of other employees, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the Foundation to its employees.

The Chief Executive's total remuneration is 7.46 (2019: 8.04) times the median total remuneration of other employees, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the Foundation to its employees.

13. Net gains/(losses) on investments

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Financial investments:				
Revaluation	(3,743,773)	(220,338)	(3,964,111)	577,346
Loss on sale	(1,299,874)	(96,545)	(1,396,419)	-
Property investments:				
Gain on revaluation of investment properties (see note 16)	66,665,672	-	66,665,672	-
	<u>61,622,025</u>	<u>(316,883)</u>	<u>61,305,142</u>	<u>577,346</u>
	Unrestricted Funds £	Restricted Funds £	Total 2019 £	
Revaluation of fixed asset investments	536,480	40,866	577,346	
	<u>536,480</u>	<u>40,866</u>	<u>577,346</u>	

14. Intangible fixed assets

Group and Charity

	Product design rights £	Software £	Total £
Cost			
At 1 October 2019	10,000	61,979	71,979
Additions	-	42,874	42,874
Impairment	-	(100,884)	(100,884)
At 30 September 2020	<u>10,000</u>	<u>3,969</u>	<u>13,969</u>
Amortisation and impairment			
At 1 October 2019 and 30 September 2020	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Carrying Amount			
At 30 September 2020	<u>-</u>	<u>3,969</u>	<u>3,969</u>
At 30 September 2019	<u>-</u>	<u>61,979</u>	<u>61,979</u>

An impairment of £100,884 (2019: £nil) relates to the termination during the year of a project to develop a replacement for one of the Foundation's software systems.

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15. Tangible fixed assets

Group

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Chattels £	Total £
Cost						
At 1 October 2019	14,254,881	5,786,389	636,899	204,531	12,384,220	33,266,920
Additions	2,805,696	156,059	77,065	7,395	-	3,046,215
Transfer to Property investments	(112,914)	-	-	-	-	(112,914)
Disposals	-	(763)	-	-	-	(763)
At 30 September 2020	<u>16,947,663</u>	<u>5,941,685</u>	<u>713,964</u>	<u>211,926</u>	<u>12,384,220</u>	<u>36,199,458</u>
Depreciation and impairment						
At 1 October 2019	1,372,538	2,455,053	492,309	190,300	-	4,510,200
Charge for the year	91,908	288,765	33,561	7,633	-	421,867
Impairment	123,087	-	-	-	-	123,087
On disposals	-	(763)	-	-	-	(763)
At 30 September 2020	<u>1,587,533</u>	<u>2,743,055</u>	<u>525,870</u>	<u>197,933</u>	<u>-</u>	<u>5,054,391</u>
Carrying Amount						
At 30 September 2020	<u>15,360,130</u>	<u>3,198,630</u>	<u>188,094</u>	<u>13,993</u>	<u>12,384,220</u>	<u>31,145,067</u>
At 30 September 2019	<u>12,882,343</u>	<u>3,331,336</u>	<u>144,590</u>	<u>14,231</u>	<u>12,384,220</u>	<u>28,756,720</u>

Charity

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Chattels £	Total £
Cost						
At 1 October 2019	14,254,881	5,585,758	636,899	204,531	12,384,220	33,066,289
Additions	2,805,696	155,690	77,065	7,395	-	3,045,846
Transfer to Property investments	(112,914)	-	-	-	-	(112,914)
Disposals	-	(763)	-	-	-	(763)
At 30 September 2020	<u>16,947,663</u>	<u>5,740,685</u>	<u>713,964</u>	<u>211,926</u>	<u>12,384,220</u>	<u>35,998,458</u>
Depreciation and impairment						
At 1 October 2019	1,372,538	2,268,776	492,309	190,300	-	4,323,923
Charge for the year	91,909	285,489	33,561	7,633	-	418,592
Impairment	123,087	-	-	-	-	123,087
On disposals	-	(763)	-	-	-	(763)
At 30 September 2020	<u>1,587,534</u>	<u>2,553,502</u>	<u>525,870</u>	<u>197,933</u>	<u>-</u>	<u>4,864,839</u>
Carrying Amount						
At 30 September 2020	<u>15,360,129</u>	<u>3,187,183</u>	<u>188,094</u>	<u>13,993</u>	<u>12,384,220</u>	<u>31,133,619</u>
At 30 September 2019	<u>12,882,343</u>	<u>3,316,982</u>	<u>144,590</u>	<u>14,231</u>	<u>12,384,220</u>	<u>28,742,366</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2020

15. Tangible fixed assets (continued)

Freehold land and buildings for both the Group and Charity includes assets under construction of £5,743,555 (2019: £3,468,688) that will begin to be depreciated once complete.

