

BROMSGROVE SCHOOL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 AUGUST 2020

Charity Registration Number: 1118435
Company Registration Number: 06084879

Haysmacintyre LLP
Chartered Accountants
Registered Auditors
London

BROMSGROVE SCHOOL FOUNDATION
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

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BROMSGROVE SCHOOL FOUNDATION

REFERENCE AND ADMINISTRATIVE DETAILS

YEAR ENDED 31 AUGUST 2020

TRUSTEES

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

COMPANY SECRETARY

Mr James Sommerville

Website: www.bromsgrove-school.co.uk

ADVISERS

Bankers

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

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

Solicitors

Veale Wasborough
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Investment Advisers

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

Insurance Brokers

Marsh Ltd
4 Milton Road
Haywards Heath
West Sussex
RH16 1AH

STATUS AND ADMINISTRATION

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

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

BROMSGROVE SCHOOL FOUNDATION

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2020

The Foundation's Trustees present their report for the year ended 31 August 2020 under the Companies Act 2006 together with the audited financial statements for the year and confirm that the financial statements comply with the requirements of the Act, the charity's governing document and the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2015).

REFERENCE AND ADMINISTRATIVE INFORMATION

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Directors and Professional Advisers

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

Recruitment and Training of Trustees

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

Risk Management

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

OBJECTS, VISION, OBJECTIVES AND ACTIVITIES

Charitable Objects

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

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

Vision

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

Objective

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

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

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

BROMSGROVE SCHOOL FOUNDATION

TRUSTEES' REPORT (continued)

YEAR ENDED 31 AUGUST 2020

OBJECTS, VISION, OBJECTIVES AND ACTIVITIES (continued)

Activities

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

In November 2019, the Foundation hosted a special concert with Old Bromsgrovian John Illsley performing and a Q&A discussion led by fellow Old Bromsgrovian, Nicholas Evans. This attracted a sell-out audience of 300 on both nights, with the income from ticket sales being awarded to the Foundation. In addition to this, a number of smaller friend raising and 'thank you' events were held in the period prior to the COVID-19 lockdown. The Foundation held the first Speakers' Lunch with Old Bromsgrovian John Massey and again all ticket sales were awarded to the Foundation. We were not able to hold the annual Appreciation Lunch in May 2020 due to COVID-19 restrictions. The Foundation, which partners with the School and the Bromsgrovian Office to host events, has continued with the OB decade reunions, and in September 2019, the 1990-1999 leavers' event took place. The Foundation and Bromsgrovian Office also works with the Bromsgrove Futures department to ensure that Old Bromsgrovians continue to offer help and support to current pupils, and these are recognised as gifts in kind.

The focus of fundraising activity in the year has been legacies. In the year, two legacies were received totalling £116,208. Due to the pandemic, we did not ask for deposit donations from Upper Sixth parents this year, however, we did receive two unsolicited donations from parents

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

During the year, donations and legacies have been received of £183,964 (2019: £71,578). In addition, there have been a number of additional future pledges and legacies. Investment income of £33,826 (2019: £33,237) was also earned.

The Foundation Trustees transferred £46,935 to the School in the year to assist in the funding of bursaries. The decision on the amount to be transferred to the School for use in bursaries and scholarships remains at the sole discretion of the Foundation Trustees. The School, however, retains the exclusive right to apportion the money to any bursary or scholarship it so chooses unless the original donation had specific terms attached to it, or the Foundation Trustees direct the money to individual scholarships.

Investment Policy and Performance

During the reporting year to 31 August 2020, we have experienced significant economic, political and social upheaval, most of which has been driven by the outbreak of the COVID-19 virus. Because of the support provided and lower interest rate expectations equity markets rallied and most recovered much of the ground lost at the start of the year. UK equity markets have lagged behind the global recovery, because of BREXIT concerns and the index's concentration in Oil companies and Banks and older capital intensive industries.

The Bromsgrove Foundation investment portfolio produced a negative total return of -4.7% (Net of Fees) during the period. Like many balanced portfolios with a lower allocation to outright growth investments, the portfolio has underperformed the main benchmark being the MSCI PIMFA Balanced Total Return of -2.1%. Significant disparities of return have been evident across the investment world over the year, with the FTSE All Share Index producing a negative total return of -12.7% over the period and the FTSE World Ex-UK total return of +7.4%. We look forward to a negotiated resolution to BREXIT, which should help UK equity markets narrow the discount they currently stand on in comparison to other developed world markets. Investment markets over the year ahead would benefit from a smooth US election result and an end to the COVID-19 pandemic, all of which we will be monitoring closely.

The Foundation continues to target a minimum income yield of 3% from the investment portfolio. In the year, a yield of 3.5% was achieved.

BROMSGROVE SCHOOL FOUNDATION

TRUSTEES' REPORT (continued)

YEAR ENDED 31 AUGUST 2020

Public Benefit

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

Reserves Policy

At 31 August 2020, the total unrestricted funds of the Foundation amounted to £1,179,651. The Trustees are satisfied that these reserves are sufficient to meet the Foundation's current commitment to the School in awarding funds for bursaries. The Trustees have a medium term target of raising unrestricted funds to around £3m in order that future awards for life changing bursaries can be made.

