

THE EDWARD JAMES FOUNDATION LIMITED

England & Wales · Charity number 1126084

Details

Status	Registered
Legal form	Charitable company
Company number	06689362
Registered	2008-09-26
Register	View on the Charity Commission register

Contact

Address	West Dean College West Dean Chichester Chichester West Sussex PO18 0QZ
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Website	www.westdean.org.uk

Activities

Objects: TO ADVANCE SUCH CHARITABLE EDUCATION PURPOSES AS THE TRUSTEES IN THEIR ABSOLUTE DISCRETION THINK FIT IN PARTICULAR (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.

Activities: The Foundation delivers education through West Dean College and, as a secondary activity, maintains and preserves the West Dean Estate.

Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Buildings/facilities/open Space
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** UNDEFINED. IN PRACTICE, LOCAL
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-09-30	£13,897,292	£18,331,588	£141,839,286	279
2023-09-30	£14,423,100	£17,569,333	£144,111,291	275
2022-09-30	£13,271,621	£16,214,690	£147,030,764	268
2021-09-30	£8,008,284	£10,260,172	£149,945,281	251
2020-09-30	£7,821,600	£10,503,633	£141,002,658	229

Trustees

Name	Role	Appointed
PROFESSOR PAUL O'PREY PHD	Chair	2015-06-25
Caroline Winifred Griffith		2014-04-25
Dr Ghazwa Alwani-Starr		2022-12-09
Francis Plowden		2014-12-16
Kevin Graham Edgeley		2023-12-07
MARTIN WILLIAM ASHLEY		2017-11-03
MICHAEL JOHN MCCART		2018-06-15
Naomi Davenport		2022-12-09
Ray Jon Shostak CBE		2024-04-01
Richard Ewbank		2025-08-11
Yen-Yen Teh		2023-12-07

Linked charities

- THE EDWARD JAMES FOUNDATION (1126084-1)

THE EDWARD JAMES FOUNDATION LIMITED

England & Wales - Charity number 1126084

Accounts



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

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 SEPTEMBER 2024

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 2024

The Edward James Foundation has made progress in implementing our 2030 Vision this year, whilst continuing to adapt to ongoing economic challenges. We have achieved key milestones and continued to evolve our strategic approach to ensure our long-term sustainability and growth.

April 2024 saw the formal opening of our new campus in Malet Street, London, a landmark event in the history of West Dean College. Dilke House offers our students a high-quality learning environment at the heart of Europe's most dynamic and prestigious student quarter. Thanks to the skill and dedication of our Estate and Education teams, the rented premises in the Design Centre were vacated, and the new Malet Street campus opened, as scheduled, despite a tight and complex timetable. We welcomed our first short course students over the summer and in September they were joined by higher education students from the School of Design.

West Dean's new presence in the capital represents a significant step for the College. This central location enhances our visibility and offers tremendous potential for expanding our educational reach. While it is still early days, we anticipate that West Dean London will contribute to our desired growth in student numbers and further strengthen and broaden our reputation as a provider of high-quality education in arts, crafts, conservation and design.

The College enjoyed another successful year in terms of the student experience, and it has been heartening to see higher education enrolments sustained at a time when many institutions have experienced shortfalls in recruitment. Registrations for short courses have also shown robust performance, returning to healthy levels that reflect the ongoing demand for our diverse educational offerings.

The Tapestry Studio gained a prestigious commission from Sadlers Wells East for two large-scale tapestries by West Dean Fellow Eva Rothschild. An earlier commission, 'John Barry, O Kelly, Sonny and Richard Moore', a celebration of the 'everyday heroes' who kept essential services going during the pandemic, designed by Michael Armitage, was viewed by over a million people in the first six months after it was prominently displayed in the newly reopened National Portrait Gallery in the summer of 2023.

The Foundation has now set itself firmly on the path towards environmental sustainability. This was the first year of a ten-year programme to increase native woodland on the Estate and saw us plant 22,500 trees. The programme is funded by the Forestry Commission under the England Woodland Creation Offer. We continue to work with our tenant farmers to adopt a more regenerative agricultural model. This, together with advances in our horticultural, forestry and other activities, means that our ambitious plans to become climate neutral, improve biodiversity, and adapt to climate change, remain on target. As an educational and creative organisation with a large rural estate in a National Park we have the opportunity to play an exceptional role in developing innovative approaches to nature restoration and community engagement with the natural environment. For example, we are expanding the range and scale of home-grown produce for public sale and for consumption in our College and Garden restaurants, reducing food miles and creating a more circular local economy.

The Foundation has faced financial challenges in recent years, influenced by a combination of factors including broader economic trends such as the sustained high rates of inflation. As we continue to navigate these challenges, we have had to adjust to multiple pressures. The cost of living challenge has impacted short course enrolments, while changes to both the National Living Wage and Employer National Insurance rates have necessitated further adaptations. The harmonisation of accounting practices between the Foundation and KLC School of Design exposed differences in fee income recognition practice. This led to a significant negative post-acquisition adjustment. Despite these challenges, we remain focused on our mission and are actively implementing strategies

Chair's introduction (continued)
For the year ended 30 September 2024

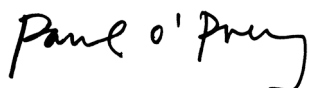
to strengthen our financial position. We are not yet out of the woods, but we are making progress and are confident in our ability to overcome these challenges.

The Foundation is managing its cashflow during this period of turbulence by drawing on reserves. Until 2021 these cash reserves were invested primarily for income. With the support of our investment advisers, Mercers, we have gradually migrated to a more diversified and lower risk model of investment which balances growth and income, and which adopts a socially responsible approach that excludes, for example, holding investments in fossil fuel and environmentally damaging industries.

During the year our Chief Executive Alex Barron announced his resignation after almost twenty years with the Foundation, first as Finance Director then as Chief Executive. Trustees are extremely grateful to him for his immense contribution during this time and wish him well in his future initiatives. The Deputy Chief Executive and Principal Francine Norris also announced her intention to stand down with effect from April 2025. Again, the Trustees are grateful to Francine, especially for the leading role she has played in the development of the College's educational offering.

The Foundation conducted a wide-ranging search for Alex Barron's replacement and Professor Anna Gough-Yates took over as Chief Executive at the start of 2025. Anna will develop a comprehensive Deficit Reduction Plan aimed at bringing us to a break-even position within the period of the Strategic Plan, through a review of operational costs and a focus on new revenue streams.

As always, Trustees are acutely aware of the contribution made by all staff. Their professionalism and commitment constitute our greatest strength, and we are pleased to thank them for everything they do to make West Dean such a success.



Professor Paul O'Prey CBE

Chair of Trustees

27 February 2025

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

Trustees' report
For the year ended 30 September 2024

The Trustees present their Annual report and audited accounts for the year ended 30 September 2024 which have been prepared in accordance with the accounting policies set out in note I 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 (the College). The College comprises three Schools: Arts, Conservation and Design, the latter resulting from the acquisition of KLC School of Design (KLC) in July 2021. 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 schools of arts, conservation and design offer a uniquely broad range of world-leading courses. At the heart of all we do is our belief that 'making' makes our lives better. We celebrate the intrinsic value of work that has been hand-made by artists and artisans, and challenge the assumption that mass-produced must be the only way because, across the world, the maker movement is growing.

From online courses to postgraduate degrees, our student cohorts reflect the interests, backgrounds and aspirations of a global community. Guided by experts, who are often leaders in their field, our students are encouraged to develop their practice and reach their true potential.

Our London and Sussex campuses connect our students to the city and countryside, providing inspiring study environments and state-of-the-art studios across all our disciplines, helping to forge collaborations and discover their creative voice.

Our Founder

The original 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.

Trustees' report (continued)
For the year ended 30 September 2024

STRATEGIC REPORT: OUR ACHIEVEMENTS AND PERFORMANCE

This year has been full of significant achievements. We've continued to see strong demand for our higher education courses, alongside completing the post Covid-19 recovery of our short courses which experienced significant disruption during that unprecedented period. We've also opened West Dean: London, our new premises in the heart of Bloomsbury, and started creating new woodland as part of our landscape-scale sustainability plan. These successes have been made possible by our pre-pandemic asset strength, which has allowed us to absorb several years of financial deficits. Our new Chief Executive is preparing a Deficit Reduction Plan to return us to surplus over a two to three year period.

Our achievements and performance are described in more detail below across the following core activities:

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

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 2023/24	
<i>Our aims for 2023/24 included:</i>	<i>The key achievements in 2023/24 included:</i>
We will continue to grow student numbers in accordance with the targets set out in the strategic plan through portfolio development and effective recruitment to existing programmes. This will include particularly emphasis on the short course programme based at our Sussex campus and higher education programmes across all three schools.	Most student number targets were met or exceeded, except where planned: • Higher Education numbers held firm at the Sussex campus and in most areas at the London campus, the exception being due to the suspension of a part-time interior design course as part of the London premises move; • Short Course numbers at the Sussex campus successfully recovered to pre-pandemic levels during Summer 2024; • Short Courses commenced at the new London campus (see next aim in this table); • Online Certificate in Residential Interior Design numbers were down significantly while the programme was temporarily suspended, the course refreshed and then relaunched.
We will successfully launch West Dean: London as a	We launched West Dean: London in April 2024 with

Trustees' report (continued)
For the year ended 30 September 2024

new hub for arts, craft, conservation and design in Bloomsbury.	a 'Trailblazer' programme of Short Courses from across all three schools. A decant of all School of Design activity from Chelsea Harbour to Bloomsbury was then undertaken as planned during Summer 2024, in readiness for the 2024/25 academic year.
We will invest in our new West Dean: London campus to achieve an enhanced teaching and learning experience for our students.	Following the lease being signed in October 2023, we prepared the new campus for students. Initial investment was primarily directed towards IT and audio-visual equipment, furniture, and the creation of café, common room and library spaces.
We will implement the actions set out in our EDI action plan and monitor the success of these through our committee structure.	We have included EDI as a standing agenda item for key academic and management committees to ensure the regular reporting and monitoring of actions taken.