16. Property investments

Group and Charity

	2020	2019
	£	£
Fair value		
At 1 October	27,665,416	27,140,481
Additions	664,647	524,935
Transfer from Freehold land and buildings	112,914	-
Net gains through fair value adjustment	66,665,672	-
At 30 September	<u>95,108,649</u>	<u>27,665,416</u>

Investment property is comprised of the West Dean Estate and is held as part of the Group's charitable activities.

The transfer from Freehold land and buildings relates to amounts that were capitalised within Freehold land and buildings in the year ending 30 September 2019 but which were determined to relate to Property investments.

The net gain through fair value adjustment reflects open market values for residential properties and net present value of future rental yields for commercial / farming lets. The uplift is based on appraisals performed by independent valuers who hold recognised qualifications, are specialists in the local residential and commercial / farming sectors and have a strong working knowledge of the West Dean Estate. This approach was adopted in preference to the Royal Institution of Chartered Surveyors (RICS) Red Book valuation methodology. Given the level of uncertainty that existed in the property market throughout much of 2020 as a result of Covid-19, it was not deemed an appropriate time to commission a RICS valuation. The Foundation plans to obtain a RICS valuation in due course hence the approach taken as at 30 September 2020 represents an intermediate step towards this.

17. Financial investments

Group

	Listed investments
	£
At 1 October 2019	26,467,045
Valuation changes	(3,964,111)
Disposal	(7,468,077)
At 30 September 2020	<u>15,034,857</u>
Carrying Amount	
At 30 September 2020	<u>15,034,857</u>
At 30 September 2019	<u>26,467,045</u>

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17. Financial investments (continued)

	Listed investments £
Historic Cost	
At 30 September 2020	<u>13,784,133</u>
At 30 September 2019	<u>17,546,567</u>

Charity

	Listed investments £	Shares in subsidiary £	Total £
At 1 October 2019	26,467,045	21,796	26,488,841
Valuation changes	(3,964,111)	(21,793)	(3,985,904)
Disposal	(7,468,077)	-	(7,468,077)
At 30 September 2020	<u>15,034,857</u>	<u>3</u>	<u>15,034,860</u>
Carrying Amount			
At 30 September 2020	<u>15,034,857</u>	<u>3</u>	<u>15,034,860</u>
At 30 September 2019	<u>26,467,045</u>	<u>21,796</u>	<u>26,488,841</u>
Historic Cost			
At 30 September 2020	<u>13,784,133</u>	<u>3</u>	<u>13,784,136</u>
At 30 September 2019	<u>17,546,567</u>	<u>3</u>	<u>17,546,570</u>

Refer to note 32 for details of shareholdings in subsidiaries.

18. Financial instruments

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,446,135	1,184,757	1,514,858	1,326,496
Equity instruments measured at amortised cost	-	-	3	21,796
Instruments measured at fair value through income and expenditure	<u>15,034,857</u>	<u>26,467,045</u>	<u>15,034,857</u>	<u>26,467,045</u>
Carrying amount of financial liabilities	<u>9,303,568</u>	<u>4,023,033</u>	<u>9,245,163</u>	<u>3,968,286</u>

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19. Stocks

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£	£	£	£
Raw materials and consumables	36,987	85,258	23,091	72,219
Finished goods and goods for resale	53,504	174,026	20	111,516
	<u>90,491</u>	<u>259,284</u>	<u>23,111</u>	<u>183,735</u>

