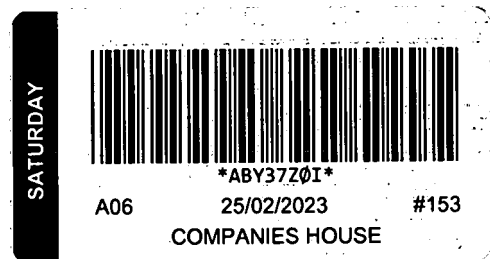




The Edward James Foundation Limited
(a company limited by guarantee)

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 SEPTEMBER 2022



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 2022

Our Founder, the late Edward James, conceived his vision for a community of creative practice at West Dean during a time of great international uncertainty and anxiety. He first announced his intention to establish the College in a letter written to the philosopher and novelist Aldous Huxley on Christmas Day 1939, just a few weeks after the outbreak of the Second World War. The difficult times called for a renewed sense of idealism, and his own contribution would be the creation of West Dean College. Here the teaching and practice of art and craft, and the coming-together of like-minded people, would provide the basis for a new community based on hope and creativity.

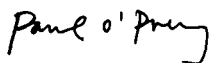
The external challenges all institutions and individuals have faced over the last few years remind us of the important contribution we can make in a troubled world, through our encouragement and nurturing of creative practice and the sensitive stewardship of nature and community. I think Edward James would be proud of how we continue to deliver his vision and are expanding and extending it to be open and welcoming to people from all parts of the world and all walks of life.

This annual report sets out the considerable achievements of another successful year for the Edward James Foundation. The work of West Dean College has expanded significantly as a result of new courses, online provision and the acquisition of KLC in 2021. Integration of the new KLC School of Design in London with the work of the School of Arts and School of Conservation in West Sussex has been a major achievement. Support and facilities for students in London have already been enhanced and we are developing exciting plans to improve them even further.

In line with our Vision 2030 Strategic Plan, the Foundation has placed a considerable focus this year on issues of Equality, Diversity and Inclusion, and on Sustainability. An exciting programme of work in these areas shows us putting our values into practice and sees the Foundation adapting to the needs and challenges of a fast-changing and complex world. Responsibility for a large rural estate in the South Downs National Park in particular calls us to take a lead in responding to a global environmental crisis, through a programme of environmental conservation and nature regeneration. Following a comprehensive sustainability audit during the year, the Foundation has made an ambitious commitment to be climate neutral by 2030, and to repurpose 40% of arable land for the creation of 1,000 hectares of priority habitat, including the planting of half a million native trees. Work on what will be one of the most significant tree planting programmes in the country is already under way.

The year has not been without its challenges, with Covid-19 continuing to disrupt our activity to a significant extent, affecting short course provision in particular. This put pressure on short course recruitment, which accounts for a high proportion of our income, a situation compounded by national economic uncertainty and a cost of living crisis. Reduced student numbers in this area has contributed to an operating deficit for the year. We remain confident, however, that the underlying demand for our courses at all levels remains strong and we are very encouraged to see continued record applications for our validated programmes.

Our long-established strategy of maintaining healthy reserves has enabled us to manage the considerable external challenges we have faced over the last few years without compromising our reputation for academic excellence. We continue to develop our plans for enhancing and growing educational provision on both our campuses and remain on course to achieve our goal of becoming a global leader in specialist creative practice-based education.



Professor Paul O'Prey CBE

Chair of Trustees

9 February 2023

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

Trustees' report
For the year ended 30 September 2022

The Trustees present their Annual report and audited accounts for the year ended 30 September 2022 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). With effect from July 2021, the College operated KLC School of Design (KLC) as a new School alongside its existing Schools of Art and Conservation. 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

Our overarching aim is ***to inspire learning in art, craft, conservation and design.***

Underpinning this aim 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.

Trustees' report (continued)
For the year ended 30 September 2022

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 ACHIEVEMENTS AND PERFORMANCE

In support of our aim to inspire learning in art, craft, conservation and design, 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

We also start by explaining the impact of the Covid-19 pandemic on our work during the reporting period.

Impact of Covid-19 pandemic

2021/22 was the third consecutive year to suffer major operational disruption and significant financial loss as a consequence of the Covid-19 pandemic. At all times, the primary focus of our decision-making was on the health, safety and wellbeing of students, staff and visitors. The experience gained of responding to the pandemic in 2019/20 and 2020/21 proved invaluable, as again there were two distinct phases to manage during 2021/22:

Phase I – Open with capacity limits (October 2021 to March 2022)

The Government's 4-Step Reopening Plan of Spring / Summer 2021 held firm on entering 2021/22, such that face to face teaching of students remained possible throughout the year across Higher Education and Short Courses. Similarly, students were able to attend the College on a residential basis at all times in 2021/22. However, some national restrictions remained in place during this period, particularly related to social distancing, which had the effect of limiting capacities on the recently reopened Short Courses to approximately 75% of pre-pandemic levels. Similarly, capacity was limited across hospitality and retail activities. The rapid surge of Covid-19 cases in the UK due to the Omicron variant during the Winter of 2021/22 was a cause for significant concern; in response, we intentionally slowed our reopening of Short Courses and minimised the risk of community transmission with its consequential risks to health, safety and programme delivery for the staff and students involved in Higher Education. The combined effect of capacity limits and the gradual reopening meant that Covid-19 case numbers within the College community remained low during this period, but this resulted in another period of significant financial loss.

Trustees' report (continued)
For the year ended 30 September 2022

Phase 2 – The end of legal restrictions (April 2022 to September 2022)

As the prevalence of Omicron variant case numbers across the UK subsided in early 2022, the Government signalled it would move to end all Covid-related restrictions by April 2022. During the second half of 2021/22, we were able to remove the capacity limits from all activities and implement a phased return to a full programme of Short Courses. By the year end, most core activities were fully operational, although there were challenges around staff recruitment and retention, particularly across hospitality activities.

At the time of approving this report in 2022/23, there has been no reintroduction of any Covid-related restrictions. This has enabled us to continue the face to face teaching of all students, alongside returning course capacities to 100% of pre-pandemic levels. Our Higher Education recruitment is running at record levels, while our Short Courses are recruiting at approximately 90% of pre-pandemic levels; the full recovery of the latter is particularly important to stabilising our financial operating results. Although the pandemic has affected the Foundation's financial position (see the Financial Review section of this Report) and necessitated urgent action, the experience has demonstrated the institution's resilience and the significant demand for its high-quality offer. Implementation of Vision 2030, the Foundation's updated strategic plan, is underway with a renewed level of ambition for the years ahead.

Educational Programmes

The heart of our mission is to deliver the highest quality education in the arts, conservation and design and to preserve the knowledge and application of craft skill. Our portfolio expanded to include interior design and garden design from the academic year 2021/22, following the successful acquisition of KLC School of Design in July 2021. 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, conservation and design. 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 2021/22

Our aims for 2021/22 included:

- To successfully achieve Institutional Re-recognition with the University of Sussex, renewing our partnership for a further five years and recognising Chelsea Harbour (where the KLC School of Design is based) as an additional campus and delivery site;
- To continue to integrate KLC School of Design as a third School into the academic and policy frameworks of West Dean College, including moving validation of Dip HE and BA(Hons) to University of Sussex;
- To approve a Campus Development Plan to extend and update teaching and learning facilities at West Dean;
- To continue the work to achieve the objectives of the Equality, Diversity and Inclusivity Working Group, extending its remit to cover the KLC School of Design.

Alongside the continuing need to focus significant effort in the first half of 2021/22 on our response to the impact of Covid-19, good progress was made in respect of the aims set out above. The key achievements in 2021/22 included:

Trustees' report (continued)
For the year ended 30 September 2022

- We successfully completed the Institutional Re-recognition review process and received the following commendations from the review panel:
 1. *The well-developed infrastructure in place at West Dean College and rigorous policies and practices which meant it was well-positioned for growth following the acquisition of KLC School of Design.*
 2. *The boldness of ambition in seeking collaborative opportunities in response to the pandemic to achieve a sustainable future for West Dean College.*
 3. *The positive feedback from West Dean College and KLC students attending the re-recognition panel event of their experiences on their respective courses, and in particular the support received through the pandemic.*

The outcome of the review was that the College was re-recognised as a Full Partner institution affiliated to the University of Sussex for a further five academic years to 31 July 2027;

- We restructured the academic provision at KLC School of Design to create a third academic school within West Dean College including the appointment of a new Head of School, moving existing programmes to University of Sussex as awarding body and the alignment of regulatory and policy frameworks;
- We drafted a Campus Development Plan to set out our ambitions to extend and update the teaching facilities at the West Dean campus. We shared the Plan with the South Downs National Park Authority and Historic England ahead of commencing a design phase and entering the formal planning process and we are grateful for their constructive and supportive feedback;
- We extended our Equality, Diversity and Inclusion (EDI) audit and resulting action plan to cover KLC School of Design and made significant progress through the implementation of a new EDI Policy across the College, introducing diversity monitoring in relation to recruitment, extending training for all staff in EDI related areas and increasing the amount of accessible accommodation.

Our aims for 2022/23:

- We will continue to integrate KLC School of Design into the College through the alignment of processes, procedures and the bringing together of ethos and culture;
- We will develop an integrated approach to portfolio development across both the Sussex and London campuses building on collective strengths and resources to achieve an accessible, flexible and unique range of programmes enabling growth;
- We will build on the work undertaken to date in relation to EDI to continue to develop and enhance the student experience;
- We will undertake pre-planning design and survey work for Phase I of our approved Campus Development Plan in Sussex. Phase I is focused on the creation of new teaching space and the core campus infrastructure to support that expansion.
- We will commence a search for alternative future premises in London with a view to enhancing the student experience and extending course delivery to include evenings and weekends.

Trustees' report (continued)
For the year ended 30 September 2022

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 2021/22

Our aims for 2021/22 included:

- To establish a Collection Advisory Panel, including external membership, to support the development of curatorial and access policies required for accreditation and begin to interpret and re-display the Collection reflecting new research and perspectives;
- To continue to work in partnership with national and international museums and galleries to lend objects and artworks that will help promote the collections, increase access and further the educational objectives of the College;
- To extend our catalogue and digital resources relating to the collections and create digital content that will promote wider access to, and engagement with, the Collection.