Our aims for 2024/25:

- We will continue to grow student numbers in accordance with the targets set out in the strategic plan through portfolio development and effective recruitment to existing programmes. During 24/25 we will focus on the successful relaunch of online certificate programmes and the extension of our higher education programme into ceramics and graphic design subject areas;
- We will successfully run the first full academic year at West Dean: London establishing a cross-School creative community for arts, craft, conservation and design built on our practice-based ethos;
- We will work with all our students to increase levels of engagement and ensure that a wide range of voices inform our programmes. We will extend our Student Association to the Bloomsbury campus in support of this;
- We will review our course costing model to ensure that our costs and fees remain appropriate in light of broader sector concerns around financial sustainability.

Trustees' report (continued)
For the year ended 30 September 2024

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. The archive also now contains documents related to the establishment and history of KLC School of Design.

Our aims, performance and achievements for 2023/24

<i>Our aims for 2023/24 included:</i>	<i>The key achievements in 2023/24 included:</i>
We will continue to develop our policy framework towards Museum Association accreditation.	We have continued to develop our collections management standards towards Museum Association accreditation and have developed criteria for acquisitions of external works and collections as well as for the collection of exemplary work that represents the educational mission of the College.
We will launch the online catalogue as part of the new branded website and complete the cataloguing of Edward James's literary papers.	We have continued the process of cataloguing and digitising material in order for inclusion in the online catalogue.
We will continue to offer a programme of public access through specialist tours and events aiming to broaden the diversity of audiences for these.	We ran a series of specialist tours to coincide with the centenary of the Surrealism movement. The series received national listings and places sold out.

Our aims for 2024/25:

- We will continue to develop our policy framework and practices towards Museum Association accreditation;
- We will continue the development of the online catalogue for the archive material held at the College;
- We will further develop our public access programme of general and specialist tours and events building on the success of last year's programme and aiming to achieve the access targets required for Museum Association accreditation.

Trustees' report (continued)
For the year ended 30 September 2024

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 2023/24

<i>Our aims for 2023/24 included:</i>	<i>The key achievements in 2023/24 included:</i>
We will focus on visitor engagement and interaction to further enjoyment and learning from visits.	We introduced a series of Garden Tours with Afternoon Tea, which have enabled a higher level of engagement. The series has proved extremely popular with visitors.
We will revitalise and refresh the areas around the pergola and north lawns, combating the effects of box blight and box moth caterpillar.	We have successfully achieved this aim, including the full redesign and replanting of the Sunken Garden.
We will increase to 90% or more the proportion of plants for resale which we grow or nurture in-house.	Although we didn't achieve the expected sales mix, the growing journey has begun. The nurturing of some plants has taken longer to get the necessary volume and having the early season flush of colour is a challenge with current facilities.

Our aims for 2024/25:

- We will grow more produce. Further focus will continue in broadening the growing breadth and volume within the gardens for both consumption in outlets and through retail opportunities. Planning is underway with the kitchen teams for this year's seasonal menus.
- We will undertake more visitor engagement. Additional engagement activities will commence building on last year's successes and also improving the horticultural courses at the Sussex campus with a greater emphasis on practical learning.
- We will revitalise the Pergola & Woodland Walk. A focus of the year will be the over stood woodland walk toward the northern boundary and an enlargement and full new planning scheme, with garden grown and nurtured plants, of the pergola herbaceous border.

Trustees' report (continued)
For the year ended 30 September 2024

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 2023/24	
<i>Our aims for 2023/24 included:</i>	<i>The key achievements in 2023/24 included:</i>
We will commence new woodland creation, planting more than 20,000 trees in the first six months.	We planted approximately 22,500 trees in Winter 2023/24. The planting was approved and funded by the Forestry Commission under the England Woodland Creation Offer.
We will continue working closely with our tenant farmers to agree approaches to implementing landscape-scale sustainability plans.	We are grateful to our tenant farmers for collaborative approach and their willingness to explore new ways of working. This has enabled us to make significant progress towards a landscape-scale sustainability plan.

Our aims for 2024/25

- We will improve produce sourcing and supply chains through partnership working with our farming tenants. Specifically, we will target improvements to the supply of beef, lamb and venison by reducing food miles and increasing produce quality through the links between farmer and chef.
- We will work to protect and conserve key Scheduled Ancient Monuments on the Estate with support from Natural England, then we will disseminate the history and conservation processes of these sites to the public.

Trustees' report (continued)
For the year ended 30 September 2024

OUR FUTURE PLANS

Our strategic plans are set out in 'Vision 2030'. Drafted during the lockdown periods of Covid-19 in 2020/21 and approved by the Board in July 2021, the plans reflect a level of ambition based on our increasing impact over recent years, the organisation's resilience during a period of global uncertainty, as well as the significant demand for our high-quality educational offer.

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 in-person 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.

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.

Detailed aims for 2024/25 are set out by activity earlier in this report, but these all fall into one of five priorities for the year:

- Grow student numbers;
- Successfully launch West Dean: London;
- Invest for long-term sustainability;
- Embed EDI action plans across West Dean;
- Commence delivery of the Deficit Reduction Plan.

SECTION 172 STATEMENT

The Trustees of The Edward James Foundation Limited, as is the case for all trustees of UK charitable companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A trustee of a charitable company must act in the way they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its stakeholders as a whole and, in doing so have regard (amongst other matters) to the:

- Likely consequences of any decisions in the long term;
- Interests of the charitable company's employees;
- Need to foster charitable company's business relationships with suppliers, customers and others;
- Impact of the charitable company's operations on the community and environment;
- Charitable company's reputation for high standards of business conduct; and
- Need to act fairly between members of the charitable company.

Trustees' report (continued)
For the year ended 30 September 2024

The following paragraphs summarise how the Trustees of The Edward James Foundation Limited fulfil their duties:

EMPLOYEES

We are highly dependent on our employees, and our extensive number of visiting tutors, to deliver our objectives and we are hugely grateful for their dedication and passion.

The organisation engages with its employees frequently and through various channels. This includes interactive quarterly staff meetings which are led by the Chief Executive, monthly emails providing latest news and developments, as well as staff-focused social events during the year.

We endeavour to pay all employees above the National Living Wage and offer them the opportunity to participate in pension schemes (to which we make a contribution of up to 7.5%, depending on the scheme). In addition, we provide various other benefits such as a cycle to work scheme and access to an Employee Assistance Programme.

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.

OUR APPROACH TO SUSTAINABILITY

Over the last few years, we've developed a 10-year roadmap action plan to deliver a sustainable future for the College's 6,500 acre estate, education and operations. Our Sustainability Policy (available in full on our website) is driving the plan which aligns with global best practice frameworks including the United Nation's Sustainable Development Goals.

West Dean's natural heritage setting has long been a place of inspiration to many. As custodians of that estate, we have a duty to ensure it can thrive long into the future. To maximise our unique sense of place, we are bringing together creativity, nature and wellbeing in a bold vision to become an exemplar of sustainability. We are committed to embedding sustainability permanently across all of our activities, including the estate, our education provision, our collection, our gardens and our community activities.

It is an easy fit with Edward James' original philosophy for West Dean, and we're confident that our sustainability action plan is not only the right and necessary thing to do, it will help inspire and support the participation of a diverse community throughout West Dean.

We started with a comprehensive Baseline Sustainability Review and extensive surveys to develop an evidence based process that includes biodiversity, our carbon footprint and many of the areas reflected in the United Nation's Sustainable Development Goals (UN's SDGs). We have subsequently finalised our action plan which is, at a minimum, self-financing.

Trustees' report (continued)
For the year ended 30 September 2024

Against a global backdrop of environmental and social challenges including climate change, biodiversity loss and inequality, our need to act has never been stronger. We are looking to lead the way in our sector, meeting annual emissions reductions, incorporating sustainability improvements across all areas of our work and breaking down barriers to enable equitable access.

Our sustainability action plan will deliver:

- 10-year roadmap action plan encompassing the 6,500 acre West Dean's Estate;
- Improved mixed land use to support a strong productive, farmed landscape that enhances natural capital, mitigates against climate change and is nature positive with Biodiversity Net Gain;
- Reforestation and the planting of 0.5 million new trees;
- 30% reduction in water use across College operations, estate management and gardens;
- Growing local crops and produce for our restaurants and shops;
- Zero waste to landfill by 2024;
- Certified Climate Neutral by 2030 as part of our long term commitment to achieving Net Zero Emissions by latest 2050;
- Leadership in embedding sustainability in arts, design, landscape and conservation education;
- An inclusive culture, curriculum, collection and campus to broaden access and widen participation;
- Alignment with the UN's SDGs - the blueprint foundations for sustainability best practice with seven most relevant to West Dean College.

STREAMLINED ENERGY AND CARBON REPORTING

In line with our Environmental, Social and Governance (ESG) Strategy & disclosures and compliance with governmental legislation like the Streamlined Energy and Carbon Reporting, we are publishing our Greenhouse Gas (GHG) Emissions data for 2023/24 and 2022/23:

	2023/24	2022/23	Change %
Energy Consumption used to calculate emissions (kWh)	900,034	985,475	(8.7)
Energy Consumption Breakdown:			
Gas or Oil	Kerosene, propane and gas	Kerosene and propane	
Electricity	West Sussex, Chelsea Harbour and Bloomsbury	West Sussex and Chelsea Harbour	
Transport Fuel	Diesel & petrol	Diesel & petrol	
Scope 1 emissions in metric tonnes CO₂e:			
Oil Consumption	106	97	9.3
Gas Consumption	5	0	100.0
Transport Fuel	44	38	15.8
Total Scope 1	155	135	14.8
Scope 2 emissions in metric tonnes CO₂e:			
Purchased Electricity – Location based	165	177	(6.8)
Purchased Electricity – Market based	0	24	(100.0)
Totals:			
Scope 1 and 2 metric tonnes CO₂e (Location)	320	312	2.6
Scope 1 and 2 metric tonnes CO₂e (Market)	155	159	(2.5)
Other:			
Biomass Boiler (wood chip feedstock) metric tonnes CO ₂ e	48	27	77.8

Trustees' report (continued)
For the year ended 30 September 2024

We have followed the 2024-25 HM Treasury Government Sustainability Reporting Guidance and the GHG Reporting Protocol – Corporate Standard. We have used 2024 DEFRA Emission Factors. We have included within our calculations our Scope 1 emissions oil consumption and our transport related emissions. Our Scope 2 consists of our purchased electricity. According to GHG emissions accounting best practice, the CO₂e produced from biologically sequestered carbon, e.g. from the combustion of biomass for heat generation is not included under Scope 1-3. It is reported separately as a biogenic (from a life form) emission. The biomass boiler fuelled by wood chip coppiced or felled timber from West Dean forests provides much of our heating and hot water is considered a renewable fuel.