20. Debtors

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	1,419,529	1,128,261	1,424,918	1,087,661
Amounts due from subsidiary undertakings	-	-	63,333	182,339
Other debtors	26,606	56,496	26,606	56,496
Prepayments and accrued income	694,721	541,449	694,303	540,895
	<u>2,140,856</u>	<u>1,726,206</u>	<u>2,209,160</u>	<u>1,867,391</u>

21. Creditors: amounts falling due within one year

		Group	Group	Charity	Charity
		2020	2019	2020	2019
		£	£	£	£
Loans and overdraft	24	144,148	124,276	144,148	124,276
Trade creditors		448,235	1,169,449	417,555	1,132,227
Other taxation and social security		99,308	121,479	99,308	121,479
Other creditors		420,290	242,110	420,118	241,889
Accruals		503,895	321,463	476,170	303,938
Deferred income	25	2,909,921	2,327,557	2,865,567	2,287,953
		<u>4,525,797</u>	<u>4,306,334</u>	<u>4,422,866</u>	<u>4,211,762</u>

22. Creditors: amounts falling due after more than one year

Group and charity

	2020	2019
	£	£
Bank loans (note 24)	<u>8,207,290</u>	<u>2,407,845</u>

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23. Provisions for liabilities and charges

Group and charity

	2020	2019
	£	£
At 1 October	182,230	-
New provisions during the year	60,398	182,230
Utilised during the year	(182,230)	-
At 30 September	<u>60,398</u>	<u>182,230</u>

As at 30 September 2020, the Group and Charity recognised a provision of £60,398 (2019: £nil) in respect of an enhanced credit for Short Course cancellations.

As at 30 September 2019, the Group and Charity recognised a provision of £182,230 in respect of the net costs expected to be incurred felling trees close to roads and public rights of way on the West Dean Estate which had contracted the Ash Dieback disease. This work was completed during the year ended 30 September 2020 and the provision released.

24. Loans and overdrafts

Group and charity

	2020	2019
	£	£
Bank Loans	<u>8,351,438</u>	<u>2,532,121</u>
Payable within one year	144,148	124,276
Payable within two to five years	1,328,045	511,423
Payable after five years	<u>6,879,245</u>	<u>1,896,422</u>

Details of the bank loans and amounts outstanding at the reporting date are:

Security (Land Registry Title number)	Interest rate	Repayable date	2020 £	2019 £
WSX265408	3.28% - 3.62%	March 2036	2,443,982	2,532,121
WSX265296 (part of)	2.29%	August 2030	5,907,456	-

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Notes to the Financial statements (continued)
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25. Deferred income

Group

	2020	2019
	£	£
Arising from grants	136,865	173,099
Arising from course and diploma fees received in advance	2,728,702	2,114,854
Arising from conference and event deposits	44,354	39,604
	<u>2,909,921</u>	<u>2,327,557</u>
Movement in deferred income		
Deferred income at 1 October	2,327,557	2,706,471
Released to statement of financial activities in the year	(2,327,557)	(2,706,471)
New deferred income in the year	<u>2,909,921</u>	<u>2,327,557</u>
Deferred income at 30 September	<u>2,909,921</u>	<u>2,327,557</u>

Charity

	2020	2019
	£	£
Arising from grants	136,865	173,099
Arising from course and diploma fees received in advance	2,728,702	2,114,854
	<u>2,865,567</u>	<u>2,287,953</u>
Movement in deferred income		
Deferred income at 1 October	2,287,953	2,706,471
Released to statement of financial activities in the year	(2,287,953)	(2,706,471)
New deferred income in the year	<u>2,865,567</u>	<u>2,287,953</u>
Deferred income at 30 September	<u>2,865,567</u>	<u>2,287,953</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2020

26. Retirement benefit schemes

Defined contribution schemes

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the Scheme are held separately from those of the Group in an independently administered fund.

With effect from 1 July 2011, the Charity has contributed to a defined contribution pension scheme administered by Scottish Widows. Employer contribution rates match those chosen by employees up to a maximum rate of 7.5%. Contributions payable by the Charity amounted to £172,395 (2019: £148,236). £31,639 (2019: £nil) was unpaid at the year end.