Alongside the continuing need to focus significant effort in the first half of 2021/22 on our response to the impact of Covid-19, good progress was made in respect of the aims set out above. The key achievements in 2021/22 included:

- We formed a Collections Advisory Panel in support of the ongoing aim to achieve accreditation for the collection and archive. The Panel meets three times a year and feeds into the College's deliberative committee structure. The Panel includes representation from the academic Schools as well as our partner School at University of Sussex; The Panel informs decision making on policy, loans and acquisitions.
- We have continued to work in partnership with national and international museums and galleries to lend out objects and artworks that will help promote the collections and further the education objectives of the College. We have supported the following exhibitions through loans in 2022:
 - **Dalí – Freud:** Belvedere, Vienna;
 - **Objects of Desire:** A touring exhibition of Surrealist art organised by Vitra Design Museum;
 - **Elsa Schiaparelli, femme artiste:** Musée des Arts Décoratifs, Paris;
 - **Leonora Carrington:** Touring exhibition including Arken, Copenhagen and Fundación MAPFRE, Madrid; and
 - **Objects of Desire: Surrealism and Design 1924 to today:** The Design Museum, London.
- We have continued to progress with cataloguing and digitising the collection and archive. To date over 3,300 objects records have now been entered onto the Axiell collections management system and over 3,600 digital images have been added to the Archive and Collection datasets;

Trustees' report (continued)
For the year ended 30 September 2022

- We have continued to support internal and external research projects alongside progressing with our programme of review of the presentation of the collection, ensuring interpretation and re-displays reflect new research and perspectives.

Our aims for 2022/23:

- We will continue to work towards Museum Association accreditation and pilot a limited programme of public access;
- We will launch our online catalogue and continue the process of cataloguing and digitising material in order to make it accessible online to internal and external researchers and the public;
- We will continue to review the presentation of the collection in line with the College's strategic aims ensuring all displays are sensitive to the origins of the objects and critically reflect on the history of acquisition.

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 2021/22

Our aims for 2021/22 included:

- To adopt further sustainable practices in horticulture and expanding in-house compost production;
- To grow more produce in the Gardens to supply West Dean food outlets;
- To fully revitalise the Gardens following periods of lockdown and reduced staffing through closure, ready for the spring 2022 season, supported by a new annual access membership.

Alongside the continuing need to focus significant effort in the first half of 2021/22 on our response to the impact of Covid-19, good progress was made in respect of the aims set out above. The key achievements in 2021/22 included:

- We created a dry garden to demonstrate how gardeners could adapt to the changing climate. A significant reduction in watering was achieved during an exceptionally hot and dry summer. Also, a new composting site was developed to incorporate waste material bark from the College Biomass Heating System to ensure an increased supply of compost for use within the Gardens;

Trustees' report (continued)

For the year ended 30 September 2022

- We used all the produce grown for the first time since the Gardens reopened to the public in the mid 1990s. Produce was either used in one of the three on-site dining facilities, sold through one of our retail outlets or used to make West Dean own produce, including apple juice & chutney. A two acre garden extension was developed to double the produce growing area in 2022/23;
- We introduced an interim Garden membership scheme to replace the scheme halted during the Covid-19 pandemic. The scheme simplified the core benefits of the previous scheme, while maintaining unlimited free access to the Gardens. The interim scheme will remain in place until the implementation of proposed pay barrier changes envisaged in Vision 2030 and the Campus Development Plan.

Our aims for 2022/23:

- We will increase the volume of West Dean-grown plants for retail in reused pots, which will result in a significant reduction in plastic use and peat-free, locally produced compost whenever possible;
- We will further develop the Spring Garden planting scheme begun in 2021/22 to revitalise and enhance planting design;
- We will develop new horticultural features, including the introduction of a Dye Garden to support art courses and an Arid Glasshouse to extend the horticultural collection.

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 2021/22

Our aims for 2021/22 included:

- To convert the Old School (most recently arranged as three tenanted residential cottages) into student accommodation providing 12 ensuite rooms;
- To refurbish the Church Lane student accommodation annexe;
- To refurbish a further four cottages, one to include a live-work space for an artist, conservator or designer;
- To create and begin implementation of a Sustainability Action Plan;

Trustees' report (continued)
For the year ended 30 September 2022

- To change the management of green spaces within West Dean village to enhance and protect these areas while increasing biodiversity and their aesthetic;
- To commence a consultation on the Campus Development Plan and the Conservation Management Plan with the South Downs National Park Authority and Historic England.

Alongside the continuing need to focus significant effort in the first half of 2021/22 on our response to the impact of Covid-19, good progress was made in respect of the aims set out above. The key achievements in 2021/22 included:

- We converted into student accommodation the Old School House, comprising three cottages, and we refurbished the existing Church Lane student accommodation. Both projects were completed ahead of the 2022/23 academic year. The accommodation now exceeds student expectations in terms of space, size, facilities and design;
- We undertook a comprehensive baseline sustainability audit with support from the Davy Horizons Partnership, following which we set the following key ambitions:
 - Repurpose 40% of arable land for the creation of 1,000 hectares of priority habitat, including the planting of 500,000 trees;
 - Be certified climate neutral by 2030;
 - Reduce water and prevent ground and surface water pollution;
 - Increase opportunities to grow food sustainably for use onsite and develop sustainable products for sale in retail outlets;
 - Develop the sustainable delivery of events;
 - Work towards ensuring that zero waste leaves the Campus to landfill;
 - Become a Sustainability exemplar;
 - Further enhance a culture which is open to all;
 - Model positive change within our communities.
- We drafted a Campus Development Plan to set out our ambitions to extend and update the teaching and visitor facilities at the West Dean campus. We shared the Plan, alongside our Conservation Management Plan, with the South Downs National Park Authority and Historic England ahead of commencing a design phase and entering the formal planning process and we are grateful for their constructive and supportive feedback.
- We reorganised the studios at our Chelsea Harbour premises, in order to create a much-needed student common room. A competition has been launched to involve the students in designing the fit-out of the space.

Our aims for 2022/23

- We will implement the sustainability action plan across the organisation;
- We will undertake pre-planning design and survey work for Phase I of our approved Campus Development Plan. Phase I is focused on the creation of new teaching space and the core campus infrastructure to support that expansion.

Trustees' report (continued)

For the year ended 30 September 2022

OUR FUTURE PLANS

The Covid-19 pandemic period has demonstrated the organisation's resilience and the significant demand for our high-quality educational offer. We took the opportunity to review our strategic plans during the lockdown periods of 2020/21, in order to fully reflect these factors and also to reflect the progress made in recent years. Vision 2030 was approved by the Board in July 2021 and it presents a renewed level of ambition for the years ahead. The balance on the Vision 2030 fund (see note 28) represents the unexpended proceeds from the disposal of assets which have been designated by the Trustees for the purpose of financing projects envisaged by the strategic plan.

Vision 2030 remains true to the craft community philosophy developed by our founder, Edward James, and it sets out our ambitious plans for expansion and development. These include:

- Becoming the global provider of choice for prospective students of practice-based education in arts, craft, conservation and design;
- Trebling in size to deliver 100,000 student days of education per annum, across multiple locations;
- Expanding and modernising our campus facilities;
- Embedding themes of sustainability and equality, diversity and inclusivity across all our activities.

Detailed aims for 2022/23 are set out by activity earlier in this report.

OUR APPROACH TO SAFEGUARDING

The 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.

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 2021/22.

In 2021/22 we received 0 (2020/21: 0) complaints about our fundraising programme.

GRANT MAKING

A significant proportion of Higher Education students and some Short Course students would be unable to study at the College without some form of financial assistance towards tuition fees. The value of scholarships and bursaries awarded to students this year totalled £302,105 (2020/21 £288,994). Of this total, £282,682 (2020/21 £273,184) was contributed from the West Dean Scholarship Fund and the balance of £19,423 (2020/21 £15,810) 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 Trustees or which have been restricted for this purpose by third party donations from partners and funders who share our mission to inspire the artists, conservators and designers 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 50 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 the College and feel respected, safe and recognised for everything they do in support of our charitable activities. We prioritised the health, safety and wellbeing of volunteers in the same way as we did for our employees during the Covid-19 pandemic; unfortunately, this means there were periods of time when they were unable to attend site. However, their contribution has been more important than ever as we have sought to recover in 2021/22.

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 many of 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 the 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 in May 2020, offering partnership to any education provider to help protect high quality courses and/or teaching which might otherwise be lost; this directly resulted in the acquisition of KLC Limited in July 2021.

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 in 2020, 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.

Trustees' report (continued)
For the year ended 30 September 2022

The biggest risks and uncertainties we are managing at the time of this report are:

- The operational and financial risks associated with an extended period of instability and insecurity arising from multiple external crises, including Brexit, Covid-19, climate change and the war in Ukraine. The so-called period of 'permacrisis' is disrupting some long-term trends and requires an agile approach to strategic and operational decision-making. Demand for our high-quality educational offer has risen to record levels during this period, but a Cost of Living crisis has been driven by high inflation and is undoubtedly affecting discretionary spend for some prospective Short Course students and Garden visitors. The same high inflation is driving cost increases, particularly wages and food supplies, faster than the market can withstand in course fee increases. The macro-economic uncertainties are also leading to volatility in investment asset values, which is particularly relevant as the Foundation seeks to realise funds ahead of strategic projects. Rebalancing the Foundation's business model against this backdrop will take longer than initially anticipated on the reopening of activities post Covid-19, but the Foundation has substantial investment asset strength and the Trustees are therefore confident it can continue operating as a going concern. Our strategic plan (see below) is intended to ensure long-term financial sustainability;
- The strategic and financial risks associated with organisational change and transformation. We updated our long-term strategic plans during 2020/21 and commenced implementation of Vision 2030, in 2021/22. The strategic plans include proposals for significant capital investment and operational growth. The implementation of the plans is being led by the Chief Executive and the Executive Leadership Team with progress being monitored regularly by the Trustees. An updated financial plan forms part of the strategic plan and reflects 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;
- The uncertainties surrounding the future funding and subsidy arrangements for UK farming and land management. Triggered by Brexit, existing agricultural and agri-environment schemes are currently in a period of transition, with the Basic Payment and Countryside Stewardship Schemes being replaced by the Environmental Land Management Scheme. Details of the new Scheme remain incomplete even as it is being launched and it is not yet possible to determine the full financial impact, both directly for the Foundation as a landowner managing stewardship schemes and also as a landlord with a number of tenant farmers. The uncertainty is already creating a downward pressure on farm rents, but it is unclear whether this will become permanent or whether it is short-term. In the medium-term, it is anticipated that the new funding regime may be able to support some of our aspirations around sustainable land management.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Operating deficit

2021/22 was the third consecutive year during which we suffered a significant operating deficit primarily as a consequence of the Covid-19 pandemic. Our insurance policies did not cover the loss arising from business interruption due to a global pandemic and there was no longer any support available from the Government's Coronavirus Job Retention Scheme in 2021/22; the Foundation has sustained the resulting financial burden and recorded an operating deficit of £2.943m (2021: deficit of £2.252m). Whilst the pandemic is a major contributory factor, approximately £0.8m of this year's operating deficit (2021: £0.7m) is attributable to a change in financial investment management approach (from income return to total return) taken during 2020/21. Further operating deficits, reducing in size annually, are anticipated for the next few years, as we rebalance our business model post-pandemic alongside expanding our educational activity. In the medium-term, sustainable operating surpluses are

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Trustees' report (continued)
For the year ended 30 September 2022

targeted. The Foundation's pre-pandemic asset strength has afforded us the ability to react to the pandemic, to continue to support our students to complete their programmes of study, to acquire KLC School of Design and to plan for further expansion in the future.