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 2023/24.

In 2023/24 we received 0 (2022/23: 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 £369,918 (2022/23 £349,741). Of this total, £324,864 (2022/23 £301,295) was contributed from the West Dean Scholarship Fund and the balance of £45,054 (2022/23 £48,446) 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.

Trustees' report (continued)
For the year ended 30 September 2024

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 implementing our primary charitable objective, we offer educational courses and programmes that contribute greatly to public life, including through the protection of heritage craft skills, the promotion of sustainable design and making techniques and the enhancement of wellbeing. We provide significant financial subsidies across all our educational activities and we award 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.

In implementing our secondary charitable objective, we also provide public access to West Dean Estate, West Dean Gardens, West Dean House and West Dean College, and we operate West Dean Stores as an essential service to the local community. We have also recently launched an ambitious landscape-scale sustainability project, which will enable us to make a positive contribution to tackling climate change and increasing biodiversity.

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 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.

There are currently a number of moderate risks where the Trustees have agreed mitigation steps and these include cyber-security, delivery of strategic plans and regulatory compliance. The most significant risk and uncertainty we are managing at the time of this report is our annual operating deficit. We have intentionally used our pre-pandemic asset strength to absorb the impact of economic instability over recent years, as well to invest in the KLC School of Design and its relocation to Bloomsbury as part of the launch of 'West Dean: London'. However, the period of external instability has been longer and deeper than we anticipated and our new Chief Executive will develop a comprehensive Deficit Reduction Plan aimed at bringing us to a break-even position within the period of the Strategic Plan, through a review of operational costs and a focus on new revenue streams.

Trustees' report (continued)

For the year ended 30 September 2024

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Operating deficit

This year we recorded Net Expenditure (before investment and actuarial gains and losses) of £4.434m (2023: £3.146m), as summarised in Table I below.

Table I

	2024	2023
	Net	Net
	£'000	£'000
Net movement in funds (per Statement of Financial Activities)	(2,272)	(2,919)
<i>Add back:</i>		
Actuarial loss on defined benefit pension scheme	95	69
Net gain on investments	(2,257)	(296)
Net Expenditure (before investment and actuarial gains/losses)	(4,434)	(3,146)

This is our fifth consecutive deficit since the Covid-19 pandemic in 2019/20. Our pre-pandemic asset strength has afforded us the ability to sustain these deficits, so absorbing the worst of the macro-economic disruption while continuing to support our students, acquiring KLC School of Design (including in 2023/24 relocating the associated London premises to Bloomsbury) and evolving our business model for the future. However, nearly £0.8m of the worsening in 2023/24 related to two one-off accounting adjustments arising from the relocation of our London premises:

- 1) £0.145m of dilapidations expenditure relating to our previous London premises in Chelsea Harbour. We allowed for this one-off cost as part of our capital relocation budget, but accounting standards require this element to be written-off in the year rather than capitalised;
- 2) £0.635m of rent adjustment relating to our new premises in Bloomsbury. The initial period of occupation during 2023/24 was entirely rent-free and so no cash payment was made in the year, but accounting standards require us to spread evenly the total rent due over the lease term. Our 2023/24 results therefore exceptionally include two (rather than one) large London rentals, one to reflect the rent paid in respect of Chelsea Harbour and another to reflect the rent accrued in respect of Bloomsbury.

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Trustees' report (continued)
For the year ended 30 September 2024

In order to offer a more realistic comparison of operating performance, we include a further summary in Table 2 below to reconcile this year's result to the measure we use for management purposes, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA).

Table 2
Year ended 30 September:

	2024			2023
	Income £'000	Costs £'000	Net £'000	Net £'000
Financial investments	320	(168)	152	323
Trading (excluding memberships)	1,922	(2,038)	(116)	(373)
West Dean Estate	2,811	(1,805)	1,006	280
Fundraising (including memberships)	253	(181)	72	157
Insurance proceeds	115	-	115	183
Governance	-	(173)	(173)	(208)
Net operating income available for education	5,421	(4,365)	1,056	362
Education	8,476	(13,966)	(5,490)	(3,508)
Net Expenditure (before investment and actuarial gains/losses) – see Table 1	13,897	(18,331)	(4,434)	(3,146)
Add back:				
Loan interest			256	238
Depreciation			804	699
Amortisation			61	61
Pension scheme investment income			(124)	(139)
Chelsea Harbour dilapidations (one-off)			145	-
Rent adjustment (non-cash)			635	-
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)			(2,657)	(2,287)

Unlike the Net Expenditure for the Year, which is affected by the one-off accounting adjustments detailed above, the EBITDA result is closer to that achieved in 2022/23. Nevertheless, the EBITDA result for the year is disappointing because it masks the very positive progress made in several areas, notably returning School of Arts Short Course take-up to pre-pandemic levels and significantly improving net income from West Dean Estate. This progress was undermined by three one-off issues totalling approximately £1.5m, all relating to the School of Design fee income:

- 1) the temporary withdrawal and subsequent relaunch of the Online Certificate in Residential Interior Design, a popular course during the pandemic period which needed updating and moving to a new delivery platform (the relaunch of which has been very successful);
- 2) the temporary suspension of recruitment to some courses in order to avoid disruption to the student experience during the relocation from Chelsea Harbour to Bloomsbury;
- 3) the one-off harmonisation of our accounting approaches to fee income recognition, bringing the acquired former KLC programmes in line with the other College programmes.

Trustees' report (continued)
For the year ended 30 September 2024

Had it not been for these one-off factors, the 2023/24 EBITDA result would have been 50% lower than in 2022/23. We are firmly focused on returning to modest, sustainable annual surpluses and are on track for a reduction in the EBITDA deficit in 2024/25.

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

The investment gain during the year of £2.257m (2022/23: £0.296m) represents:

- An unrealised gain of £1.055m (2022/23: £0.221m) on the revaluation of investment properties (see note 16). The estimated value was based on advice from professional external valuers;
- An unrealised gain of £1.273m (2022/23: loss of £0.147m) on the revaluation of financial investments. This improvement reflects a period of welcome recovery in financial investment markets after some of the challenges of recent years;
- A realised loss of £0.033m (2022/23: £nil) on the disposal of property investment assets. This related to the sale of 3 cottages and a parcel of land during the year realising gross proceeds of £1.56m;
- There were no gains (2022/23: gain of £0.222m) on the disposal of financial investment assets. A decision was taken by the Trustees to realise £1.1m and £0.5m through disposals in January 2024 and July 2024 respectively as part of managing cash reserves. These investment assets were already held at market value on the Balance Sheet.

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. Mercer assists the Trustees as an independent investment adviser. 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.

Actuarial gains on The Edward James Foundation Final Salary Pension Scheme

The most recent actuarial valuation as at 30 September 2021 reported a surplus of £0.765m. The update for accounting purposes as at 30 September 2024 was a surplus of £2.408m (2022/23: £2.197m). However, the Trustees have decided to restrict the asset recognised in the financial statements to £nil (2023: £nil). See note 26 for further details.

Trustees' report (continued)
For the year ended 30 September 2024

Intangible fixed assets

There have been minor additions only in the last two financial years. More than 90% of the carrying value as at 30 September 2024 relates to the goodwill generated on the acquisition of KLC Limited on 31 July 2021.

Tangible fixed assets

The additions of £1.094m (2022/23: £0.907m) included £0.416m (2022/23: £0.023m) in respect of fitting-out our new premises in Bloomsbury and £0.240m (2022/23: £nil) in respect of new woodland creation on West Dean Estate. The new woodland qualified for 100% funding through the Government's England Woodland Creation Offer.

Property investment fixed assets

The additions of £0.206m (2022/23: £0.608m) related to the major refurbishment of residential houses on West Dean Estate.

Cash balances

As at 30 September 2024, we held cash balances totalling £0.710m (2023: £2.399m). The fall in cash levels during the year was driven by a combination of factors (the annual 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 and property investments. Alongside the targeted improvements in annual operating result, the Trustees also instructed in June 2024 the disinvestment of two financial investment holdings in property funds. Given the relatively illiquid nature of these holdings, the disinvestment process takes many months, but this has realised approximately £3.1m in cash in the first quarter of 2024/25. These proceeds will be held within money market funds, yielding broadly in line with the Bank of England base rate, and will be available to support operating cash requirements as needed.

Investments held for sale

As at 30 September 2024, we held for sale £8.232m (2022/23: £nil) of investments. This comprised:

- £5.117m (2022/23: £nil) of residential properties on West Dean Estate which were being actively marketed for sale. The proceeds of sale are intended to support the implementation of Vision 2030;
- £3.115m (2022/23: £nil) of financial investments which had been instructed for disinvestment. The proceeds will support the management of cash reserves during the delivery of the Deficit Reduction Plan.

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 investment property, financial investments, 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.

Trustees' report (continued)
For the year ended 30 September 2024

As explained earlier in this Financial Review, we have used some of our reserves to absorb the worst of the macro-economic disruption of the last five years while 'Net operating income available for Education' has been insufficient to meet the 'Net cost of Education'. 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 £8.6m as at 30 September 2024), of which at least 20% should be held in cash and the balance in financial investments readily convertible to cash. As at 30 September 2024, the Policy was met by the availability of a £1m overdraft facility while awaiting the proceeds of disinvestment of financial investment holdings explained above. The Trustees have also ensured sufficient investments have been reallocated from designated reserves to meet the Policy. In 2025/26 we will be updating Vision 2030. Alongside this, our new Chief Executive will be developing a comprehensive Deficit Reduction Plan which will aim to bring us back to a break-even position within the period of the Strategic Plan. The Trustees also have in place 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.

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 Group and Charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the reparation and dissemination of financial statements may differ from legislation in other jurisdictions.

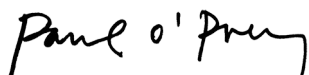
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Trustees' report (continued)
For the year ended 30 September 2024

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 Report) above and have authorised me to sign it on their behalf.