With effect from 1 April 2014, the Charity has automatically enrolled qualifying employees into a workplace pension scheme administered by the National Employment Savings Trust Corporation ('NEST'). Unless an employee decides to opt-out, the minimum rate of contribution is 4% by the employee and 3% by the employer. The maximum rate of contribution by the employer is 7.5%. Contributions payable by the Charity amounted to £47,070 (2019: £35,961). £9,188 (2019: £nil) was unpaid at the year end.

Defined benefit scheme

The employer operates a defined benefit pension scheme in the UK "The Edward James Foundation Final Salary Pension Scheme". This is a separate trustee administered fund holding the pension scheme asset to meet long term pension liabilities.

Valuation

A full actuarial valuation was carried out as at 30 September 2018 and updated to 30 September 2020 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below. The actuarial valuation as at 30 September 2020 showed a defined benefit pension asset of £1,768,000 (2019: £730,000) however this has been restricted to £nil (2019: £nil) in these financial statements via adjustment to actuarial gains.

Funding policy

The employer had agreed with the Trustees that it will pay monthly contributions of £4,167 from 1 April 2019 to 31 December 2021. The best estimate of contributions to be paid by the employer to the scheme for the period commencing 1 October 2020 is therefore £50,004. In addition and in accordance with the actuarial valuation, the employer has agreed with the Trustees that it will meet expenses of the scheme and levies due to the Pension Protection Fund.

The amounts included in the balance sheet arising from the Group's obligations in respect of defined benefit plans are as follows:

Notes to the Financial statements (continued)
For the year ended 30 September 2020

26. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations:

	2020	2019
	£	£
Liabilities at 1 October	17,927,000	17,301,000
Benefits paid and expenses	(746,000)	(736,000)
Expenses	53,000	-
Actuarial gains	(95,000)	888,000
Interest cost	316,000	474,000
At 30 September	17,455,000	17,927,000

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets:

	2020	2019
	£	£
Fair value of assets at 1 October	17,927,000	17,114,000
Interest income	330,000	470,000
Return on plan assets (excluding amounts included in net interest)	932,000	1,730,000
Benefits paid and expenses	(746,000)	(736,000)
Contributions by the employer	50,000	79,000
Surplus not recognised	(1,038,000)	(730,000)
At 30 September	17,455,000	17,927,000

Amounts recognised in the Consolidated statement of financial activities:

	2020	2019
	£	£
Net interest in defined benefit liability	(14,000)	4,000
Expenses	53,000	-
Total costs	39,000	4,000

Amounts taken to other comprehensive income:

	2020	2019
	£	£
Actual return on scheme assets	932,000	1,730,000
Experience gains and losses	62,000	789,000
Actuarial changes related to obligations	(1,005,000)	(2,407,000)
Total costs	(11,000)	112,000

The actual return on the scheme assets over the year ending 30 September 2020 was £1,262,000 (2019: £2,200,000).

Notes to the Financial statements (continued)
For the year ended 30 September 2020

26. Retirement benefit schemes (continued)

The fair value of plan assets at the reporting date was as follows:

	2020	2019
	£	£
UK Equity instruments	348,000	465,000
Overseas Equity instruments	10,544,000	13,789,000
Bonds and Gilts	3,096,000	1,618,000
LDI	4,738,000	2,209,000
Cash and other	497,000	576,000
	<u>19,223,000</u>	<u>18,657,000</u>

None of the fair values of the assets shown above include any of the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

Key assumptions

	2020	2019
	%	%
Discount rate	1.7	1.8
Expected rate of increase of pensions in payment	1.7 to 2.2	1.7 to 2.2
Expected rate of salary increases	3.1	3.2
Inflation (RPI : CPI)	3.1: 2.2	3.2: 2.2
Revaluation of deferred pensions	3.1	3.2
Commutation of pension for cash at retirement (% of Post A Day)	<u>80.0</u>	<u>80.0</u>

Mortality assumptions

The mortality assumptions adopted at 30 September imply the following life expectancies on retirement at age 65:

	2020	2019
	Years	Years
Retiring today		
Males	22.7	22.7
Females	<u>24.5</u>	<u>24.4</u>
Retiring in 20 years		
Males	24.4	24.4
Females	<u>26.0</u>	<u>26.0</u>