At 31 August 2020, the total restricted funds of the Foundation amounted to £10,251. Notes 6 and 7 of the financial statements sets out an analysis of the assets attributable to these funds and the purpose of the funds.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

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

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

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

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

AUDITORS

Haysmacintyre LLP will be proposed for re-appointment as auditors in accordance with Section 485 of the Companies Act 2006. In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the Trustees on 10 December 2020 and signed on its behalf by:


Mr M Taylor
Chairman

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

Opinion

We have audited the financial statements of Bromsgrove School Foundation for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2020 and of the charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 4, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

BROMSGROVE SCHOOL FOUNDATION (continued)

Other information

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Use of our report

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



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

10 Queen Street Place
London
EC4R 1AG

02 February 2021

BROMSGROVE SCHOOL FOUNDATION
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2020

INCOME AND EXPENDITURE	Notes	Unrestricted Fund £	Restricted Funds £	2020 Total £	2019 Total £
Income from:					
Voluntary income:					
Donations and legacies		183,964	-	183,964	71,578
Investments		33,826	-	33,826	33,237
Total Income		<u>217,790</u>	<u>-</u>	<u>217,790</u>	<u>104,815</u>
Expenditure					
Cost of raising funds:					
Investment manager's fees		6,122	-	6,122	4,381
Charitable activities:					
Awards	8	46,935	-	46,935	56,767
Total Expenditure		<u>53,057</u>	<u>-</u>	<u>53,057</u>	<u>61,148</u>
Net income		164,733	-	164,733	43,667
Gains on Investments:					
Realised	2	(11,859)	-	(11,859)	(9,194)
Unrealised		(71,612)	-	(71,612)	25,294
Net movement in funds		<u>81,262</u>	<u>-</u>	<u>81,262</u>	<u>59,767</u>
Total funds brought forward		1,098,389	10,251	1,108,640	1,048,873
Total funds carried forward		<u>£1,179,651</u>	<u>£10,251</u>	<u>£1,189,902</u>	<u>£1,108,640</u>

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

All of the charitable company's activities during the above two financial years derived from continuing activities. All of the charitable company's income, expenditure and gains in the prior year related to unrestricted funds.

The accompanying notes form part of these financial statements.

BROMSGROVE SCHOOL FOUNDATION

BALANCE SHEET

AT 31 AUGUST 2020

	Notes	£	2020	£	£	2019	£
FIXED ASSETS							
Investments	2			994,458			1,084,051
CURRENT ASSETS							
Debtors	4	107,948			1,011		
Cash at bank		116,700			56,770		
		<u>224,648</u>			<u>57,781</u>		
CREDITORS: amounts falling due within one year	5	<u>(29,204)</u>			<u>(33,192)</u>		
NET CURRENT ASSETS/(LIABILITIES)				<u>195,444</u>			<u>24,589</u>
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>£1,189,902</u>			<u>£1,108,640</u>
FUNDS							
Unrestricted fund	6			1,179,651			1,098,389
Restricted funds	6			10,251			10,251
				<u>£1,189,902</u>			<u>£1,108,640</u>

The financial statements were approved and authorised for issue by the Board of Trustees on 10 December 2020 and were signed below on its behalf by:


 Mr M Taylor
 Chairman

The accompanying notes form part of these financial statements.

BROMSGROVE SCHOOL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP 2015) (Second edition, effective 1 January 2019), Section 1A of FRS102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and the Companies Act 2006. The principal accounting policies adopted in the preparation of the financial statements are set out below:

Income

Investment income is accounted for on a receivable basis.

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

Expenditure

Expenditure is allocated to the particular activity where the cost relates directly to that activity.

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

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

Investments

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

Funds

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

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

2. FIXED ASSET INVESTMENTS

	Listed investments	Cash	Total
	£	£	£
Balance at 1 September 2019	1,001,205	82,846	1,084,051
Additions	62,993	(62,993)	-
Disposals at opening market value	(50,844)	38,985	(11,859)
Management fees paid	-	(6,122)	(6,122)
Unrealised gains	(71,612)	-	(71,612)
Balance at 31 August 2020	<u>£941,742</u>	<u>£52,716</u>	<u>£994,458</u>

BROMSGROVE SCHOOL FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 AUGUST 2020

3. TRUSTEES' REMUNERATION

No trustee received any remuneration or reimbursement of expenses.

4.	DEBTORS			2020 £	2019 £	
	Other debtors			£107,948	£1,011	
5.	CREDITORS: Amounts falling due within one year			2020 £	2019 £	
	Amounts payable to Bromsgrove School			£29,204	£33,192	
6.	FUNDS	31 August 2019 £	Income £	Expenditure £	Investment Losses £	31 August 2020 £
	General fund	1,098,389	217,790	(53,057)	(83,471)	1,179,651
	Restricted funds:					
	John Nicholls Fund	5,251	-	-	-	5,251
	Roger Brazier Fund	5,000	-	-	-	5,000
		£1,108,640	£217,790	£ (53,057)	£ (83,471)	£1,189,902

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

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

7. ANALYSIS OF FUNDS	Unrestricted Fund £	Restricted Funds £	Total £
2020			
Investments	994,458	-	994,458
Net current Assets	185,193	10,251	195,444
	<u>£1,179,651</u>	<u>£10,251</u>	<u>£1,189,902</u>
2019	£	£	£
Investments	1,084,051	-	1,084,051
Net current Assets	14,338	10,251	24,589
	<u>£1,098,389</u>	<u>£10,251</u>	<u>£1,108,640</u>

8. ULTIMATE PARENT UNDERTAKING

Bromsgrove School Limited is the sole member of Bromsgrove School Foundation and is the ultimate parent company. The Foundation made awards of £46,935 (2019: £56,767) to Bromsgrove School Limited towards the funding of bursaries. There were no other related party transactions.