Professor Paul O'Prey CBE

Chair of Trustees

27 February 2025

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

Statement of corporate governance
For the year ended 30 September 2024

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 2024 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 has to date reviewed:
 - 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;
 - the compliance systems relating to residential property letting;
 - 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. Following the resignation of the volunteer who undertook the role of Clerk of the Board until December 2022, the position is vacant.
 - 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 remained in place until early 2023/24 to oversee implementation. Activity is now embedded throughout the academic, management and Board sub-committee structures.

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 2024

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 increased from nine to twelve Trustees during 2023/24, following three appointments and two retirements. There were ten Trustees as at the date of approval of the financial statements for the year ended 30 September 2024.

The Board of Trustees usually meets five times a year, unless there are exceptional circumstances such as in the years ended 30 September 2020 (Covid-19) and 2021 (acquisition of KLC Limited). During the year ended 30 September 2024 it met on five occasions (2023: five). Members of the Foundation's Executive Leadership Team attended all Board meetings during the year ended 30 September 2024.

Most Board and sub-committee meetings take place in-person or as a hybrid mix (i.e. in-person with some participants via video conference), although they have been held entirely via video conference in exceptional circumstances (e.g. during Covid-19). During the year ended 30 September 2024, all of the five Board meetings and thirteen of the fourteen sub-committee meetings took place in-person or as a hybrid mix.

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: At least three members of the Board, the Principal & Deputy Chief Executive and the President of the Student Association.

Meeting frequency: Scheduled to meet at least three times per year. During the year ended 30 September 2024 it met three times (2023: 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, its IT risks 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.

Statement of corporate governance (continued)
For the year ended 30 September 2024

Composition: At least three members of the Board (there were temporarily two during 2022/23 following a retirement in May 2022), the Chief Executive and the Director of Finance & Business Systems (this post has been vacant since January 2024 and is being covered by an Interim Head of Finance at the date of approval of the accounts for the year ended 30 September 2024).

Meeting frequency: Scheduled to meet at least three times per year. During the year ended 30 September 2024 it met six times (2023: six).

- **The Estate Committee**

Purpose: To keep under review strategically the management of West Dean Estate, including the West Dean College Campus, and to make any necessary recommendations to the Board arising from that review. The management of the Estate and Campus includes property repairs, land/property sales and purchases, construction of property, and letting/renting of land/property.

Composition: At least four members of the Board, the Chief Executive, the Director of Estates and the Director of Finance & Business Systems (this post has been vacant since January 2024 and is being covered by an Interim Head of Finance at the date of approval of the accounts for the year ended 30 September 2024).

Meeting frequency: Scheduled to meet at least two times per year. During the year ended 30 September 2024 it met three times (2023: three).

- **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;
- the Foundation's geographical location.

Composition: At least three members of the Board. The Remuneration Committee is chaired by a Trustee who is not the Chair of the main Board of Trustees. It has adopted the Committee of University Chairs' Remuneration Code. The Chief Executive is not a member of the Remuneration Committee.

Meeting frequency: The Remuneration Committee meets at least once per year. During the year ended 30 September 2024 it met once (2023: twice).

- **The Nominations & Governance Committee**

Purpose: The Committee considers and makes recommendations to the Board on matters relating to governance and appointments to the Board and its sub-committees.

Statement of corporate governance (continued)
For the year ended 30 September 2024

Composition: At least 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 2024, it met once (2023: twice).

- Urgent Situations Committee

Purpose: The Urgent Situations Committee (USC) meets only in exceptional circumstances. It 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 during COVID-19. 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: At least four members of the Board and all members of the Executive Leadership Team.

Meeting frequency: No meetings of the Committee have been deemed necessary since the year ended 30 September 2020.

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 has taken action to address this. During the year ended 30 September 2024, the Board:

- Appointed three new trustees, following an external recruitment process;
- Granted two exceptional third terms;

Since the year ended 30 September 2024, there have been no changes in Trustees.

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. Following the resignation of Alexander Barron during 2023/24, to take effect on 12 January 2025, an external recruitment process was undertaken. Professor Anna Gough-Yates has been appointed and started in post on 13 January 2025.

Statement of internal control
For the year ended 30 September 2024

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 2024 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.

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.

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.

Statement of internal control (continued)
For the year ended 30 September 2024

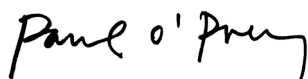
External audit

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. Work during 2023/24 related to reviewing the approach taken to the preparation of the OfS Annual Financial Return.

This Statement of Internal Control was approved by the Trustees and the Chief Executive on 27 February 2025.



Professor Paul O'Prey CBE
Chair of Trustees



Professor Anna Gough-Yates
Chief Executive

Independent auditor's report to the members of The Edward James Foundation Limited
For the year ended 30 September 2024

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 2024 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 2024 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

Independent auditor's report to the members of The Edward James Foundation Limited (continued)
For the year ended 30 September 2024

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' 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.

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

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes during the year ended 30 September 2024 have been properly applied to those purposes and managed in accordance with relevant legislation; and
- the requirements of the OfS's Accounts direction have been met.

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, the Charities Act 2011 or the Office for Students Accounts direction require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate 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
- grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 20, 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.

Independent auditor's report to the members of The Edward James Foundation Limited (continued)
For the year ended 30 September 2024

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.

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.

Independent auditor's report to the members of The Edward James Foundation Limited (continued)
For the year ended 30 September 2024

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.

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.

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 (continued)
For the year ended 30 September 2024

Moore Kingston Smith LLP

Date 3 March 2025

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

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 2024

		Unrestricted Fund	Restricted Fund	Total 2024	Total 2023
	Notes	£	£	£	£
Income from					
Donations and legacies	3	3,593	249,650	253,243	220,692
Income from charitable activities	4	8,476,222	-	8,476,222	9,610,259
Income from trading activities	5	1,921,846	-	1,921,846	1,701,626
Investment income					
- Properties	6	2,492,181	319,099	2,811,280	2,344,228
- Financial investments	6	310,215	9,831	320,046	362,887
Other income	7	114,655	-	114,655	183,408
Total income		13,318,712	578,580	13,897,292	14,423,100
Expenditure on					
Raising funds					
- Fundraising cost		181,415	-	181,415	64,479
- Trading costs		2,037,164	-	2,037,164	2,075,131
- Property investment management		1,804,877	-	1,804,877	2,063,592
- Financial investment management		168,359	-	168,359	40,287
Charitable activities	8	13,946,902	192,871	14,139,773	13,325,844
Total resources expended		18,138,717	192,871	18,331,588	17,569,333
Net gain on investments	13	2,137,353	119,938	2,257,291	295,760
Net incoming resources before transfers		(2,682,652)	505,647	(2,177,005)	(2,850,473)
Transfers between funds	27,28	319,099	(319,099)	-	-
Net income for the year		(2,363,553)	186,548	(2,177,005)	(2,850,473)
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	26	(95,000)	-	(95,000)	(69,000)
Net movement in funds		(2,458,553)	186,548	(2,272,005)	(2,919,473)
Fund balances at					
1 October		142,163,625	1,947,666	144,111,291	147,030,764
Fund balances at					
30 September		139,705,072	2,134,214	141,839,286	144,111,291

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 36 to 70 form an integral part of the financial statements,

The Edward James Foundation Limited
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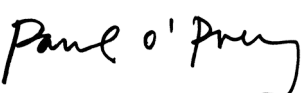
Consolidated and Charity Balance Sheets
For the year ended 30 September 2024

	Notes	Group 2024 £	Group 2023 £	Charity 2024 £	Charity 2023 £
Fixed assets					
Intangible assets	14	453,609	486,541	453,609	486,541
Tangible assets	15	34,744,745	34,463,242	34,723,665	34,442,533
Property investments	16	99,000,122	104,449,246	99,000,122	104,449,246
Financial investments	17	9,234,905	12,715,009	9,235,828	12,715,932
		<u>143,433,381</u>	<u>152,114,038</u>	<u>143,413,224</u>	<u>152,094,252</u>
Current assets					
Stocks	19	77,557	67,308	20,336	20,877
Investments held for sale	20	8,232,753	-	8,232,753	-
Debtors	21	2,131,369	2,805,197	2,153,488	2,832,156
Cash at bank and in hand		710,090	2,398,893	628,630	2,337,495
		<u>11,151,769</u>	<u>5,271,398</u>	<u>11,035,207</u>	<u>5,190,528</u>
Creditors: amounts falling due within one year	22	(5,761,622)	(6,008,530)	(5,648,450)	(5,931,421)
Net current assets		<u>5,390,147</u>	<u>(737,132)</u>	<u>5,386,757</u>	<u>(740,893)</u>
Total assets less current liabilities		<u>148,823,528</u>	<u>151,376,906</u>	<u>148,799,981</u>	<u>151,353,359</u>
Creditors: amounts falling due after more than one year	23	(6,984,242)	(7,265,615)	(6,984,242)	(7,265,615)
Net assets		<u>141,839,286</u>	<u>144,111,291</u>	<u>141,815,739</u>	<u>144,087,744</u>
Income funds					
Restricted funds	27	2,134,214	1,947,666	2,134,214	1,947,666
Unrestricted funds					
Designated funds	28	131,105,072	133,378,625	131,105,070	133,378,623
General unrestricted funds	28	8,600,000	8,785,000	8,576,455	8,761,455
		<u>139,705,072</u>	<u>142,163,625</u>	<u>139,681,525</u>	<u>142,140,078</u>
		<u>141,839,286</u>	<u>144,111,291</u>	<u>141,815,739</u>	<u>144,087,744</u>

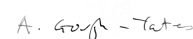
The total income of the Charity as an individual entity for the year was £12,311,946 (2023: £13,011,839) and its net deficit was £2,634,804 (2023: £3,217,083 deficit). A Statement of financial activities for the Charity as an individual entity is not included using the exemption given in section 408 of the Companies Act 2006.

The notes on pages 36 to 70 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 27 February 2025.