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27. Restricted funds

Group and Charity

	Balance at 1 October 2019 £	Movement in funds				Balance at 30 September 2020 £
		Incoming resources £	Resources expended £	Transfers £	Revaluations gains and losses £	
West Dean Scholarship Fund	1,724,036	233,466	(172,045)	-	(316,882)	1,468,575
Other	244,533	102,387	-	(39,655)	-	307,265
	<u>1,968,569</u>	<u>335,853</u>	<u>(172,045)</u>	<u>(39,655)</u>	<u>(316,882)</u>	<u>1,775,840</u>
	Balance at 1 October 2018 £	Incoming resources £	Resources expended £	Transfers £	Revaluations gains and losses £	Balance at 30 September 2019 £
West Dean Scholarship Fund	1,678,089	248,676	(243,595)	-	40,866	1,724,036
Other	132,608	187,582	-	(75,657)	-	244,533
	<u>1,810,697</u>	<u>436,257</u>	<u>(243,595)</u>	<u>(75,657)</u>	<u>40,866</u>	<u>1,968,569</u>

West Dean Scholarship Fund

The Fund was established to provide bursaries and scholarships for students attending courses at West Dean College. The Fund's capital is invested in quoted investments and its income is derived from this source, as well as from donations, grants and legacies. The Fund is analysed between Restricted and Designated funds, according to whether the use of the original income was specifically restricted by the donor or whether it was determined by the Trustees of the Foundation.

Other restricted funds

Other restricted funds comprise grants and donations received for specific purposes other than to provide bursaries and scholarships for students attending courses at West Dean College. Such grants and donations are held as restricted funds until the terms of the original restriction are satisfied, following which a transfer to unrestricted or designated funds (as appropriate) takes place.

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Notes to the Financial statements (continued)
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28. Unrestricted funds

Group and Charity

The unrestricted funds of the Charity are:

		Movement in funds				Balance at 30 September 2020
	Balance at 1 October 2019	Incoming resources	Resources expended	Gains/ (losses)	Transfers	
	£	£	£	£	£	£
General unrestricted funds	(2,782,053)	7,485,746	(10,331,588)	(11,000)	5,691,536	52,641
Pension reserve (note 26)	-	-	-	-	-	-
	<u>(2,782,053)</u>	<u>7,485,746</u>	<u>(10,331,588)</u>	<u>(11,000)</u>	<u>5,691,536</u>	<u>52,641</u>
Designated funds						
Freehold property (charitable use)	12,830,647	-	-	-	2,323,819	15,154,466
Chattels (charitable use)	12,364,220	-	-	-	-	12,364,220
Investment properties	27,665,416	-	-	66,665,672	777,561	95,108,649
Quoted investments	22,766,052	-	-	(4,609,296)	(5,115,895)	13,040,861
West Dean Scholarship Fund	2,132,636	-	-	(434,352)	(535,985)	1,162,299
Vision 2027	5,445,062	-	-	-	(3,101,380)	2,343,682
	<u>83,204,033</u>	<u>-</u>	<u>-</u>	<u>61,622,024</u>	<u>(5,651,880)</u>	<u>139,174,177</u>
Total	<u>80,421,980</u>	<u>7,485,746</u>	<u>(10,331,588)</u>	<u>61,611,024</u>	<u>39,656</u>	<u>139,226,818</u>

		Movement in funds				Balance at 30 September 2019
	Balance at 1 October 2018	Incoming resources	Resources expended	Gains/ (losses)	Transfers	
	£	£	£	£	£	£
General unrestricted funds	(2,196,065)	10,528,919	(11,116,740)	(77,284)	79,117	(2,782,053)
Pension reserve (note 26)	(187,000)	-	-	187,000	-	-
	<u>(2,383,065)</u>	<u>10,528,919</u>	<u>(11,116,740)</u>	<u>109,716</u>	<u>79,116</u>	<u>(2,782,053)</u>
Designated funds						
Freehold property (charitable use)	10,014,970	-	-	-	2,815,677	12,830,647
Chattels (charitable use)	12,260,524	-	-	103,696	-	12,364,220
Investment properties	27,140,481	-	-	-	524,935	27,665,416
Quoted investments	22,281,564	-	-	484,488	-	22,766,052
West Dean Scholarship Fund	2,080,644	-	-	51,992	-	2,132,636
Vision 2027	8,789,134	-	-	-	(3,344,072)	5,445,062
	<u>82,567,317</u>	<u>-</u>	<u>-</u>	<u>640,176</u>	<u>(3,460)</u>	<u>83,204,033</u>
Total	<u>80,184,252</u>	<u>10,528,919</u>	<u>(11,116,740)</u>	<u>749,892</u>	<u>75,657</u>	<u>80,421,980</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2020