The operating deficit for the year of £2.943m (2021: £2.252m) is summarised below:

	Income	2022	Net	2021
	£'000	Expenditure	£'000	Net
		£'000		£'000
Financial investments	236	(34)	202	331
Trading (excluding memberships)	1,277	(1,668)	(391)	(323)
West Dean Estate	2,424	(1,714)	710	1,190
Fundraising (including memberships)	195	(74)	121	448
Insurance proceeds	-	-	-	20
Governance	-	(78)	(78)	(78)
Net operating income available for education	4,132	(3,568)	564	1,588
Education	9,140	(12,647)	(3,507)	(3,840)
Total operating deficit as per Consolidated statement of financial activities	13,272	(16,215)	(2,943)	(2,252)

The 'net operating income available for education' of £0.564m (2021: £1.588m) fell significantly compared with the previous year due to several factors, including:

- The surplus on West Dean Estate activities fell by £0.480m compared with 2020/21. A large part of this adverse variance is attributable an increase of £0.309m in maintenance costs compared with 2020/21;
- Net Fundraising income fell by £0.327m compared with 2020/21. Much of this fall was due to the cessation of the Government's Coronavirus Job Retention Scheme on 30 September 2021 (£0.198m was claimed in 2020/21);
- The net return from Financial Investments fell by £0.129m compared with 2020/21. The majority of the portfolio was moved from an income return to a total return management approach at the end of the first quarter of 2020/21, so the fall in 2021/22 reflects this being the first full year of the new approach.

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 and the subsequent extended period of instability and uncertainty; it is the purpose of reserves to absorb such unexpected events. Our 'Net Expenditure on Education' in 2021/22 fell by £0.333m to £3.507m, but this remained substantially higher than pre-pandemic levels. The comparatively high 'Net Expenditure on Education' arises primarily from the sub-optimal operation of our Short

Trustees' report (continued)
For the year ended 30 September 2022

Course programme during the continuation of Covid-related social distancing restrictions until March 2022, followed by the subsequent period of phased recovery. The full-year operation of 100% course capacities across our Short Course programme, together with our new economy of scale achieved by taking over the activities of KLC School of Design (through the acquisition of KLC Limited on 31 July 2021), will both contribute to a fall in the Net Expenditure on Education in 2022/23.

Investment gains (reflected on the Consolidated Statement of Financial Activities)

The investment gain during the year of £0.090m (2020/21: £11.275m) represents:

- An unrealised gain of £1.320m (2020/21: £8.232m) on the revaluation of investment properties (see note 16). The estimated value was based on advice from professional external valuers;
- An unrealised loss of £1.301m (2020/21: gain of £1.360m) on the revaluation of financial investments. This reflects the general falls in financial investment markets experienced late in the period, partly triggered by the Liz Truss-Government's short-lived emergency mini-budget which caused market turmoil just one week prior to our year-end. Some of these losses have been recovered in the early months of 2022/23, but volatility is expected to continue throughout the year ahead as the UK most likely moves into recession and global economic uncertainties persist;
- A realised gain of £0.070m (2020/21: gain of £1.682m) on the disposal of financial investment assets. This gain arose when a decision was taken by the Trustees in September 2022 to realise £1.2m as part of managing cash reserves.

Financial 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. Since mid-2020/21, the Trustees have adopted a total return approach to financial investment. This objective is 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.

This investment objective replaced an approach based on maximising income yield while maintaining the value of capital in real terms. In general terms, the change in objective has impacted on the results in the annual financial statements through lower Investment Income from Financial Investments reflected in the Statement of Financial Activities in favour of reduced net losses / higher net gains on Financial Investments. In the short to medium term, this necessitates the periodic disposal of financial investment assets to realise cash to support operating activities; in the medium to long term, through Vision 2030, it is intended that increases in the value of Financial Investments will provide funding for future strategic projects and annual operating activities will be sustainable without reliance on returns from these investments.

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; Mercer has undertaken this role since November 2020. During 2021/22, Mercer assisted us to complete a review and repositioning of our financial investments to ensure they are more actively managed to align with our organisational values and ethical principles.

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

Trustees' report (continued)
For the year ended 30 September 2022

Actuarial gains on The Edward James Foundation Final Salary Pension Scheme

As at 30 September 2022, the actuarial valuation indicated a surplus of £0.765m (2021: £1.888m). However the Trustees have decided to restrict the asset recognised in the financial statements to £nil (2021: £nil). See note 26 for further details.

Intangible fixed assets

There were minor additions only during 2021/22, in contrast with the addition of £0.615m during 2020/21 related to the goodwill generated on the acquisition of KLC Limited on 31 July 2021.

Tangible fixed assets

The additions of £1.642m (2020/21: £1.456m, including those relating to the acquisition of KLC Limited) included £1.267m in respect of the creation of new student building facilities, primarily 25 bedrooms in the Old School House and Church Lane at the West Dean campus. The transfer into Freehold Land and Buildings of £2.070m (2020/21: £nil) is described below under Property investment fixed assets.

Property investment fixed assets

The additions of £0.548m (2020/21: £0.481m) related to the major refurbishment of residential houses on West Dean Estate. The transfer out to Tangible Fixed Assets of £2.070m (2020/21: £nil) related to the reclassification of the Old School House, previously comprising three residential cottages, on its conversion into student bedroom accommodation.

Cash balances

As at 30 September 2022, we held cash balances totalling £5.425m (2021: £9.144m). The levels of cash fell by £3.719m during the year; this was driven by a combination of the operating deficit, loan repayments and the investments set out above in respect of tangible and property investment fixed assets, as reduced by the proceeds on disposal of financial investments.

Funding and reserves

The Foundation holds a wide range of investments which generate income to subsidise its educational activities. The primary sources of investment and trading 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 impact of the Covid-19 pandemic in 2021/22 was that 'Net operating income available for Education' was insufficient to meet the 'Net cost of Education', so generating a significant operating deficit for the third consecutive year which will be met from reserves. The Reserves Policy of the Foundation is to hold as a general unrestricted reserve an amount equivalent to not less than 6 months' charitable expenditure (equivalent to a minimum of £8.100m as at 30 September 2022), of which at least one-third should be held in cash and the balance in financial investments readily convertible to cash. The Trustees have ensured this Policy continues to be met, despite the challenges of the Covid-19 pandemic, and they have reallocated sufficient financial investments from designated reserves to achieve this. Vision 2030, our updated strategic plan approved in July 2021, sets out a future growth plan which targets a post-pandemic recovery and then, in the medium-term, sustainable operating surpluses. The Trustees have also recently set a Strategic Cash Management Policy, in order to ensure sufficient cash is held at all times to meet not only charitable operating expenditure (as set out in the Reserves Policy) but also any strategic capital commitments.

Trustees' report (continued)
For the year ended 30 September 2022

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.

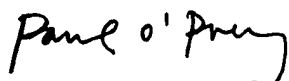
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 preparation 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.

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
9 February 2023

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

Statement of corporate governance
For the year ended 30 September 2022

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 ended 30 September 2022 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. Prior to its incorporation in 2008, the Foundation was constituted as an unincorporated charity; this original charity is now dormant (numbered 1126084-1, formerly 306372).

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 Commissioned Kingston City Group (KCG) to undertake a new, rolling internal audit programme with effect from 2021/22. This programme commenced with a review of the post-acquisition integration of KLC School of Design's key compliance systems relating to UK Visa & Immigration, the Office for Students' Regulatory Framework and Health & Safety legislation.
 - o Appointed a Clerk to the Board in May 2020. During 2020/21, the Clerk to the Board undertook a Governance Review, the most significant recommendations from which were implemented during 2021/22. A replacement Clerk to the Board will be recruited during 2022/23, following the resignation of the volunteer who undertook this role until December 2022.
 - o Established an Equality, Diversity and Inclusivity (EDI) working group, which first met in February 2021. The Foundation also appointed in 2020/21 an external consultancy to conduct an independent audit of its policies, practices and procedures in relation to EDI. An action plan was approved during 2021/22 based on the external audit reports and the EDI working group will remain in place until early 2023/24 to oversee implementation.

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 two wholly-owned subsidiaries:

- West Dean Limited: 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;
- KLC Limited: A dormant company which previously managed the activities of KLC School of Design. These activities, together with the assets and liabilities, were transferred to The Edward James Foundation Limited immediately following its acquisition of 100% of the share capital of KLC Limited on 31 July 2021. It is the Trustees' intention to retain this dormant company for a number of years, as part of its commitment to protect the use of the KLC brand name.

Statement of corporate governance (continued)
For the year ended 30 September 2022

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.

The Board of Trustees reduced from eight to seven trustees during 2021/22, due to one retirement. Two appointments in December 2022 mean there are nine trustees as at the date of approval of the financial statements for the year ended 30 September 2022.

The Board of Trustees usually meets five times a year however, to navigate the challenges posed by COVID-19 and to fully consider and approve the acquisition of KLC Limited, it met on more occasions during the years ended 30 September 2020 and 2021. During the year ended 30 September 2022 it met on five occasions (2021: seven). Members of the Foundation's Executive Leadership Team attended all Board meetings during the year ended 30 September 2022.

At the height of the COVID-19 pandemic, Board and sub-committee meetings took place entirely by video conference. During the year ended 30 September 2022, four of the five Board meetings and nine of the fifteen sub-committee meetings took place in-person or as a hybrid mix of in-person and video conference.

Sub-committees

The Foundation has various sub-committees which 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.

Meeting frequency: Scheduled to meet at least three times per year. During the year ended 30 September 2022 it met three times (2021: 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, internal auditors and for finalising the Foundation's audited group financial statements for approval by the Board of Trustees.

Composition: Three members of the Board (temporarily two since a retirement in May 2022), the Chief Executive and the Director of Finance & Business Systems.

Statement of corporate governance (continued)
For the year ended 30 September 2022

Meeting frequency: Scheduled to meet at least three times per year. During the year ended 30 September 2022 it met six times (2021: six).

- **The Estate Committee**

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

Composition: Four members of the Board, the Chief Executive, the Director of Estates and the Director of Finance & Business Systems.