Professor Paul O'Prey CBE
Chair of Trustees



Professor Anna Gough-Yates
Chief Executive

The Edward James Foundation Limited
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Consolidated statement of cashflows
For the year ended 30 September 2024

	Notes	2024		2023	
		£	£	£	£
Cash used in operations	33		(3,259,373)		(4,194,133)
Investing activities					
Purchase of tangible fixed assets		(1,093,792)		(907,365)	
Purchase of intangible fixed assets		(28,296)		(5,130)	
Proceeds from disposal of tangible fixed assets		11,000		-	
Purchase of investment property		(206,234)		(607,732)	
Proceeds from disposal of financial investments		1,600,000		3,000,000	
Proceeds from disposal of property investments		1,560,000		-	
Net cash (outflow)/inflow from investing activities			1,842,678		1,479,773
Financing activities					
Repayment of borrowings		(272,108)		(311,586)	
Net cash (used)/generated from investing activities			(272,108)		(311,586)
Net (decrease)/increase in cash equivalents			(1,688,803)		(3,025,946)
Cash and cash equivalents at beginning of year			2,398,893		5,424,839
Cash and cash equivalents at end of year			710,090		2,398,893

The notes on pages 36 to 70 form an integral part of the financial statements.

Notes to the Financial statements
For the year ended 30 September 2024

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 Trustees have intentionally used reserves to absorb the worst impact of the macro-economic disruption experienced in recent years. Our new Chief Executive is preparing a Deficit Reduction Plan to return us to surplus over a two to three year period. 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 2024

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 advance 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

Notes to the Financial statements (continued)
For the year ended 30 September 2024

I. Accounting policies (continued)

I.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.

I.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.

I.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 2024

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. Having adopted a total return investment approach in recent years, the Trustees have decided to drawdown a minimum of 3% of financial investment value each year in lieu of income distributions.

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 2024

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.

Notes to the Financial statements (continued)
For the year ended 30 September 2024

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.

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.

Notes to the Financial statements (continued)
For the year ended 30 September 2024

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 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.

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

3. Donations, legacies and grants

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
	£	£	£	£
Donations and gifts	3,593	249,650	253,243	220,692
Government grants	-	-	-	-
	<u>3,593</u>	<u>249,650</u>	<u>253,243</u>	<u>220,692</u>

	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£
Donations and gifts	2,147	218,545	220,692
Government grants	-	-	-
	<u>2,147</u>	<u>218,545</u>	<u>220,692</u>

4. Income from charitable activities

	School of Arts	School of Conservation	KLC School of Design	Total 2024	Total 2023
	£	£	£	£	£
Fees receivable	<u>4,297,123</u>	<u>1,482,485</u>	<u>2,696,614</u>	<u>8,476,222</u>	<u>9,610,259</u>

	School of Arts	School of Conservation	KLC School of Design	Total 2023
	£	£	£	£
Fees receivable	<u>4,060,752</u>	<u>1,524,304</u>	<u>4,025,203</u>	<u>9,610,259</u>

5. Income from trading activities

	2024	2023
	£	£
West Dean Gardens (The Edward James Foundation Limited)	338,143	290,366
West Dean Gardens (West Dean Limited)	855,851	699,872
Conferences (West Dean Limited)	453,255	421,657
West Dean Stores (West Dean Limited)	<u>274,597</u>	<u>289,731</u>
Income from trading activities	<u>1,921,846</u>	<u>1,701,626</u>

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

6. Investment income

Investment Income

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
	£	£	£	£

Properties

West Dean Estate income	2,492,181	319,099	2,811,280	2,344,228

Financial investments

Income from financial investments	170,595	9,831	180,426	191,064
Interest receivable	15,620	-	15,620	32,823
Net interest on defined benefit pension scheme	124,000	-	124,000	139,000
	<u>310,215</u>	<u>9,831</u>	<u>320,046</u>	<u>362,887</u>

	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£

Properties

West Dean Estate income	2,344,228	-	2,344,228

Financial investments

Income from financial investments	180,023	11,041	191,064
Interest receivable	32,823	-	32,823
Net interest on defined benefit pension scheme	139,000	-	139,000
	<u>351,846</u>	<u>11,041</u>	<u>362,887</u>

West Dean Estate income included £1,951,248 (2023: £1,884,413) in respect of rental income from land and buildings.

7. Other Income

	2024	2023
	£	£
Proceeds from Insurance claim	<u>114,655</u>	<u>183,408</u>

During the year ended 30 September 2024, the Group received a further £70,000 (2023: £80,000) from a claim on its Property and Business Interruption Commercial Insurance policy, following a fire in a sub-tenanted building at one of its tenanted farms, in 2021. The claim remains in progress.

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

8. Charitable activities

	School of Arts	School of Conservation	KLC School of Design	Total 2024	Total 2023
	£	£	£	£	£
Staff & staff related costs	2,136,415	1,400,397	1,510,282	5,047,094	4,973,109
Visiting tutors & lecturers	623,829	91,473	164,104	879,406	879,167
Material & other course costs	361,254	186,504	121,191	668,949	646,722
Catering provisions	311,011	118,198	20,248	449,457	375,872
Premises costs	362,407	240,389	882,252	1,485,048	1,496,802
Dilke House non-cash rent	95,258	31,753	508,044	635,055	-
Dilapidation cost-Chelsea Harbour	-	-	145,287	145,287	-
Insurance	102,077	102,077	102,077	306,231	272,319
Irrecoverable VAT	285,778	91,007	50,358	427,143	513,085
Depreciation	249,282	160,223	180,625	590,130	530,585
Other charitable expenditure	161,246	109,499	101,448	372,193	472,756
	<u>4,688,557</u>	<u>2,531,520</u>	<u>3,785,916</u>	<u>11,005,993</u>	<u>10,160,417</u>
Grant Funding of activities (note 9)	152,025	217,893	-	369,918	349,741
Share of support costs (note 10)	<u>1,118,784</u>	<u>803,319</u>	<u>841,759</u>	<u>2,763,862</u>	<u>2,815,686</u>
	<u>5,959,366</u>	<u>3,552,732</u>	<u>4,627,675</u>	<u>14,139,773</u>	<u>13,325,844</u>
Analysis by fund					
Unrestricted funds	5,868,816	3,450,411	4,627,675	13,946,902	13,164,267
Restricted funds	<u>90,550</u>	<u>102,321</u>	<u>-</u>	<u>192,871</u>	<u>161,577</u>
	<u>5,959,366</u>	<u>3,552,732</u>	<u>4,627,675</u>	<u>14,139,773</u>	<u>13,325,844</u>

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

8. Charitable activities (continued)

Analysis of expenditure in year ended 30 September 2023:

	School of Arts £	School of Conservation £	KLC School of Design £	Total 2023 £
Staff & staff related costs	1,959,525	1,334,581	1,679,003	4,973,109
Visiting tutors & lecturers	580,459	75,408	223,300	879,167
Material & other course costs	365,961	175,397	105,364	646,722
Catering provisions	271,359	103,169	1,344	375,872
Premises costs	351,433	229,994	915,375	1,496,802
Insurance	90,773	90,773	90,773	272,319
Irrecoverable VAT	309,624	101,313	102,148	513,085
Depreciation	229,406	140,322	160,857	530,585
Other charitable expenditure	203,030	148,642	121,084	472,756
	<u>4,361,570</u>	<u>2,399,599</u>	<u>3,399,248</u>	<u>10,160,417</u>
Grant Funding of activities (note 9)	152,458	197,283	-	349,741
Share of support costs (note 10)	<u>1,034,162</u>	<u>796,769</u>	<u>984,755</u>	<u>2,815,686</u>
	<u>5,548,190</u>	<u>3,393,651</u>	<u>4,384,003</u>	<u>13,325,844</u>
Analysis by fund				
Unrestricted funds	5,470,900	3,309,364	4,384,003	13,164,267
Restricted funds	<u>77,290</u>	<u>84,287</u>	<u>-</u>	<u>161,577</u>
	<u>5,548,190</u>	<u>3,393,651</u>	<u>4,384,003</u>	<u>13,325,844</u>

9. Grants payable

	School of Arts £	School of Conservation £	KLC School of Design £	Total 2024 £	Total 2023 £
Grants to individuals	<u>152,025</u>	<u>217,893</u>	<u>-</u>	<u>369,918</u>	<u>349,741</u>

	School of Arts £	School of Conservation £	KLC School of Design £	Total 2023 £
Grants to individuals	<u>152,458</u>	<u>197,283</u>	<u>-</u>	<u>349,741</u>

Grants to individuals include bursaries and scholarships of £45,054 (2023: £48,446) funded internally by the Foundation, together with bursaries and scholarships of £324,864 (2023: £301,295) paid from the West Dean Scholarship Fund.

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

10. Support costs

	Support costs	Governance costs	Total 2024	Support costs	Governance costs	Total 2023	Basis of allocation
	£	£	£	£	£	£	
Staff costs	1,670,089	41,777	1,711,866	1,725,108	112,767	1,837,875	Staff time and student/delegate days
Depreciation	147,533	-	147,533	117,280	-	117,280	Staff time and student/delegate days
Marketing costs	281,025	-	281,025	314,304	-	314,304	Staff time and student/delegate days
Other costs	492,151	29,000	521,151	450,757	-	450,757	Staff time and student/delegate days
Audit fees	-	73,996	73,996	-	28,559	28,559	Governance
Accountancy	-	-	-	-	5,940	5,940	Governance
Legal and professional	-	18,763	18,763	-	54,353	54,353	Governance
Trustee related expenses	-	9,529	9,529	-	6,618	6,618	Governance
	<u>2,590,798</u>	<u>173,065</u>	<u>2,763,863</u>	<u>2,607,449</u>	<u>208,237</u>	<u>2,815,686</u>	

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 £9,529 relating to travel and subsistence were either reimbursed to, or paid directly on behalf of six Trustees (2023: £6,618 to eight Trustees).

During the year, £3,590 (2023: £3,590) 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.

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

12. Employees

Staff Costs during the year were:

	2024	2023
	£	£
Wages and salaries	6,997,632	6,866,566
Social security costs	591,590	582,352
Other pension costs	307,506	297,529
	7,896,728	7,746,447

Staff costs include compensation for loss of office paid to 4 people totalling £44,816 (2023: 3 people totalling £56,420)

Average number of employees

The average monthly number of employees during the year was:

	2024	2023
	Number	Number
Direct education staff	77	79
Other staff	202	196
	279	275

Higher paid employees

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

	2024	2023
	Number	Number
£160,000- £169,999	1	1
£150,000- £159,999	0	0
£120,000- £129,999	1	1
£110,000- £119,999	0	0
£100,000- £109,999	1	1
£90,000- £99,999	0	0
£80,000- £89,999	0	1
£70,000- £79,999	2	2
£60,000- £69,999	4	6
	9	12

Notes to the Financial statements (continued)
For the year ended 30 September 2024

12. Employees (continued)

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

	2024	2023
	Number	Number
£150,000- £154,999	1	1
£140,000- £159,999	0	0
£125,000- £129,999	1	1
£115,000- £119,999	0	0
	2	2

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.