28. Unrestricted funds (continued)

Freehold property (charitable use)

The fund represents those freehold properties which are essential for the provision of the Foundation's charitable activities. The transfer during the year represents net capital expenditure predominantly on the roof project which forms part of Vision 2027.

Chattels (charitable use)

The fund represents the artworks which are considered essential to the provision of the Foundation's charitable activities.

Investment property

The fund represents investment assets essential for the generation of investment income required to support the charitable activities. Transfers in the year represents refurbishments to cottages across the estate which forms part of Vision 2027.

Quoted investments

The fund represents the quoted investments which are essential for the generation of investment income required to support the charitable activities.

West Dean Scholarship Fund

The fund was established to provide bursaries and scholarships for students attending courses at West Dean College. The Fund's capital is invested in quoted investments and its income is derived from this source, as well as from donations, grants and legacies. The Fund is analysed between Restricted and Designated funds, according to whether the use of the original income was specifically restricted by the donor or whether it was determined by the Trustees of the Foundation. When awards are made, a transfer to unrestricted funds takes place.

Vision 2027

The fund was established in 2016/17 in anticipation of major capital expenditure arising from Vision 2027. It comprises proceeds from the disposal of financial investments, chattels and land and buildings. When Vision 2027 expenditure is incurred, a transfer between funds takes place. Transfers in the year relate to expenditure on the roof project (within Freehold property) and cottage refurbishments (within Investment property).

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Notes to the Financial statements (continued)
For the year ended 30 September 2020

29. Analysis of net assets between funds

	2020	2020	2020
	Unrestricted	Restricted	Total
	funds	funds	funds
	£	£	£
Fund balances at 30 September 2020 are represented by:			
Intangible assets	3,969	-	3,969
Tangible assets	31,145,067	-	31,145,067
Investment properties	95,108,649	-	95,108,649
Investments	14,203,161	831,696	15,034,857
Net current assets	7,977,804	-	7,977,804
Creditors > 1 year	(8,207,290)	-	(8,207,290)
Provisions for liabilities	(60,398)	-	(60,398)
	<u>140,170,962</u>	<u>831,696</u>	<u>141,002,658</u>
	2019	2019	2019
	Unrestricted	Restricted	Total
	funds	funds	funds
	£	£	£
Fund balances at 30 September 2019 are represented by:			
Intangible fixed assets	61,979	-	61,979
Tangible assets	28,736,720	20,000	28,756,720
Investment properties	27,665,416	-	27,665,416
Investments	24,898,688	1,568,357	26,467,045
Net current assets	1,649,252	380,212	2,029,464
Creditors > 1 year	(2,407,845)	-	(2,407,845)
Provisions for liabilities	(182,230)	-	(182,230)
	<u>80,421,980</u>	<u>1,968,569</u>	<u>82,390,549</u>

30. Capital commitments

At 30 September, the Group had capital commitments, contracted for but not provided in the Financial statements, as follows:

	2020	2019
	£	£
Acquisition of property, plant and equipment	-	360,018
Acquisition of software	-	25,270
Replacement of roof on main house	62,417	2,803,811
	<u>62,417</u>	<u>3,189,099</u>

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Notes to the Financial statements (continued)
For the year ended 30 September 2020

31. Commitments under operating leases

At 30 September, the Group and Charity had future minimum lease payments under non-cancellable operating leases:

	Group	Group	Charity	Charity
	2020	2019	2020	2019
	£	£	£	£
Not later than one year	5,426	10,444	5,426	10,444
Later than one year and not later than five years	2,394	7,821	2,394	7,821
	<u>7,820</u>	<u>18,265</u>	<u>7,820</u>	<u>18,265</u>

32. Subsidiary

These consolidated Financial statements include the results of the Group's wholly owned subsidiary, West Dean Limited:

Name of undertaking	Country of incorporation or residency	Nature of business	Class of shareholding	% held 2020		% held 2019	
				direct	indirect	direct	indirect
West Dean Limited	England	Gardens shop and restaurant; conference and event management	Ordinary £1	100.00	-	100.00	-

The trading activities of West Dean Limited utilise spare capacity in the Charitable company's land and buildings to generate profits which can then be donated to the Charitable company to support its objects. The Charitable company holds 3 shares representing the 100% holding.

A summary of the results is given below:

	2020	2019
	£	£
Income/Gains	1,064,075	1,497,815
Expenditure	(912,323)	(1,501,243)
Net income	<u>151,752</u>	<u>(3,248)</u>
Total funds brought forward	21,793	25,221
Total funds carried forward	<u>173,545</u>	<u>21,793</u>

Transactions during the year to 30 September, and balances outstanding at this date were as follows:

	2020	2019
	£	£
Paid to The Edward James Foundation Limited	50,000	275,000
Owed by The Edward James Foundation Limited	<u>(63,333)</u>	<u>(182,339)</u>

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2020

33. Cash flows from operating activities

	2020	2019
	£	£
Net income for the year	58,623,109	179,907
Adjustments for:		
Loss on disposal of investments	1,396,418	-
Revaluation of investments	(62,701,560)	(577,346)
Write off of intangible assets	100,884	-
Depreciation and impairment of tangible fixed assets	544,954	424,763
Surplus on disposal of tangible fixed assets	(2,300)	(21,332)
Movement on defined pension scheme recognised in the Statement of financial activities	(11,000)	(75,000)
Movements in working capital:		
Decrease in stocks	168,793	49,168
(Increase)/decrease in debtors	(414,650)	542,542
(Decrease)/increase in creditors	199,590	136,780
Decrease in provisions	(121,832)	182,230
Cash (used by) / generated from operations	<u>(2,217,594)</u>	<u>841,712</u>

34. Analysis of cash and cash equivalents

As at 30 September, the Group held cash and cash equivalents:

	2020	2019
	£	£
Cash in hand	<u>10,272,254</u>	<u>4,350,308</u>
Total cash and cash equivalents	<u>10,272,254</u>	<u>4,350,308</u>

35. Analysis of changes in net debt

	Balance at 1 October 2019	Cash flows	Balance at 30 September 2020
	£	£	£
Cash	4,350,308	5,921,946	10,272,254
Loans falling due within one year	(124,276)	(19,872)	(144,148)
Loans falling due after more than one year	(2,407,845)	(5,799,445)	(8,207,290)
Total	<u>1,818,187</u>	<u>102,629</u>	<u>1,920,816</u>

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2020

36. Events after the end of the reporting period

Due to movements in financial markets, the financial investments held by the Group increased in value by £1,805,551 from £15,034,857 as at 30 September 2020 to £16,840,408 as at 28 February 2021.

On 12 March 2021, The Edward James Foundation Limited signed Heads of Terms with KLC Limited. KLC Limited operates the KLC School of Design, an established provider of interior and garden design courses with annual turnover of approximately £3,800,000. Under the Heads of Terms, it is proposed that The Edward James Foundation Limited will acquire 100% of KLC Limited's share capital on 31 July 2021. It is expected that KLC will have net liabilities at this date which, if the transaction proceeds, The Edward James Foundation Limited will absorb.