Meeting frequency: Scheduled to meet at least two times per year. During the year ended 30 September 2022 it met three times (2021: three).

- **Urgent Situations Committee**

Purpose: The Urgent Situations Committee (USC) was established in March 2020 to support the Chief Executive and Executive Leadership 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 Leadership Team.

Meeting frequency: To navigate the urgent challenges posed by COVID-19, it met eight times during the year ended 30 September 2020. No meetings of the Committee were deemed necessary during the years ended 30 September 2021 or 2022, as the initial crisis management phase of the pandemic had passed.

- **The Remuneration Committee**

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

The Chief Executive's remuneration package is reviewed annually by the Remuneration Committee, which can seek external advice if desired. 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.

Composition: Three members of the Board. 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.

The Edward James Foundation Limited
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Statement of corporate governance (continued)
For the year ended 30 September 2022

Meeting frequency: The Remuneration Committee meets at least once per year. During the year ended 30 September 2022 it met twice (2021: twice).

- The Nominations & Governance Committee

Purpose: The terms of reference of the former Nominations Committee were broadened in December 2021 to become the Nominations & Governance Committee. The Committee considers and makes recommendations to the Board on matters relating to governance and appointments to the Board and its sub-committees.

Composition: The membership of the Committee was broadened in December 2021 to include a minimum of three members of the Board, the Chief Executive and the Principal & Deputy Chief Executive.

Meeting frequency: The Nominations & Governance Committee meets at least once per year. During the year ended 30 September 2022, it met once (2021: n/a - prior to reinstatement of Committee).

Recruitment, election and training of 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. Ordinarily, Trustees may serve up to two, four-year terms. Exceptionally, this may be extended for a third, four-year term. The Covid-19 pandemic period interrupted the normal cycle of trustee recruitment and the Board is taking action to address this. Specifically, in December 2022, the Board:

- Appointed two new trustees, following an external recruitment process;
- Granted two exceptional third terms;
- Extended a third term by up to one year, in order to allow time to replace specialist skills and experience.

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
(a company limited by guarantee; Company Registration No. 06689362)

Statement of internal control
For the year ended 30 September 2022

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 ended 30 September 2022 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 during the last three financial years, 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 (2020 only) 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 Leadership 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.

Statement of internal control (continued)
For the year ended 30 September 2022

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.

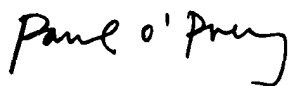
External audit

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.

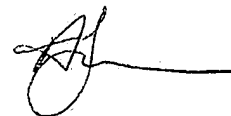
Internal audit

Having previously been postponed due to the emergence of the Covid-19 pandemic, the Foundation commissioned Kingston City Group (KCG) to undertake an annual internal audit programme which commenced in 2021/22.

This Statement of Internal Control was approved by the Trustees and the Chief Executive on 9 February 2023.



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)

Independent auditor's report to the members of The Edward James Foundation Limited
For the year ended 30 September 2022

Opinion

We have audited the financial statements of The Edward James Foundation Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 30 September 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Parent Charitable Company Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 30 September 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Charities Act 2011.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

Independent auditor's report to the members of The Edward James Foundation Limited (continued)
For the year ended 30 September 2022

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the trustees' annual report have 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 parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the trustees' annual report.

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 require us to report to you if, in our opinion:

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement 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 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 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 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 auditor under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditor's report to the members of The Edward James Foundation Limited (continued)
For the year ended 30 September 2022

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Independent auditor's report to the members of The Edward James Foundation Limited (continued)
For the year ended 30 September 2022

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and, in respect of the consolidated financial statements, to the charity's trustees, as a body, in accordance with Chapter 3 of Part 8 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the charitable company's members and trustees those matters which 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 any party other than the charitable company, the charitable company's members, as a body, and the charity's trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

Moore Kingston Smith LLP

Luke Holt (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date 23 February 2023

9 Appold Street
London
EC2A 2AP

Moore Kingston Smith LLP is eligible to act as 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 2022

	Notes	Unrestricted Fund £	Restricted Fund £	Total 2022 £	Total 2021 £
Income from:					
Donations and legacies	3	17,760	176,777	194,537	526,618
Income from charitable activities	4	9,140,527	-	9,140,527	3,598,060
Income from trading activities	5	1,277,410	-	1,277,410	1,118,465
Investment income					
- Properties	6	2,423,624	-	2,423,624	2,390,764
- Financial investments	6	225,328	10,195	235,523	354,377
Other income	7	-	-	-	20,000
Total income		13,084,649	186,972	13,271,621	8,008,284
Expenditure on					
Raising funds					
- Fundraising cost		74,353	-	74,353	78,557
- Trading costs		1,667,659	-	1,667,659	1,441,250
- Property investment management		1,713,894	-	1,713,894	1,200,552
- Financial investment management		33,638	-	33,638	22,940
Charitable activities	8	12,551,962	173,184	12,725,146	7,516,873
Total resources expended		16,041,506	173,184	16,214,690	10,260,172
Net gain / (loss) on investments	13	162,143	(72,591)	89,552	11,274,511
Net (outgoing) / incoming resources before transfers		(2,794,714)	(58,803)	(2,853,517)	9,022,623
Transfers between funds	27,28	5,482	(5,482)	-	-
Net expenditure for the year		(2,789,232)	(64,285)	(2,853,517)	9,022,623
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	26	(61,000)	-	(61,000)	(80,000)
Net movement in funds		(2,850,232)	(64,285)	(2,914,517)	8,942,623
Fund balances at					
1 October		148,018,112	1,927,169	149,945,281	141,002,658
Fund balances at					
30 September		145,167,880	1,862,884	147,030,764	149,945,281

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 32 to 66 form an integral part of the financial statements,

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

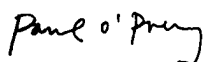
Consolidated and Charity Balance Sheets
For the year ended 30 September 2022

		Group	Group	Charity	Charity
		2022	2021	2022	2021
	Notes	£	£	£	£
Fixed assets					
Intangible assets	14	542,878	608,374	542,878	608,374
Tangible assets	15	34,255,203	31,148,952	34,239,105	31,131,396
Property investments	16	103,620,375	103,822,245	103,620,375	103,822,245
Financial investments	17	15,640,390	18,070,791	15,641,313	18,071,714
		<u>154,058,846</u>	<u>153,650,362</u>	<u>154,043,671</u>	<u>153,633,729</u>
Current assets					
Stocks	19	66,154	77,483	22,527	21,908
Debtors	20	3,256,712	3,087,339	3,292,719	3,241,676
Cash at bank and in hand		<u>5,424,839</u>	<u>9,144,144</u>	<u>5,394,942</u>	<u>8,909,430</u>
		<u>8,747,705</u>	<u>12,308,966</u>	<u>8,710,188</u>	<u>12,173,014</u>
Creditors: amounts falling due within one year	21	<u>(8,155,618)</u>	<u>(7,990,476)</u>	<u>(8,126,473)</u>	<u>(7,906,682)</u>
Net current assets		<u>592,087</u>	<u>4,318,490</u>	<u>583,715</u>	<u>4,266,332</u>
Total assets less current liabilities		<u>154,650,933</u>	<u>157,968,852</u>	<u>154,627,386</u>	<u>157,900,061</u>
Creditors: amounts falling due after more than one year	22	<u>(7,585,842)</u>	<u>(7,942,317)</u>	<u>(7,585,842)</u>	<u>(7,897,071)</u>
Provisions for liabilities and charges	23	<u>(34,327)</u>	<u>(81,254)</u>	<u>(34,327)</u>	<u>(81,254)</u>
Net assets		<u>147,030,764</u>	<u>149,945,281</u>	<u>147,027,217</u>	<u>149,921,736</u>
Income funds					
Restricted funds	27	1,862,884	1,927,169	1,862,884	1,927,169
Unrestricted funds					
Designated funds	28	137,067,880	140,268,112	137,067,878	140,268,112
General unrestricted funds	28	<u>8,100,000</u>	<u>7,750,000</u>	<u>8,076,455</u>	<u>7,726,455</u>
		<u>145,167,880</u>	<u>148,018,112</u>	<u>145,144,333</u>	<u>147,994,567</u>
		<u>147,030,764</u>	<u>149,945,281</u>	<u>147,027,217</u>	<u>149,921,736</u>

The total income of the Charity as an individual entity for the year was £12,258,065 (2021: £7,273,849) and its net deficit was £3,031,484 (2021: £2,354,175 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 32 to 66 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 9 February 2023.



Professor Paul O'Prey CBE
Chair of Trustees



Alexander Barron ACA FRSA
Chief Executive

The Edward James Foundation Limited
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Consolidated statement of cash flows
For the year ended 30 September 2022

	Notes	2022		2021	
		£	£	£	£
Cash flows from operating activities	33		(2,421,935)		483,201
Net cash outflow from operating activities					
Investing activities					
Purchase of tangible fixed assets		(1,642,304)		(426,456)	
Purchase of intangible fixed assets		(3,500)		(614,649)	
Proceeds from disposal of tangible fixed assets		49,267		167	
Purchase of investment property		(548,178)		(481,348)	
Proceeds from disposal investments		1,200,000		13,303,502	
Purchase of investments		-		(13,297,174)	
Net cash outflow from investing activities			(944,715)		(1,515,958)
Financing activities					
Additional borrowings		-		50,000	
Repayment of borrowings		(352,655)		(145,353)	
Net cash used by investing activities			(352,655)		(95,353)
Net decrease in cash equivalents			(3,719,305)		(1,128,110)
Cash and cash equivalents at beginning of year			9,144,144		10,272,254
Cash and cash equivalents at end of year			5,424,839		9,144,144

The notes on pages 32 to 66 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 2022

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 is still in the process of recovering from COVID-19 and has been impacted broader economic turbulence however it possesses considerable asset strength. Furthermore, the Foundation has sufficient cash reserves and liquid financial investments to enable it to continue operating 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 2022

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 2022

1. Accounting policies (continued)

1.7 Intangible assets – goodwill

Goodwill represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill arising on the acquisition of a subsidiary is included in 'Intangible assets'.

Intangible assets acquired are recognised separately from goodwill only when they are separable from the acquired entity and give rise to other contractual / legal rights.

Goodwill amortisation is calculated by applying the straight-line method to its estimated useful economic life. Estimates of the useful economic life of goodwill are based on a variety of factors including any legal and contractual provisions. Where a reliable estimate of goodwill cannot be made, it is presumed to be 10 years.

Goodwill is assessed at each reporting date to determine whether there is any indication of impairment. Where there is an indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

1.8 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 (e.g. works of art) 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.