The employment costs of those considered to be key management personnel are:

	2024	2023
	£	£
Wages and salaries	450,896	461,833
Benefits	9,279	9,721
Social security costs	50,977	54,939
Other pension costs	28,574	31,176
	539,726	557,669

The remuneration costs of key management personnel include compensation for loss of office paid to 1 person totalling £20,000 (2023: £nil)

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:

	2024	2023
	£	£
Basic Salary	144,531	143,097
Employer's pension contribution	11,718	11,602
Salary sacrifice arrangements	11,718	11,602
Company car	5,591	6,533
	173,558	172,834

The Chief Executive's basic salary is 7.12 (2023: 6.30) times the median total remuneration of other employees, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the Foundation to its employees.

The Chief Executive's total remuneration is 7.15 (2023: 6.83) 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 2024

13. Net gains / (losses) on investments

	Unrestricted Funds	Restricted Funds	Total 2024	Total 2023
	£	£	£	£
Financial Investments:				
Revaluation gain/(deficit)- Mercer	1,262,400	119,938	1,382,338	659,190
Revaluation gain/(deficit)- Mayfair Pitch	(128,113)	-	(128,113)	(619,653)
Revaluation gain/(deficit) CCLA COIF				
Property Fund	(18,846)	-	(18,846)	(186,915)
Gain/(Loss) on sale of financial investments	-	-	-	221,999
Property investments				
Gain on revaluation of investment properties (see note 16)	1,055,395	-	1,055,395	221,139
Gain /(Loss) on sale of Investment Property	(33,483)	-	(33,483)	-
	<u>2,137,353</u>	<u>119,938</u>	<u>2,257,291</u>	<u>295,760</u>
	Unrestricted Funds	Restricted Funds	Total 2023	
	£	£	£	
Financial Investments:				
Revaluation	(174,928)	27,550	(147,378)	
Gain on sale	221,999	-	221,999	
Property investments				
Gain on revaluation of investment properties (see note 16)	221,139	-	221,139	
	<u>268,210</u>	<u>27,550</u>	<u>295,760</u>	

14. Intangible fixed assets
Group and Charity

	Product design rights	Software	Goodwill - KLC School of Design	Total
	£	£	£	£
Cost				
At 1 October 2023	10,000	12,599	607,118	629,717
Additions	-	28,296	-	28,296
At 30 September 2024	<u>10,000</u>	<u>40,895</u>	<u>607,118</u>	<u>658,013</u>
Amortisation and impairment				
At 1 October 2023	10,000	-	133,176	143,176
Amortisation charge	-	2,021	59,207	61,228
At 30 September 2024	<u>10,000</u>	<u>2,021</u>	<u>192,383</u>	<u>204,404</u>
Carrying Amount				
At 30 September 2024	<u>-</u>	<u>38,874</u>	<u>414,735</u>	<u>453,609</u>
At 30 September 2023	<u>-</u>	<u>12,599</u>	<u>473,942</u>	<u>486,541</u>

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

15. Tangible fixed assets

Group	Freehold land and buildings	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Chattels	Total
	£	£	£	£	£	£
Cost						
At 1 October 2023	21,285,800	6,423,618	1,957,518	137,184	12,384,757	42,188,877
Additions	547,561	439,218	91,180	15,833	-	1,093,792
Disposals	-	-	-	(18,500)	-	(18,500)
At 30 September 2024	<u>21,833,361</u>	<u>6,862,836</u>	<u>2,048,698</u>	<u>134,517</u>	<u>12,384,757</u>	<u>43,264,169</u>
Depreciation and impairment						
At 1 October 2023	2,281,321	3,617,645	1,702,064	124,605	-	7,725,635
Charge for the year	334,741	363,576	98,227	7,728	-	804,272
On disposals	-	-	-	(10,483)	-	(10,483)
At 30 September 2024	<u>2,616,062</u>	<u>3,981,221</u>	<u>1,800,291</u>	<u>121,850</u>	<u>-</u>	<u>8,519,424</u>
Carrying Amount						
At 30 September 2024	<u>19,217,299</u>	<u>2,881,615</u>	<u>248,407</u>	<u>12,667</u>	<u>12,384,757</u>	<u>34,744,745</u>
At 30 September 2023	<u>19,004,479</u>	<u>2,805,973</u>	<u>255,454</u>	<u>12,579</u>	<u>12,384,757</u>	<u>34,463,242</u>

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

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 2023	21,285,800	6,201,405	1,957,518	137,184	12,384,757	41,966,664
Additions	547,561	434,077	91,180	15,833	-	1,088,651
Disposals		-	-	(18,500)	-	(18,500)
At 30 September 2024	<u>21,833,361</u>	<u>6,635,482</u>	<u>2,048,698</u>	<u>134,517</u>	<u>12,384,757</u>	<u>43,036,815</u>
Depreciation and impairment						
At 1 October 2023	2,281,321	3,416,141	1,702,064	124,605	-	7,524,131
Charge for the year	334,741	358,806	98,227	7,728	-	799,502
On disposals		-	-	(10,483)	-	(10,483)
At 30 September 2024	<u>2,616,062</u>	<u>3,774,947</u>	<u>1,800,291</u>	<u>121,850</u>	<u>-</u>	<u>8,313,150</u>
Carrying Amount						
At 30 September 2024	<u>19,217,299</u>	<u>2,860,535</u>	<u>248,407</u>	<u>12,667</u>	<u>12,384,757</u>	<u>34,723,665</u>
At 30 September 2023	<u>19,004,479</u>	<u>2,785,264</u>	<u>255,454</u>	<u>12,579</u>	<u>12,384,757</u>	<u>34,442,533</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2024

16. Property investments

Group and Charity

	2024	2023
	£	£
Fair value		
At 1 October	104,449,246	103,620,375
Additions	206,234	607,732
Disposal	(1,593,483)	-
Reclassification to current assets	(5,117,270)	-
Net gains through fair value adjustment	1,055,395	221,139
At 30 September	<u>99,000,122</u>	<u>104,449,246</u>

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

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 2024 and 30 September 2023 includes a barn which suffered significant fire damage during the year ended 30 September 2021. Although the damage is in the process of being 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 2024 or 30 September 2023.

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

17. Financial investments

Group

Listed investments

£

At 1 October 2023	12,715,009
Valuation changes	1,235,379
Reclassification to current assets	(3,115,483)
Disposal	(1,600,000)
At 30 September 2024	9,234,905

Carrying Amount

At 30 September 2024	9,234,905

At 30 September 2023	12,715,009

Historic Cost

At 30 September 2024	7,505,318

At 30 September 2023	12,267,218

Charity

**Listed
investments**

£

**Shares in
subsidiaries**

£

Total

£

At 1 October 2023	12,715,009	923	12,715,932
Valuation changes	1,235,379	-	1,235,379
Reclassification to current assets	(3,115,483)	-	(3,115,483)
Disposal	(1,600,000)	-	(1,600,000)
At 30 September 2024	9,234,905	923	9,235,828

Carrying Amount

At 30 September 2024	9,234,905	923	9,235,828

At 30 September 2023	12,715,009	923	12,715,932

Historic Cost

At 30 September 2024	7,505,318	923	7,506,241

At 30 September 2023	12,267,218	923	12,268,141

Refer to note 32 for details of shareholdings in subsidiaries.

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

18. Financial instruments

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,039,991	1,873,661	1,014,757	1,872,969
Equity instruments measured at fair value	-	-	923	923
Instruments measured at fair value through income and expenditure	<u>12,350,388</u>	<u>12,715,009</u>	<u>12,350,388</u>	<u>12,715,009</u>
Carrying amount of financial liabilities	<u>8,390,776</u>	<u>8,789,935</u>	<u>8,296,596</u>	<u>8,743,721</u>

19. Stocks

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Raw materials and consumables	39,131	36,789	20,316	17,187
Finished goods and goods for resale	<u>38,426</u>	<u>30,519</u>	<u>20</u>	<u>3,690</u>
	<u>77,557</u>	<u>67,308</u>	<u>20,336</u>	<u>20,877</u>

20. Investments held for sale

	2024	2023
	£	£
Properties for Sale	5,117,270	-
Financial investment: CCLA Property Fund (liquidation instructed)	733,941	-
Financial investment: Mayfair Pitch (liquidation instructed)	<u>2,381,542</u>	<u>-</u>
	<u>8,232,753</u>	<u>-</u>

21. Debtors

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Trade debtors	994,621	1,829,356	969,387	1,828,664
Amounts due from subsidiary undertakings	-	-	48,173	27,998
Other debtors	45,370	44,305	45,370	44,305
Prepayments and accrued income	<u>1,091,378</u>	<u>931,536</u>	<u>1,090,558</u>	<u>931,189</u>
	<u>2,131,369</u>	<u>2,805,197</u>	<u>2,153,488</u>	<u>2,832,156</u>

As explained in note 2.2.1, KLC School of Design operates Open Learning courses for which students have up to 12 months to complete a course. This therefore results in a significant level of accrued income.

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

22. Creditors: amounts falling due within one year

		Group	Group	Charity	Charity
		2024	2023	2024	2023
	Notes	£	£	£	£
Loans and overdraft	24	335,493	326,228	335,493	326,228
Trade creditors		756,186	811,135	701,918	785,840
Amounts due to subsidiary undertakings		-	-	920	920
Other taxation and social security		224,548	284,509	224,548	263,016
Other creditors		856,830	289,932	858,407	288,157
Accruals		314,855	386,957	274,943	366,038
Deferred income	25	3,273,710	3,909,769	3,252,221	3,901,222
		<u>5,761,622</u>	<u>6,008,530</u>	<u>5,648,450</u>	<u>5,931,421</u>

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

		Group	Group	Charity	Charity
		2024	2023	2024	2023
	Notes	£	£	£	£
Bank loans	24	<u>6,984,242</u>	<u>7,265,615</u>	<u>6,984,242</u>	<u>7,265,615</u>

24. Loans and overdrafts

Group and charity

	Group	Group	Charity	Charity
	2024	2023	2024	2023
	£	£	£	£
Bank Loans	<u>7,319,735</u>	<u>7,591,843</u>	<u>7,319,735</u>	<u>7,591,843</u>
Payable within one year	335,493	326,228	335,493	326,228
Payable within two to five years	1,420,856	1,379,995	1,420,856	1,379,995
Payable after five years	<u>5,563,386</u>	<u>5,885,620</u>	<u>5,563,386</u>	<u>5,885,620</u>

Security (Land Registry Title number)	Interest rate	Repayable date	2024 £	2023 £
WSX265408	3.28% - 3.62%	March 2036	1,930,974	2,066,370
WSX265296	2.29%	August 2030	5,388,760	5,525,473

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

As at 30 September 2024, the Group and Charity had an unutilised overdraft facility for £1,000,000 (2023: £1,000,000) in place.