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2020

37. Comparative consolidated statement of financial activities

	Unrestricted Fund £	Restricted Fund £	Total 2019 £
Income from:			
Donations, legacies and grants	60,102	365,584	425,686
Income from charitable activities	5,163,786	-	5,163,786
Income from trading activities	1,856,279	-	1,856,279
Investment income			
- Properties	2,295,406	-	2,295,406
- Financial investment	1,153,346	70,674	1,224,020
Total income	10,528,919	436,258	10,965,177
Expenditure on			
Raising funds			
- Fundraising cost	179,403	-	179,403
- Trading costs	2,236,465	-	2,236,465
- Property investment management	1,590,290	-	1,590,290
- Financial investment management	22,945	-	22,945
Charitable activities	7,087,637	243,595	7,331,232
Total resources expended	11,116,740	243,595	11,360,335
Net gain on investments	536,480	40,866	577,346
Loss on disposal of subsidiary	(2,281)	-	(2,281)
Net (outgoing) / incoming resources before transfers	(53,622)	233,529	179,907
Transfers between funds	75,657	(75,657)	-
Net incoming resources	22,035	157,872	179,907
Other recognised gains and losses			
Actuarial gain on defined benefit pension schemes	112,000	-	112,000
Net gain on revaluation of tangible fixed assets	103,693	-	103,693
Net movement in funds	237,728	157,872	395,600
Fund balances at			
1 October	80,184,252	1,810,697	81,994,949
30 September	80,421,980	1,968,569	82,390,549

The Edward James Foundation Limited
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Reference and administrative information
For the year ended 30 September 2020

Charity name and number

The Edward James Foundation Limited:
Registered Charity Number 1126084, Company Number 6689362

Registered office

Estate office
West Dean
Chichester
West Sussex
PO18 0QZ

Trustees

The following Trustees served during the period under report:

The Hon Peter M Benson LVO FCA ^{1 3 4}	(Chair until retirement on 31 December 2019)
Professor Paul O'Prey CBE ^{1 2 3 4 5}	(Chair from 1 January 2020)
Martin Ashley MVO RIBA ³	
Lady Egremont ³	(Retired 19 June 2020)
Caroline Griffith ⁶	
Professor Nigel Llewellyn PhD FSA ^{2 5}	(Deputy Chair from 15 March 2020)
Mike McCart ^{3 5 6}	
Francis Plowden FCA ^{1 2 3 4 5}	(Deputy Chair from 15 March 2020)
Alison Richmond ACR FIIC	
David Seddon ^{1 3 4}	

¹ Member of Finance and Audit Committee

² Member of Education Committee

³ Member of Estate Committee

⁴ Member of Remuneration Committee

⁵ Member of Urgent Situations Committee

⁶ Member of Nominations Committee

Clerk to the Board

Mark Ellul (Appointed 1 May 2020)

Chief Executive

Alexander Barron ACA FRSA

The Edward James Foundation Limited
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Professional advisers
For the year ended 30 September 2020

Legal	Stone King LLP 13 Queen Square, Bath, Somerset, BA1 2HJ
	Withers LLP 16 Old Bailey, London, EC4M 7EG
	Shakespeare Martineau LLP Bridgeway House, Bridgeway, Stratford upon Avon CV37 6YX
Bankers	National Westminster Bank 5 East Street, Chichester, West Sussex, PO19 1HH
	Santander UK plc 2 Triton Square, Regent's Place, London, NW1 3AN
Auditors	Saffery Champness LLP 71 Queen Victoria Street, London, EC4V 4BE
Insurance brokers	Willis Towers Watson The Anchorage, 34 Bridge Street, Reading, RG1 2LU
Investment managers/advisers	CCLA Investment Management Limited 85 Queen Victoria Street, London EC4V 4ET
	M&G Securities Limited Charities Investment Managers, Laurence Pountney Hill, London, EC4R 0HH
	Mayfair Capital Investment Limited 2 Cavendish Square, London, W1G 0PU
	Mercer Limited 1 Tower Place West, Tower Place, London, EC3R 5BU
Estate managers	Savills Exchange House, Petworth, West Sussex, GU28 0BF
	Tod Anstee Limited The Old Coach House, 14 West Pallant, Chichester, West Sussex, PO19 1TB
Pensions administrators	Mercer (formerly JLT Employees Benefits) Tower Place, London, EC3R 5BU
	Scottish Widows Plc 15 Dalkeith Road, Edinburgh, EH16 5BU
	National Employment Savings Trust Corporation ("NEST") Riverside House, Southwark Bridge Road, London, SE1 9HA