1.9 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 is based on open market value. The surplus or deficit on revaluation is recognised in net income/expenditure for the year. Transaction costs are expensed as incurred.

Notes to the Financial statements (continued)
For the year ended 30 September 2022

I. Accounting policies (continued)

I.10 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.11 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.

I.12 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.13 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.14 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.14.1 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.

Notes to the Financial statements (continued)
For the year ended 30 September 2022

I. Accounting policies (continued)

I.14 Financial instruments (continued)

I.14.2 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.14.3 Derecognition of financial liabilities

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

I.15 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.

I.16 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.

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

Notes to the Financial statements (continued)
For the year ended 30 September 2022

I. Accounting policies (continued)

I.16 Retirement benefits (continued)

ii) Defined benefit pension scheme (continued)

Re-measurement 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.17 Leases

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

I.18 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.

I.19 Basis of consolidation

The Financial statements consolidate the results of the Charitable company and its wholly owned subsidiaries, West Dean Limited and KLC Limited on a line by line basis.

Notes to the Financial statements (continued)
For the year ended 30 September 2022

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

Calculations require 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 Revenue recognition in relation to Open Learning courses

When a student purchases an Open Learning course, they have a set period of time in which to complete their studies. Revenue is recognised in relation to such courses based on a number of assumptions including, but not limited to, average completion rates, dates of course commencement and length of time needed to complete a course.

2.2.2 Useful life of goodwill

Goodwill is amortised over the Trustees' estimate of its useful economic life. Such estimates are based on a variety of factors including any legal, regulatory and contractual provisions. At each reporting date, the Trustees assess whether there are any indicators of impairment taking into account the economic viability and future financial performance of the cash generating unit. If such indicators are identified, an impairment may be recognised.

2.2.3 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.

2.2.4 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.

2.2.5 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 was undertaken early in 2020/21. A series of Liability Management Exercises was planned for 2019/20 but have been held in abeyance since 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 2022

3. Donations, legacies and grants

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Donations and gifts	17,760	176,777	194,537	328,544
Government grants	-	-	-	198,074
	<u>17,760</u>	<u>176,777</u>	<u>194,537</u>	<u>526,618</u>

	Unrestricted Funds £	Restricted Funds £	Total 2021 £
Donations and gifts	65,469	263,075	328,544
Government grants	198,074	-	198,074
	<u>263,543</u>	<u>263,075</u>	<u>526,618</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.

4. Income from charitable activities

	School of Arts £	School of Conservation £	KLC School of Design £	Total 2022 £	Total 2021 £
Fees receivable	<u>3,724,355</u>	<u>1,451,796</u>	<u>3,964,376</u>	<u>9,140,527</u>	<u>3,598,060</u>

5. Income from trading activities

	2022 £	2021 £
West Dean Gardens (The Edward James Foundation Limited)	346,425	333,908
West Dean Gardens (West Dean Limited)	445,487	372,343
Conferences (West Dean Limited)	233,266	156,620
West Dean Stores (West Dean Limited)	<u>252,232</u>	<u>255,594</u>
Income from trading activities	<u>1,277,410</u>	<u>1,118,465</u>

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

Notes to the Financial statements (continued)
For the year ended 30 September 2022

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2022 £	Total 2021 £
Properties				
West Dean Estate income	2,423,624	-	2,423,624	2,390,764
Financial investments				
Income from financial investments	168,377	10,195	178,572	322,570
Interest receivable	8,951	-	8,951	1,807
Net interest on defined benefit pension scheme	48,000	-	48,000	30,000
	<u>225,328</u>	<u>10,195</u>	<u>235,523</u>	<u>354,377</u>
	Unrestricted Funds £	Restricted Funds £	Total 2021 £	
Properties				
West Dean Estate income	2,390,764	-	2,390,764	
Financial investments				
Income from financial investments	304,413	18,157	322,570	
Interest receivable	1,807	-	1,807	
Net interest on defined benefit pension scheme	30,000	-	30,000	
	<u>336,220</u>	<u>18,157</u>	<u>354,377</u>	

West Dean Estate income included £2,139,895 (2021: £2,042,152) in respect of rental income from land and buildings.

7. Other Income

	2022 £	2021 £
Proceeds from Insurance claim	-	20,000

During the year ended 30 September 2021, following a fire in a sub-tenanted building at one of its tenanted farms, the Group made a claim on its Property and Business Interruption Commercial Insurance policy. As at 30 September 2021, it had received £20,000 as a payment on account. It received no further amounts during the year ended 30 September 2022. The claim remains in progress.

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Notes to the Financial statements (continued)
For the year ended 30 September 2022

8. Charitable activities

	School of Arts £	School of Conservation £	KLC School of Design £	Total 2022 £	Total 2021 £
Staff & staff related costs	1,802,886	1,246,378	1,637,035	4,686,299	2,957,147
Visiting tutors & lecturers	538,474	75,272	189,143	802,889	411,711
Material & other course costs	308,880	151,120	121,329	581,329	346,079
Catering provisions	269,787	102,571	10,782	383,140	212,282
Premises costs	435,396	290,381	784,653	1,510,430	713,651
Insurance	117,295	117,295	17,148	251,738	184,813
Irrecoverable VAT	291,391	105,812	102,335	499,538	236,337
Depreciation	211,543	126,137	130,200	467,880	373,435
Other charitable expenditure	235,807	207,254	67,717	510,778	320,728
	<u>4,211,459</u>	<u>2,422,220</u>	<u>3,060,342</u>	<u>9,694,021</u>	<u>5,756,183</u>
Grant Funding of activities (note 9)	134,200	167,905	-	302,105	288,994
Share of support costs (note 10)	898,286	690,091	1,140,643	2,729,020	1,471,696
	<u>5,243,945</u>	<u>3,280,216</u>	<u>4,200,985</u>	<u>12,725,146</u>	<u>7,516,873</u>
Analysis by fund					
Unrestricted funds	5,156,268	3,194,709	4,200,985	12,551,962	7,308,270
Restricted funds	<u>87,677</u>	<u>85,507</u>	<u>-</u>	<u>173,184</u>	<u>208,603</u>
	<u>5,243,945</u>	<u>3,280,216</u>	<u>4,200,985</u>	<u>12,725,146</u>	<u>7,516,873</u>

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8. Charitable activities (continued)

Analysis of expenditure in year ended 30 September 2021:

	School of Arts £	School of Conservation £	KLC School of Design £	Total 2021 £
Staff & staff related costs	1,558,376	1,139,093	259,678	2,957,147
Visiting tutors & lecturers	337,185	54,777	19,749	411,711
Material & other course costs	213,922	116,791	15,366	346,079
Catering provisions	149,516	56,845	5,921	212,282
Premises costs	323,740	264,184	125,727	713,651
Insurance	91,460	91,460	1,893	184,813
Irrecoverable VAT	175,531	60,806	-	236,337
Depreciation	219,808	131,235	22,392	373,435
Other charitable expenditure	167,944	143,786	8,998	320,728
	<u>3,237,482</u>	<u>2,058,977</u>	<u>459,724</u>	<u>5,756,183</u>
Grant funding of activities (note 9)	126,904	162,090	-	288,994
Share of support costs (note 10)	723,494	561,593	186,609	1,471,696
	<u>4,087,880</u>	<u>2,782,660</u>	<u>646,333</u>	<u>7,516,873</u>
Analysis by fund				
Unrestricted funds	3,988,610	2,673,327	646,333	7,308,270
Restricted funds	99,270	109,333	-	208,603
	<u>4,087,880</u>	<u>2,782,660</u>	<u>646,333</u>	<u>7,516,873</u>

9. Grants payable

	School of Arts £	School of Conservation £	KLC School of Design £	Total 2022 £	Total 2021 £
Grants to individuals	<u>134,200</u>	<u>167,905</u>	<u>-</u>	<u>302,105</u>	<u>288,994</u>
	School of Arts £	School of Conservation £	KLC School of Design £	Total 2021 £	
Grants to individuals	<u>126,904</u>	<u>162,090</u>	<u>-</u>	<u>288,994</u>	

Grants to individuals include bursaries and scholarships of £19,423 (2021: £15,810) funded internally by the Foundation, together with bursaries and scholarships of £282,682 (2021: £273,184) paid from the West Dean Scholarship Fund.

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Notes to the Financial statements (continued)
For the year ended 30 September 2022

10. Support costs

	Support costs £	Governance costs £	Total 2022 £	Support costs £	Governance costs £	Total 2021 £	Basis of allocation
Staff costs	1,554,797	107,161	1,661,958	982,008	36,081	1,018,089	Staff time and student/delegate days
Depreciation	101,603	-	101,603	90,798	-	90,798	Staff time and student/delegate days
Marketing costs	372,791	-	372,791	111,723	-	111,723	Staff time and student/delegate days
Other costs	531,025	-	531,025	208,970	-	208,970	Staff time and student/delegate days
Audit fees	-	29,500	29,500	-	32,733	32,733	Governance
Accountancy	-	3,800	3,800	-	-	-	Governance
Legal and professional	-	27,458	27,458	-	8,333	8,333	Governance
Trustee related expenses	-	885	885	-	1,050	1,050	Governance
	<u>2,560,216</u>	<u>168,804</u>	<u>2,729,020</u>	<u>1,393,499</u>	<u>78,197</u>	<u>1,471,696</u>	

Governance costs include payments to the auditors as follows:

	2022 £	2021 £
Saffery Champness LLP:		
Audit (Group) – prior year	-	8,333
Financial due diligence	-	23,650
Moore Kingston Smith LLP:		
Audit (Group) – current year	29,500	38,200
Other	3,800	5,050

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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 £885 relating to travel and subsistence were either reimbursed to, or paid directly on behalf of three Trustees (2021: £1,050 to four Trustees).

During the year, £3,157 (2021: £2,931) 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:

	2022	2021
	£	£
Wages and salaries	6,190,189	4,170,053
Social security costs	533,935	335,372
Other pension costs	266,529	201,673
	6,990,653	4,707,098

Average number of employees

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Direct education staff	83	51
Other staff	185	148
	268	199

Higher paid employees

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

	2022	2021
	Number	Number
£150,000 - £159,999	1	-
£140,000 - £149,999	-	1
£110,000 - £119,999	1	1
£90,000 - £99,999	1	1
£70,000 - £79,999	1	1
	4	4

Notes to the Financial statements (continued)
For the year ended 30 September 2022

12. Employees (continued)

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

	2022 Number	2021 Number
£140,000 – £144,999	1	1
£115,000 – £119,999	1	-
£110,000 – £114,999	-	1
	<u>2</u>	<u>2</u>

Remuneration of key management personnel

Members of the Foundation's Executive Leadership Team (ELT), which includes the Chief Executive, are considered to be key management personnel. All members of the ELT voluntarily took a temporary pay decrease which commenced during the year ended 30 September 2020 and included the first month of the year ended 30 September 2021. The employment costs of those considered to be key management personnel are:

	2022 £	2021 £
Wages and salaries	430,949	418,014
Benefits	9,036	9,206
Social security costs	52,465	48,746
Other pension costs	30,976	29,513
	<u>523,426</u>	<u>505,479</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:

	2022 £	2021 £
Basic Salary	133,627	130,280
Employer's pension contribution	10,835	10,563
Salary sacrifice arrangements	10,835	10,563
Company car	6,559	6,612
Medical insurance	658	1,043
	<u>162,514</u>	<u>159,061</u>

The Chief Executive's basic salary is 5.91 (2021: 5.45; 2020: 6.23) 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 6.73 (2021: 6.24; 2020: 7.46) 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.