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

25. Deferred income

Group

	2024	2023
	£	£
Arising from grants	176,302	189,200
Arising from course and diploma fees received in advance	3,075,919	3,712,022
Arising from conference and event deposits	21,489	8,547
	<u>3,273,710</u>	<u>3,909,769</u>
Movement in deferred income		
Deferred income at 1 October	3,909,769	5,472,612
Released to statement of financial activities in the year	(3,909,769)	(5,472,612)
New deferred income in the year	<u>3,273,710</u>	<u>3,909,769</u>
Deferred income at 30 September	<u>3,273,710</u>	<u>3,909,769</u>

Charity

	2024	2023
	£	£
Arising from grants	176,302	189,200
Arising from course and diploma fees received in advance	3,075,919	3,712,022
	<u>3,252,221</u>	<u>3,901,222</u>
Movement in deferred income		
Deferred income at 1 October	3,901,222	5,467,499
Released to statement of financial activities in the year	(3,901,222)	(5,467,499)
New deferred income in the year	<u>3,252,221</u>	<u>3,901,222</u>
Deferred income at 30 September	<u>3,252,221</u>	<u>3,901,222</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2024

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 £307,266 (2023: £297,529). £54,435 (2023: £47,595) 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 is carried out by a qualified actuary, independent of the scheme's sponsoring employer, every three years. The most recent full actuarial valuation was carried out as at 30 September 2021. This actuarial valuation showed a defined benefit pension surplus of £765,000 and there have been no subsequent updates. The surplus has been restricted to £nil (2023: £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 2024 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 2024 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:

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

26. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations:

	2024	2023
	£	£
Liabilities at 1 October	10,571,000	11,470,000
Benefits paid and expenses	(739,000)	(685,000)
Expenses	538,000	(1,051,000)
Actuarial gains and losses	(59,000)	258,000
Interest cost	582,000	579,000
At 30 September	10,893,000	10,571,000

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

Movements in the fair value of plan assets:

	2024	2023
	£	£
Fair value of assets at 1 October	10,571,000	11,470,000
Interest income	706,000	718,000
Return on plan assets (excluding amounts included in net interest)	595,000	(1,383,000)
Benefits paid and expenses	(739,000)	(685,000)
Contributions by the employer	-	-
Surplus not recognised	(211,000)	521,000
Administrative expenses paid from Plan assets	(29,000)	(70,000)
At 30 September	10,893,000	10,571,000

Amounts recognised in the Consolidated statement of financial activities:

	2024	2023
	£	£
Recognised with Other gains and Losses		
Actual return on scheme assets	-	(1,383,000)
Actuarial changes related to obligations	(95,000)	1,314,000
Total costs	(95,000)	(69,000)

The actual return on the scheme assets over the year ending 30 September 2024 was a £1,301,000 increase (2023: £665,000 decrease).

Notes to the Financial statements (continued)
For the year ended 30 September 2024

26. Retirement benefit schemes (continued)

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

	2024	2023
	£	£
Cash	284,000	299,000
Equity instruments	780,000	781,000
Debt instruments	5,289,000	5,091,000
Other	6,948,000	6,597,000
	<u>13,301,000</u>	<u>12,768,000</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

	2024	2023
	£	£
Cash	284,000	299,000
Equity instruments	780,000	781,000
Debt instruments	5,289,000	5,091,000
Other	6,948,000	6,597,000
	<u>13,301,000</u>	<u>12,768,000</u>

Mortality assumptions

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

	2024	2023
	Years	Years
Retiring today		
Males	21.9	22.1
Females	<u>24.0</u>	<u>24.0</u>
Retiring in 20 years		
Males	23.6	23.7
Females	<u>25.5</u>	<u>25.5</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2024

27. Restricted funds

Group and Charity

	Movement in funds					Balance at 30 September 2024
	Balance at 1 October 2023	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	
	£	£	£	£	£	£
West Dean Scholarship Fund	1,655,086	259,481	(192,871)	-	119,938	1,841,634
Other	292,580	319,099	-	(319,099)	-	292,580
	<u>1,947,666</u>	<u>578,580</u>	<u>(192,871)</u>	<u>(319,099)</u>	<u>119,938</u>	<u>2,134,214</u>

	Movement in funds					Balance at 30 September 2023
	Balance at 1 October 2022	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	
	£	£	£	£	£	£
West Dean Scholarship Fund	1,559,527	229,586	(161,577)	-	27,550	1,655,086
Other	303,357	-	-	(10,777)	-	292,580
	<u>1,862,884</u>	<u>229,586</u>	<u>(161,577)</u>	<u>(10,777)</u>	<u>27,550</u>	<u>1,947,666</u>

West Dean Scholarship Fund

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

Other restricted funds

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

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Notes to the Financial statements (continued)
For the year ended 30 September 2024

28. Unrestricted funds
Group

	Movement in funds					Balance at
	Balance at 1	Incoming	Resources	Gains/	Transfers	30
	October	resources	expended	(losses)		September
	2023					2024
	£	£	£	£	£	£
General unrestricted funds	8,785,000	12,564,915	(17,898,975)	997,841	4,151,219	8,600,000
Pension reserve (note 26)	-	-	-	-	-	-
	<u>8,785,000</u>	<u>12,564,915</u>	<u>(17,898,975)</u>	<u>997,841</u>	<u>4,151,219</u>	<u>8,600,000</u>
Designated funds						
Freehold property (charitable use)	17,360,002	547,561	(334,741)	-	1,624,477	19,197,299
Chattels (charitable use)	12,364,220	-	-	-	20,537	12,384,757
Investment properties	97,081,437	206,234	-	1,055,395	(5,270,900)	93,072,166
West Dean Scholarship Fund	1,268,663	-	-	84,118	-	1,352,781
Vision 2030	5,304,303	-	-	-	(206,234)	5,098,069
	<u>133,378,625</u>	<u>753,795</u>	<u>(334,741)</u>	<u>1,139,513</u>	<u>(3,832,120)</u>	<u>131,105,072</u>
Total	<u>142,163,625</u>	<u>13,318,710</u>	<u>(18,233,716)</u>	<u>2,137,354</u>	<u>319,099</u>	<u>139,705,072</u>

	Movement in funds					Balance at
	Balance at 1	Incoming	Resources	Gains/	Transfers	30
	October	resources	expended	(losses)		September
	2022					2023
	£	£	£	£	£	£
General unrestricted funds	8,100,000	14,193,514	(17,064,767)	27,199	3,529,054	8,785,000
Pension reserve (note 26)	-	-	-	-	-	-
	<u>8,100,000</u>	<u>14,193,514</u>	<u>(17,064,767)</u>	<u>27,199</u>	<u>3,529,054</u>	<u>8,785,000</u>
Designated funds						
Freehold property (charitable use)	17,360,002	-	-	-	-	17,360,002
Chattels (charitable use)	12,364,220	-	-	-	-	12,364,220
Investment properties	100,378,575	-	-	221,139	(3,518,277)	97,081,437
West Dean Scholarship Fund	1,391,208	-	(142,417)	19,872	-	1,268,663
Vision 2030	5,573,875	-	(269,572)	-	-	5,304,303
	<u>137,067,880</u>	<u>-</u>	<u>(411,989)</u>	<u>241,011</u>	<u>(3,518,277)</u>	<u>133,378,625</u>
Total	<u>145,167,880</u>	<u>14,193,514</u>	<u>(17,476,756)</u>	<u>268,210</u>	<u>10,777</u>	<u>142,163,625</u>

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

	Movement in funds					Balance at 30 September 2024
	Balance at 1 October 2023	Incoming resources	Resources expended	Gains/ (losses)	Transfers	
	£	£	£	£	£	£
General unrestricted funds	8,761,455	12,564,915	(17,898,975)	997,841	4,151,219	8,576,455
Pension reserve (note 26)	-	-	-	-	-	-
	<u>8,761,455</u>	<u>12,564,915</u>	<u>(17,898,975)</u>	<u>997,841</u>	<u>4,151,219</u>	<u>8,576,455</u>
Designated funds						
Freehold property (charitable use)	17,360,002	547,561	(334,741)	-	1,624,477	19,197,299
Chattels (charitable use)	12,364,220	-	-	-	20,537	12,384,757
Investment properties	97,081,437	206,234	-	1,055,395	(5,270,900)	93,072,166
West Dean Scholarship Fund	1,268,663	-	-	84,118	-	1,352,781
Vision 2030	5,304,301	-	-	-	(206,234)	5,098,067
	<u>133,378,623</u>	<u>753,795</u>	<u>(334,741)</u>	<u>1,139,513</u>	<u>(3,832,120)</u>	<u>131,105,070</u>
Total	<u>142,140,078</u>	<u>13,318,710</u>	<u>(18,233,716)</u>	<u>2,137,354</u>	<u>319,099</u>	<u>139,681,525</u>

	Movement in funds					Balance at 30 September 2023
	Balance at 1 October 2022	Incoming resources	Resources expended	Gains/ (losses)	Transfers	
	£	£	£	£	£	£
General unrestricted funds	8,076,455	14,193,514	(17,064,767)	27,199	3,529,054	8,761,455
Pension reserve (note 26)	-	-	-	-	-	-
	<u>8,076,455</u>	<u>14,193,514</u>	<u>(17,064,767)</u>	<u>27,199</u>	<u>3,529,054</u>	<u>8,761,455</u>
Designated funds						
Freehold property (charitable use)	17,360,002	-	-	-	-	17,360,002
Chattels (charitable use)	12,364,220	-	-	-	-	12,364,220
Investment properties	100,378,575	-	-	221,139	(3,518,277)	97,081,437
West Dean Scholarship Fund	1,391,208	-	(142,417)	19,872	-	1,268,663
Vision 2030	5,573,873	-	(269,572)	-	-	5,304,301
	<u>137,067,878</u>	<u>-</u>	<u>(411,989)</u>	<u>241,011</u>	<u>(3,518,277)</u>	<u>133,378,623</u>
Total	<u>145,144,333</u>	<u>14,193,514</u>	<u>(17,476,756)</u>	<u>268,210</u>	<u>10,777</u>	<u>142,140,078</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2024

28. Unrestricted funds (continued)

Freehold property (charitable use)

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

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.