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Notes to the Financial statements (continued)
For the year ended 30 September 2022

13. Net gains / (losses) on investments

	Unrestricted Funds	Restricted Funds	Total 2022	Total 2021
Financial Investments:	£	£	£	£
Revaluation	(1,228,305)	(72,591)	(1,300,896)	1,360,292
Gain on sale of investments	70,496	-	70,496	1,681,971
Property investments				
Gain on revaluation of investment properties (see note 16)	1,319,952	-	1,319,952	8,232,248
	<u>162,143</u>	<u>(72,591)</u>	<u>89,552</u>	<u>11,274,511</u>

	Unrestricted Funds	Restricted Funds	Total 2021
Financial Investments:	£	£	£
Revaluation	1,285,367	74,925	1,360,292
Gain on sale of investments	1,588,698	93,273	1,681,971
Property investments			
Gain on revaluation of investment properties (see note 16)	8,232,248	-	8,232,248
	<u>11,106,313</u>	<u>168,198</u>	<u>11,274,511</u>

14. Intangible fixed assets

Group and Charity

	Product design rights	Software	Goodwill - KLC School of Design	Total
	£	£	£	£
Cost				
At 1 October 2021	10,000	3,969	614,649	628,618
Additions	-	3,500	-	3,500
Adjustment to goodwill	-	-	(7,531)	(7,531)
At 30 September 2022	<u>10,000</u>	<u>7,469</u>	<u>607,118</u>	<u>624,587</u>
Amortisation and impairment				
At 1 October 2021	10,000	-	10,244	20,244
Amortisation charge	-	-	61,465	61,465
At 30 September 2022	<u>10,000</u>	<u>-</u>	<u>71,709</u>	<u>81,709</u>
Carrying Amount				
At 30 September 2022	<u>-</u>	<u>7,469</u>	<u>535,409</u>	<u>542,878</u>
At 30 September 2021	<u>-</u>	<u>3,969</u>	<u>604,405</u>	<u>608,374</u>

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Notes to the Financial statements (continued)
For the year ended 30 September 2022

15. Tangible fixed assets

Group

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Chattels £	Total £
Cost						
At 1 October 2021	17,212,712	6,087,246	1,759,346	205,634	12,384,220	37,649,158
Additions	1,340,580	162,175	128,049	11,500	-	1,642,304
Transfers	2,070,000	-	-	-	-	2,070,000
Disposals	-	-	-	(79,950)	-	(79,950)
At 30 September 2022	<u>20,623,292</u>	<u>6,249,421</u>	<u>1,887,395</u>	<u>137,184</u>	<u>12,384,220</u>	<u>41,281,512</u>
Depreciation and impairment						
At 1 October 2021	1,798,820	3,033,004	1,470,506	197,876	-	6,500,206
Charge for the year	198,265	288,683	117,662	14,735	-	619,345
On disposals	-	-	-	(93,242)	-	(93,242)
At 30 September 2022	<u>1,997,085</u>	<u>3,321,687</u>	<u>1,588,168</u>	<u>119,369</u>	<u>-</u>	<u>7,026,309</u>
Carrying Amount						
At 30 September 2022	<u>18,626,207</u>	<u>2,927,734</u>	<u>299,227</u>	<u>17,815</u>	<u>12,384,220</u>	<u>34,255,203</u>
At 30 September 2021	<u>15,413,892</u>	<u>3,054,242</u>	<u>288,840</u>	<u>7,758</u>	<u>12,384,220</u>	<u>31,148,952</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2022

15. Tangible fixed assets (continued)

Charity

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Chattels £	Total £
Cost						
At 1 October 2021	17,212,712	5,876,026	1,759,346	205,634	12,384,220	37,437,938
Additions	1,340,580	160,175	128,049	11,500	-	1,640,304
Transfers	2,070,000	-	-	-	-	2,070,000
Disposals	-	-	-	(79,950)	-	(79,950)
At 30 September 2022	<u>20,623,292</u>	<u>6,036,201</u>	<u>1,887,395</u>	<u>137,184</u>	<u>12,384,220</u>	<u>41,068,292</u>
Depreciation and impairment						
At 1 October 2021	1,798,820	2,839,338	1,470,506	197,876	-	6,306,540
Charge for the year	198,265	285,227	117,662	14,735	-	615,889
On disposals	-	-	-	(93,242)	-	(93,242)
At 30 September 2022	<u>1,997,085</u>	<u>3,124,565</u>	<u>1,588,168</u>	<u>119,369</u>	<u>-</u>	<u>6,829,187</u>
Carrying Amount						
At 30 September 2022	<u>18,626,207</u>	<u>2,911,636</u>	<u>299,227</u>	<u>17,815</u>	<u>12,384,220</u>	<u>34,329,105</u>
At 30 September 2021	<u>15,413,891</u>	<u>3,036,688</u>	<u>288,840</u>	<u>7,758</u>	<u>12,384,220</u>	<u>31,131,396</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2022

16. Property investments

Group and Charity

	2022	2021
	£	£
Fair value		
At 1 October	103,822,245	95,108,649
Additions	548,178	481,348
Transfer to Freehold land and buildings	(2,070,000)	-
Net gains through fair value adjustment	1,319,952	5,148,738
Adjustment arising from change of valuation approach	-	3,083,510
At 30 September	<u>103,620,375</u>	<u>103,822,245</u>

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

The transfer to Freehold land and buildings during the year ended 30 September 2022 relates to properties that were converted from residential properties to student accommodation during the year.

The net gains through fair value adjustment reflects open market values of property investments. These increases are based on annual reports prepared by a Royal Institution of Chartered Surveyors (RICS) Registered Valuer in accordance with RICS Red Book valuation methodology. In preparing the annual reports, the RICS Registered Valuer inspected assets totalling approximately 20% of the portfolio.

The value reflected as at 30 September 2022 and 30 September 2021 includes a barn which suffered significantly fire damage during the year ended 30 September 2021. Although the damage has yet to be repaired, on the basis that insurers have confirmed that cover is in place to fund the work required to restore it, it has been reflected at the same value as it would have had if the fire had not occurred. As such, neither an impairment nor a debtor for the insurance proceeds has been included in these financial statements at 30 September 2022 or 30 September 2021.

Due to a change in valuation approach, assets such as woodland and grazing areas which form part of the West Dean Estate were attributed an aggregate value of £3,083,510 as at 30 September 2021 having not been attributed a value as at 30 September 2020.

Notes to the Financial statements (continued)
For the year ended 30 September 2022

17. Financial investments

Group

	Listed investments
	£
At 1 October 2021	18,070,791
Valuation changes	(1,230,401)
Disposal	(1,200,000)
At 30 September 2022	<u>15,640,390</u>
Carrying Amount	
At 30 September 2022	<u>15,640,390</u>
At 30 September 2021	<u>18,070,791</u>
Historic Cost	
At 30 September 2022	<u>15,329,570</u>
At 30 September 2021	<u>16,459,074</u>

Charity

	Listed investments	Shares in subsidiaries	Total
	£	£	£
At 1 October 2021	18,070,791	923	18,071,714
Valuation changes	(1,230,401)	-	(1,230,401)
Disposal	(1,200,000)	-	(1,200,000)
At 30 September 2022	<u>15,640,390</u>	<u>923</u>	<u>15,641,313</u>
Carrying Amount			
At 30 September 2022	<u>15,640,390</u>	<u>923</u>	<u>15,641,313</u>
At 30 September 2021	<u>18,070,791</u>	<u>923</u>	<u>18,071,714</u>
Historic Cost			
At 30 September 2022	<u>15,329,570</u>	<u>923</u>	<u>15,330,493</u>
At 30 September 2021	<u>16,459,074</u>	<u>923</u>	<u>16,459,997</u>

Refer to note 32 for details of shareholdings in subsidiaries.

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18. Financial instruments

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,703,932	1,480,319	1,705,663	1,634,656
Equity instruments measured at fair value	-	-	923	923
Instruments measured at fair value through income and expenditure	<u>15,640,390</u>	<u>18,070,791</u>	<u>15,640,390</u>	<u>18,070,791</u>
Carrying amount of financial liabilities	<u>9,685,217</u>	<u>9,740,083</u>	<u>9,653,286</u>	<u>9,701,815</u>

19. Stocks

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Raw materials and consumables	39,821	36,764	22,507	21,888
Finished goods and goods for resale	<u>26,333</u>	<u>40,719</u>	<u>20</u>	<u>20</u>
	<u>66,154</u>	<u>77,483</u>	<u>22,527</u>	<u>21,908</u>

20. Debtors

	Group 2022	Group 2021	Charity 2022	Charity 2021
	£	£	£	£
Trade debtors	1,635,563	1,439,106	1,637,294	1,438,780
Amounts due from subsidiary undertakings	-	-	34,943	154,663
Other debtors	68,369	41,213	68,364	41,213
Prepayments and accrued income	<u>1,552,780</u>	<u>1,607,020</u>	<u>1,552,118</u>	<u>1,607,020</u>
	<u>3,256,712</u>	<u>3,087,339</u>	<u>3,292,719</u>	<u>3,241,676</u>

As explained in note 2.2.1, KLC School of Design operates Open Learning courses for which students have up to two years to complete a course. This therefore results in a significant level of accrued income.

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21. Creditors: amounts falling due within one year

		Group	Group	Charity	Charity
		2022	2021	2022	2021
	Notes	£	£	£	£
Loans and overdraft	24	317,587	313,767	317,587	309,013
Trade creditors		1,076,844	863,772	1,055,361	837,380
Other taxation and social security		271,517	288,660	281,858	288,757
Other creditors		312,111	319,368	309,672	310,193
Accruals		704,947	620,226	694,496	608,351
Deferred income	25	5,472,612	5,584,683	5,467,499	5,552,988
		<u>8,155,618</u>	<u>7,990,476</u>	<u>8,126,473</u>	<u>7,906,682</u>

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

		Group	Group	Charity	Charity
		2022	2021	2022	2021
	Notes	£	£	£	£
Bank loans	24	<u>7,585,842</u>	<u>7,942,317</u>	<u>7,585,842</u>	<u>7,897,071</u>

23. Provisions for liabilities and charges

Group and charity

	2022	2021
	£	£
At 1 October	81,254	60,398
New provisions during the year	-	45,340
Utilised during the year	(46,927)	(24,484)
At 30 September	<u>34,327</u>	<u>81,254</u>

As at 30 September 2022, the Group and Charity recognised a provision of £34,327 (2021: £81,254) in respect of an enhanced credit for Short Course cancellations.

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24. Loans and overdrafts

Group and charity

	Group 2022 £	Group 2021 £	Charity 2022 £	Charity 2021 £
Bank Loans	<u>7,903,429</u>	<u>8,256,084</u>	<u>7,903,429</u>	<u>8,206,084</u>
Payable within one year	317,587	313,767	317,587	309,013
Payable within two to five years	1,340,283	1,341,786	1,340,283	1,301,792
Payable after five years	<u>6,245,559</u>	<u>6,600,531</u>	<u>6,245,559</u>	<u>6,595,279</u>

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

Security (Land Registry Title number)	Interest rate	Status	2022 £	2021 £
WSX265408	3.28% - 3.62%	Repayable March 2036	2,196,555	2,322,353
WSX265296 (part of)	2.29%	Repayable August 2030	5,706,874	5,883,731
Not applicable	2.5%	Repaid April 2022	-	50,000

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25. Deferred income

Group

	2022	2021
	£	£
Arising from grants	177,116	122,734
Arising from course and diploma fees received in advance	5,290,383	5,430,254
Arising from conference and event deposits	5,113	31,695
	<u>5,472,612</u>	<u>5,584,683</u>
Movement in deferred income		
Deferred income at 1 October	5,584,683	2,909,921
Released to statement of financial activities in the year	(5,584,683)	(2,909,921)
New deferred income in the year	5,472,612	5,584,683
Deferred income at 30 September	<u>5,472,612</u>	<u>5,584,683</u>

Charity

	2022	2021
	£	£
Arising from grants	177,116	122,734
Arising from course and diploma fees received in advance	5,290,383	5,430,254
	<u>5,467,499</u>	<u>5,552,988</u>
Movement in deferred income		
Deferred income at 1 October	5,552,988	2,865,567
Released to statement of financial activities in the year	(5,552,988)	(2,865,567)
New deferred income in the year	5,467,499	5,552,988
Deferred income at 30 September	<u>5,467,499</u>	<u>5,552,988</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2022

26. Retirement benefit schemes

Defined contribution schemes

The Group operates defined contribution pension schemes for all qualifying employees. The assets of these schemes are held separately from those of the Group in independently administered funds.

The Charity contributes to defined contribution pension schemes administered by Scottish Widows, Legal & General and the National Employment Savings Trust Corporation ("NEST"). Depending on the scheme, the employer makes contributions proportionate to those made by employees up to a maximum of 7.5%. Contributions payable by the Charity amounted to £266,529 (2021: £201,673). £48,089 (2021: £35,157) 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 2021 by a qualified actuary, independent of the scheme's sponsoring employer. This actuarial valuation showed a defined benefit pension asset of £765,000 (2021: £1,888,000 based on an actuarial valuation as at 30 September 2018 which had been subsequently updated) however this has been restricted to £nil (2021: £nil) in these financial statements via adjustment to actuarial gains. The major assumptions shown below are those used in the full actuarial valuation as at 30 September 2021 rolled forward to 30 September 2022 by a qualified actuary.

Funding policy

The employer had agreed with the Trustees that it would pay monthly contributions of £4,167 from 1 April 2019 to 31 December 2021 and £nil thereafter. The best estimate of contributions to be paid by the employer to the scheme for the period commencing 1 October 2022 is therefore £nil. 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:

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2022

26. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations:

	2022	2021
	£	£
Liabilities at 1 October	17,241,000	17,455,000
Benefits paid and expenses	(548,000)	(563,000)
Actuarial (losses) / gains	(5,544,000)	57,000
Interest cost	339,000	292,000
At 30 September	11,488,000	17,241,000

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

Movements in the fair value of plan assets:

	2022	2021
	£	£
Fair value of assets at 1 October	17,241,000	17,455,000
Interest income	387,000	322,000
Return on plan assets (excluding amounts included in net interest)	(5,269,000)	573,000
Benefits paid and expenses	(548,000)	(563,000)
Contributions by the employer	13,000	50,000
Surplus not recognised	(336,000)	(596,000)
At 30 September	11,488,000	17,241,000

Amounts recognised in the Consolidated statement of financial activities:

	2022	2021
	£	£
<i>Recognised within Income and expenditure account:</i>		
Contributions (paid) by the employer	(13,000)	(50,000)
	2022	2021
	£	£
<i>Recognised within Other gains and losses:</i>		
Actual return on scheme assets	(5,269,000)	573,000
Actuarial changes related to obligations	5,208,000	(653,000)
	(61,000)	(80,000)

The actual return on the scheme assets over the year ending 30 September 2022 was a £4,882,000 decrease (2021: £895,000 increase).

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2022

26. Retirement benefit schemes (continued)

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

	2022	2021
	£	£
Cash	326,000	300,000
Equity instruments	1,059,000	1,293,000
Debt instruments	5,525,000	7,495,000
Other	7,278,000	10,517,000
	<u>14,188,000</u>	<u>19,605,000</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

	2022	2021
	%	%
Discount rate	5.2	2.0
Expected rate of salary increases	3.8	3.6
Inflation (RPI : CPI)	<u>3.8 : 2.8</u>	<u>3.6 : 2.6</u>

Mortality assumptions

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

	2022	2021
	Years	Years
Retiring today		
Males	22.8	22.7
Females	<u>24.6</u>	<u>24.5</u>
Retiring in 20 years		
Males	24.5	24.4
Females	<u>26.1</u>	<u>26.0</u>

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Notes to the Financial statements (continued)
For the year ended 30 September 2022

27. Restricted funds

Group and Charity

	Balance at 1 October 2021 £	Incoming resources £	Movement in funds			Balance at 30 September 2022 £
			Resources expended £	Transfers £	Revaluations gains and losses £	
West Dean Scholarship Fund	1,619,199	186,103	(173,184)	-	(72,591)	1,559,527
Other	307,970	869	-	(5,482)	-	303,357
	<u>1,927,169</u>	<u>186,972</u>	<u>(173,184)</u>	<u>(5,482)</u>	<u>(72,591)</u>	<u>1,862,884</u>

	Balance at 1 October 2020 £	Incoming resources £	Movement in funds			Balance at 30 September 2021 £
			Resources expended £	Transfers £	Revaluations gains and losses £	
West Dean Scholarship Fund	1,468,575	191,029	(208,603)	-	168,198	1,619,199
Other	307,265	90,203	-	(89,498)	-	307,970
	<u>1,775,840</u>	<u>281,232</u>	<u>(208,603)</u>	<u>(89,498)</u>	<u>168,198</u>	<u>1,927,169</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.

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2022

28. Unrestricted funds

Group

	Movement in funds					
	Balance at 1 October 2021 £	Incoming resources £	Resources expended £	Gains/ (losses) £	Transfers £	Balance at 30 September 2022 £
General unrestricted funds	7,750,000	13,084,649	(15,399,844)	-	2,665,195	8,100,000
Pension reserve (note 26)	-	-	-	-	-	-
	<u>7,750,000</u>	<u>13,084,649</u>	<u>(15,399,844)</u>	<u>-</u>	<u>2,665,195</u>	<u>8,100,000</u>
Designated funds						
Freehold property (charitable use)	15,290,002	-	-	-	2,070,000	17,360,002
Chattels (charitable use)	12,364,220	-	-	-	-	12,364,220
Investment properties	103,788,336	-	-	1,319,952	(4,729,713)	100,378,575
Quoted investments	1,256,860	-	-	(1,052,726)	-	204,134
West Dean Scholarship Fund	1,401,655	-	(109,498)	(105,083)	-	1,187,074
Vision 2030	6,167,039	-	(593,164)	-	-	5,573,875
	<u>140,268,112</u>	<u>-</u>	<u>(702,662)</u>	<u>162,143</u>	<u>(2,659,173)</u>	<u>137,067,880</u>
Total	<u>148,018,112</u>	<u>13,084,649</u>	<u>(16,102,506)</u>	<u>162,143</u>	<u>5,482</u>	<u>145,167,880</u>

	Movement in funds					
	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Gains/ (losses) £	Transfers £	Balance at 30 September 2021 £
General unrestricted funds	52,641	7,727,052	(9,583,221)	(73,672)	9,627,200	7,750,000
Pension reserve (note 26)	-	-	-	-	-	-
	<u>52,641</u>	<u>7,727,052</u>	<u>(9,583,221)</u>	<u>(73,672)</u>	<u>9,627,200</u>	<u>7,750,000</u>
Designated funds						
Freehold property (charitable use)	15,154,466	-	-	-	135,536	15,290,002
Chattels (charitable use)	12,364,220	-	-	-	-	12,364,220
Investment properties	95,108,649	-	-	8,232,249	447,438	103,788,336
Quoted investments	13,040,861	-	-	2,630,274	(14,414,275)	1,256,860
West Dean Scholarship Fund	1,162,299	-	-	237,462	1,894	1,401,655
Vision 2030	2,343,682	-	(468,348)	-	4,291,705	6,167,039
	<u>139,174,177</u>	<u>-</u>	<u>(468,348)</u>	<u>11,099,985</u>	<u>(9,537,702)</u>	<u>140,268,112</u>
Total	<u>139,226,818</u>	<u>7,727,052</u>	<u>(10,051,569)</u>	<u>11,026,313</u>	<u>89,498</u>	<u>148,018,112</u>

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Notes to the Financial statements (continued)
For the year ended 30 September 2022

28. Unrestricted funds (continued)

Charity

	Balance at 1 October 2021 £	Incoming resources £	Resources expended £	Gains/ (losses) £	Transfers £	Balance at 30 September 2022 £
Movement in funds						
General unrestricted funds	7,726,455	13,084,649	(15,399,844)	-	2,665,195	8,076,455
Pension reserve (note 26)	-	-	-	-	-	-
	<u>7,726,455</u>	<u>13,084,649</u>	<u>(15,399,844)</u>	<u>-</u>	<u>2,665,195</u>	<u>8,076,455</u>
Designated funds						
Freehold property (charitable use)	15,290,002	-	-	-	2,070,000	17,360,002
Chattels (charitable use)	12,364,220	-	-	-	-	12,364,220
Investment properties	103,788,336	-	-	1,319,952	(4,729,713)	100,378,575
Quoted investments	1,256,860	-	-	(1,052,726)	-	204,134
West Dean Scholarship Fund	1,401,655	-	(109,498)	(105,083)	-	1,187,074
Vision 2030	6,167,039	-	(593,166)	-	-	5,573,873
	<u>140,268,112</u>	<u>-</u>	<u>(702,664)</u>	<u>162,143</u>	<u>(2,659,713)</u>	<u>137,067,878</u>
Total	<u>147,994,567</u>	<u>13,084,649</u>	<u>(16,102,508)</u>	<u>162,143</u>	<u>5,482</u>	<u>145,144,333</u>

	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Gains/ (losses) £	Transfers £	Balance at 30 September 2021 £
Movement in funds						
General unrestricted funds	29,096	7,727,052	(9,583,221)	(73,672)	9,627,200	7,726,455
Pension reserve (note 26)	-	-	-	-	-	-
	<u>29,096</u>	<u>7,727,052</u>	<u>(9,583,221)</u>	<u>(73,672)</u>	<u>9,627,200</u>	<u>7,726,455</u>
Designated funds						
Freehold property (charitable use)	15,154,466	-	-	-	135,536	15,290,002
Chattels (charitable use)	12,364,220	-	-	-	-	12,364,220
Investment properties	95,108,649	-	-	8,232,249	447,438	103,788,336
Quoted investments	13,040,861	-	-	2,630,274	(14,414,275)	1,256,860
West Dean Scholarship Fund	1,162,299	-	-	237,462	1,894	1,401,655
Vision 2030	2,343,682	-	(468,348)	-	4,291,705	6,167,039
	<u>139,174,177</u>	<u>-</u>	<u>(468,348)</u>	<u>11,099,985</u>	<u>(9,537,702)</u>	<u>140,268,112</u>
Total	<u>139,203,273</u>	<u>7,727,052</u>	<u>(10,051,569)</u>	<u>11,026,313</u>	<u>89,498</u>	<u>147,994,567</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2022

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 2030.

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 2030.

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 2030

The fund was established in 2016/17 in anticipation of major capital expenditure arising from Vision 2030. It comprises proceeds from the disposal of financial investments, chattels and land and buildings. When Vision 2030 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 2022

29. Analysis of net assets between funds

Analysis of net assets between funds

	2022	2022	2022
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 30 September 2022 are represented by:			
Intangible assets	542,878	-	542,878
Tangible assets	34,235,203	20,000	34,255,203
Investment properties	103,620,375	-	103,620,375
Investments	14,716,220	924,170	15,640,390
Net current (liabilities) / assets	(326,627)	918,714	592,087
Creditors > 1 year	(7,585,842)	-	(7,585,842)
Provisions for liabilities	(34,327)	-	(34,327)
	<u>145,167,880</u>	<u>1,862,884</u>	<u>147,030,764</u>

	2021	2021	2021
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 30 September 2021 are represented by:			
Intangible assets	608,374	-	608,374
Tangible assets	31,128,952	20,000	31,148,952
Investment properties	103,822,245	-	103,822,245
Investments	17,074,030	996,761	18,070,791
Net current assets	3,408,082	910,408	4,318,490
Creditors > 1 year	(7,942,317)	-	(7,942,317)
Provisions for liabilities	(81,254)	-	(81,254)
	<u>148,018,112</u>	<u>1,927,169</u>	<u>149,945,281</u>

30. Capital commitments

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

	2022	2021
	£	£
Replacement of roof on main house	-	88,401
Conversion / refurbishment of student accommodation	<u>263,599</u>	<u>-</u>
	<u>263,599</u>	<u>88,401</u>

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2022

31. Commitments under operating leases

Lessee

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

	Group	Group	Charity	Charity
	2022	2021	2022	2021
	£	£	£	£
Not later than 1 year	591,459	605,411	591,459	605,411
Later than 1 year and not later than 5 years	502,580	33,730	502,580	33,730
	1,094,039	639,141	1,094,039	639,141

Lessor

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

	2022
	£
Not later than 1 year	222,035

The Group and Charity also leases out commercial investment properties however, due to the rental income derived from these being linked to various market factors, they are deemed to be contingent rents and so excluded from the above.

32. Subsidiaries

These consolidated Financial statements include the results of the Group's wholly owned subsidiaries:

Name of undertaking	Country of incorporation or residency	Nature of business	Class of shareholding	% held 2022		% held 2021	
				direct	indirect	direct	indirect
West Dean Limited	England	Gardens shop and restaurant; conference and event management	Ordinary £1	100.00	-	100.00	-
KLC Limited	England	Prior to acquisition by the Group on 31 July 2021, it operated a school of design.	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.

The Edward James Foundation Limited
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Notes to the Financial statements (continued)
For the year ended 30 September 2022

32. Subsidiaries (continued)

A summary of the results is given below:

West Dean Limited

	2022	2021
	£	£
Income/Gains	1,013,622	887,248
Expenditure	<u>(925,207)</u>	<u>(784,963)</u>
Net income	88,415	102,285
 Total funds brought forward	 <u>23,544</u>	 <u>23,544</u>
Total funds carried forward	<u>23,544</u>	<u>23,544</u>
	2022	2021
	£	£
Paid to The Edward James Foundation Limited	102,286	100,000
Owed from / (to) The Edward James Foundation Limited	<u>52,552</u>	<u>(111,933)</u>

During the year ended 30 September 2021, West Dean Limited's ability to run some of its key operations was restricted due to Covid-19. As some of West Dean Limited's operations are run from premises owned by the Charity, West Dean Limited requested that four months of the rent and management charges be waived during that financial year. On the basis that West Dean Limited was profit making prior to the Covid-19 pandemic and it was expected to return to being profitable once the pandemic ceased, the Charity agreed to this request. Due to West Dean Limited returning to being profitable, the Charity did not receive such a request during the year ended 30 September 2022.

KLC Limited

KLC Limited did not generate any income or incur any costs since being acquired by The Edward James Foundation Limited on 31 July 2021.

	2022	2021
	£	£
Owed from / (to) The Edward James Foundation Limited	920	(42,730)

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Notes to the Financial statements (continued)
For the year ended 30 September 2022

33. Cash flows from operating activities

	2022	2021
	£	£
Net (expenditure)/income for the year	(2,853,517)	9,022,624
Adjustments for:		
Gain on disposal of investments	(70,496)	(1,681,970)
Revaluation of investments	(19,056)	(9,592,541)
Depreciation and impairment of tangible fixed assets	619,345	556,917
Amortisation of Goodwill	61,465	10,244
Surplus on disposal of tangible fixed assets	(49,267)	(167)
Movement on defined pension scheme recognised in the Statement of financial activities	(61,000)	(80,000)
Movements in working capital:		
Decrease in stocks	11,329	13,008
Increase in debtors	(169,373)	(946,482)
Increase in creditors	155,562	3,295,058
(Decrease)/ increase in provisions	(46,927)	20,856
Net working capital deficit arising due to acquisition of KLC Limited	-	(134,346)
Cash (used by) / generated from operations	(2,421,935)	483,201

34. Analysis of cash and cash equivalents

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

	2022	2021
	£	£
Cash in hand	5,424,839	9,144,144
Total cash and cash equivalents	5,424,839	9,144,144

35. Analysis of changes in net debt

	Balance at 1 October 2021 £	Cash-flows £	Balance at 30 September 2022 £
Cash	9,144,144	(3,719,305)	5,424,839
	9,144,144	(3,719,305)	5,424,839
Loans falling due within one year	(313,767)	(3,820)	(317,587)
Loans falling due after more than one year	(7,942,317)	356,475	(7,585,842)
Total	888,060	(3,366,650)	(2,478,590)

36. Events after the end of the reporting period

On 26 January 2023, in order to increase the level of available cash, the Group disinvested £1,500,000 of financial investments.

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Notes to the Financial statements (continued)
For the year ended 30 September 2022

37. Comparative consolidated statement of financial activities

	Unrestricted Fund	Restricted Fund	Total 2021
	£	£	£
Income from:			
Donations, legacies and grants	263,543	263,075	526,618
Income from charitable activities	3,598,060	-	3,598,060
Income from trading activities	1,118,465	-	1,118,465
Investment income			
- Properties	2,390,764	-	2,390,764
- Financial investments	336,220	18,157	354,377
Other income	20,000	-	20,000
Total income	7,727,052	281,232	8,008,284
Expenditure on			
Raising funds			
- Fundraising cost	78,557	-	78,557
- Trading costs	1,441,250	-	1,441,250
- Property investment management	1,200,552	-	1,200,552
- Financial investment management	22,940	-	22,940
Charitable activities	7,308,270	208,603	7,516,873
Total resources expended	10,051,569	208,603	10,260,172
Net gain on investments	11,106,313	168,198	11,274,511
Net incoming resources before transfers	8,781,796	240,827	9,022,623
Transfers between funds	89,498	(89,498)	-
Net income for the year	8,871,294	151,329	9,022,623
Other recognised gains and losses			
Actuarial loss on defined benefit pension schemes	(80,000)	-	(80,000)
Net movement in funds	8,791,294	151,329	8,942,623
Fund balances at			
1 October	139,226,818	1,775,840	141,002,658
Fund balances at			
30 September	148,018,112	1,927,169	149,945,281

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Reference and administrative information
For the year ended 30 September 2022

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:

Professor Paul O'Prey CBE ^{1 2 3 4 5 6}	(Chair)
Dr Ghazwa Alwani-Starr	Appointed 9 December 2022
Martin Ashley MVO RIBA ³	
Naomi Davenport	Appointed 9 December 2022
Caroline Griffith ^{4 6}	
Professor Nigel Llewellyn PhD FSA ^{2 5 6}	(Deputy Chair)
Mike McCart ^{3 5 6}	
Francis Plowden FCA ^{1 2 3 4 5 6}	(Deputy Chair)
Alison Richmond ACR FIIC ⁷	
David Seddon ^{1 3 4}	Retired 15 May 2022

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 & Governance Committee

⁷ Member of Equality, Diversity and Inclusivity Steering Committee

Clerk to the Board

Mark Ellul

Resigned 9 December 2022

Chief Executive

Alexander Barron ACA FRSA

The Edward James Foundation Limited
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Professional advisers

For the year ended 30 September 2022

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	Moore Kingston Smith 9 Appold Street, London. EC2A 2AP
Insurance brokers	Willis Towers Watson The Anchorage, 34 Bridge Street, Reading. RG1 2LU
Investment managers/advisers	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 Legal and General One Coleman Street, London. EC2R 5AA