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. In previous financial statements, part of the designated West Dean Scholarship Fund was separately analysed as quoted investments; the opportunity has been taken in these financial statements to more accurately combine the disclosure, in line with the approach taken in the analysis of restricted funds.

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.

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29. Analysis of net assets between funds

	2024	2024	2024
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 30 September 2024 are represented by:			
Intangible assets	453,609	-	453,609
Tangible assets	34,724,745	20,000	34,744,745
Investment properties	99,000,122	-	99,000,122
Investments	8,339,435	895,470	9,234,905
Net current assets	4,171,403	1,218,744	5,390,147
Creditors > 1 year	(6,984,242)	-	(6,984,242)
	<u>139,705,072</u>	<u>2,134,214</u>	<u>141,839,286</u>
	2023	2023	2023
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 30 September 2023 are represented by:			
Intangible fixed assets	486,541	-	486,541
Tangible assets	34,443,242	20,000	34,463,242
Investment properties	104,449,246	-	104,449,246
Investments	11,763,289	951,720	12,715,009
Net current assets	(1,713,078)	975,946	(737,132)
Creditors > 1 year	(7,265,615)	-	(7,265,615)
	<u>142,163,625</u>	<u>1,947,666</u>	<u>144,111,291</u>

30. Capital commitments

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

	2024	2023
	£	£
Relating to insurance claims	31,700	154,041
Software	-	12,825
	<u>31,700</u>	<u>166,866</u>

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Notes to the Financial statements (continued)
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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
	2024	2023	2024	2023
	£	£	£	£
Not later than 1 year	837,454	508,479	837,454	508,479
Later than 1 year and not later than 5 years	3,387,327	36,979	3,387,327	36,979
After 5 years	729,094	36,979	729,094	36,979
	<u>4,953,875</u>	<u>582,437</u>	<u>4,953,875</u>	<u>582,437</u>

The significant increase in future minimum lease payments in 2024 reflects the negotiation of a new lease in Bloomsbury and the exercising of a break clause on a previous lease in Chelsea Harbour.

Lessor

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

	2024	2023
	£	£
Not later than 1 year	<u>273,444</u>	<u>208,633</u>

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 2024		% held 2023	
				direct	indirect	direct	indirect
West Dean Limited	England	Retail, Hospitality and Conferencing	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.

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Notes to the Financial statements (continued)
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32. Subsidiaries (continued)

A summary of the results is given below:

West Dean Limited

	2024	2023
	£	£
Income/Gains	1,585,346	1,411,755
Expenditure	(1,222,547)	(1,114,145)
Net income	362,799	297,610
Distribution to parent company by gift aid	(362,799)	(297,610)
Funds retained	-	-
Total funds brought forward	23,544	23,544
Total funds carried forward	23,544	23,544

	2024	2023
	£	£
Paid to The Edward James Foundation Limited	139,591	89,132
Owed to The Edward James Foundation Limited	48,173	27,998

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.

	2024	2023
	£	£
Owed from The Edward James Foundation Limited	920	920

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Notes to the Financial statements (continued)
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33. Cash used in operations

	2024	2023
	£	£
Net expenditure for the year	(2,177,005)	(2,850,473)
Adjustments for:		
(Gain)/Loss on disposal of investments	33,483	(221,999)
Revaluation of investments	(2,290,774)	(73,761)
Depreciation and impairment of tangible fixed assets	804,272	699,326
Amortisation of Goodwill	59,207	61,467
Amortisation of Software	2,021	-
Surplus on disposal of tangible fixed assets	(2,983)	-
Reversal of bad debt	11,832	-
Movement on defined pension scheme recognised in the Statement of financial activities	(95,000)	(69,000)
Movements in working capital:		
Increase in stocks	(10,249)	(1,154)
Decrease in debtors	661,996	451,515
Decrease in creditors	(256,173)	(2,155,727)
(Decrease)/ increase in provisions	-	(34,327)
Cash used in operations	<u>(3,259,373)</u>	<u>(4,194,133)</u>

34. Analysis of cash and cash equivalents

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

	2024	2023
	£	£
Cash in hand	710,090	2,398,893
Total cash and cash equivalents	<u>710,090</u>	<u>2,398,893</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 2024

35. Analysis of changes in net debt

	Balance at 1 October 2023	Cash-flows	Balance at 30 September 2024
	£	£	£
Cash	2,398,893	(1,688,803)	710,090
	<u>2,398,893</u>	<u>(1,688,803)</u>	<u>710,090</u>
Loans falling due within one year	(326,228)	(9,265)	(335,493)
Loans falling due after more than one year	(7,265,615)	281,373	(6,984,242)
Total	<u>(5,192,950)</u>	<u>(1,416,695)</u>	<u>(6,609,645)</u>

36. Related party transactions

In order to capture information regarding related party transactions, the Foundation maintains a register of interests of Trustees and key management personnel. During the year, the only related party transactions were: £187,056 (2023: £135,325) with the Foundation's validating partner, the University of Sussex. Professor Paul O'Prey, Chair of the Trustees, was a Member of Council of the University of Sussex until 12 July 2024.

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 2024

37. Comparative consolidated statement of financial activities

	Unrestricted Fund	Restricted Fund	Total 2023
	£	£	£
Income from:			
Donations and Legacies	2,147	218,545	220,692
Income from Charitable Activities	9,610,259	-	9,610,259
Income from Trading Activities	1,701,626	-	1,701,626
Investment Income			
- Properties	2,344,228	-	2,344,228
- Financial Investment	351,846	11,041	362,887
Other Income	183,408	-	183,408
Total Income	14,193,514	229,586	14,423,100
Expenditure on:			
Raising Funds			
- Fundraising Cost	64,479	-	64,479
- Trading Costs	2,075,131	-	2,075,131
- Property Investment Management	2,063,592	-	2,063,592
- Financial Investment Management	40,287	-	40,287
Charitable Activities	13,164,267	161,577	13,325,844
Total Resources Expended	17,407,756	161,577	17,569,333
Net Gain on Investments	268,210	27,550	295,760
Net (outgoing) / incoming resources before transfers	(2,946,032)	95,559	(2,850,473)
Transfers between funds	10,777	(10,777)	-
Net Incoming Resources	(2,935,255)	84,782	(2,850,473)
Other Recognised Gains and Losses			
Actuarial gain on defined benefit pension schemes	(69,000)	-	(69,000)
Net Movement in Funds	(3,004,255)	84,782	(2,919,473)
Fund balances at 1 October	145,167,880	1,862,884	147,030,764
Fund Balances at 30 September	142,163,625	1,947,666	144,111,291

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

Professional advisers
For the year ended 30 September 2023

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 3 4 5}	(Chair)
Dr Ghazwa Alwani-Starr ²	
Martin Ashley MVO RIBA ³	
Naomi Davenport ²	
Kevin Edgeley CFA ¹	Appointed 1 December 2023
Caroline Griffith ^{1 4}	
Professor Nigel Llewellyn PhD FSA ²	(Deputy Chair) Retired 27 June 2024
Mike McCart ^{3 5}	
Francis Plowden FCA ^{1 2 3 4 5}	(Deputy Chair)
Alison Richmond ACR FIIC ⁶	Retired 19 October 2023
Yen-Yen Teh RIBA	Appointed 7 December 2023
Ray Shostak CBE	Appointed 1 April 2024

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 Nominations & Governance Committee

⁶ Member of Equality, Diversity and Inclusivity Steering Committee

Clerk to the Board

None Vacant

Chief Executive

Alexander Barron ACA FRSA	Resigned 12 January 2025
Professor Anna Gough-Yates	Appointed 13 January 2025

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 2024

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

THE EDWARD JAMES FOUNDATION LIMITED

England & Wales - Charity number 1126084

Accounts

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

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 SEPTEMBER 2023

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Chair's introduction
For the year ended 30 September 2023

In a letter written to Aldous Huxley on Christmas Day, 1939, our founder Edward James described his vision for the Foundation as a community dedicated to the values of art that might be protected from the destructive chaos of a second world war by the 'high walls' and relative isolation of his West Sussex estate. The name 'West Dean' then came to be a shorthand that encompasses both the College he created and the grand country house in which it is based, as well as for the glorious gardens and the large rural estate which surround it. Since those anxious times the Foundation has become very much an outward-looking institution and this year we are delighted to express that openness and confidence by taking the West Dean name beyond those high flint walls to establish West Dean: London, an exciting new venture for the Foundation and one which holds considerable promise for the future.

During this year we secured a 15-year lease on an historic, stand-alone building in the heart of the university district of Bloomsbury, close to the British Museum. Dilke House will be the new home for our School of Design, as well as the base for a wider range of courses in the areas of art, craft and conservation, for which we have established an enviable reputation. West Dean: London opens in April 2024 and the School of Design will relocate there from its current premises, in Chelsea Harbour, in July. The London campus will provide an excellent range of studios and workshops, as well as a café, library and exhibition space.

As part of our preparation for expanding the reach of our activities, during this year we refreshed the visual branding of West Dean and launched a new website to create a striking, outward-looking identity, which aligns with our values and ambitions.

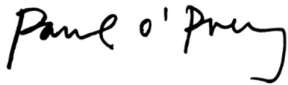
Our Vision 2030 Strategic Plan was focussed on developing the West Sussex campus to expand our educational provision and diversify income. The campus development plan is progressing well with the commission of the necessary feasibility studies. Higher Education numbers were given a major boost by the acquisition of KLC School of Design in 2021, and continue to grow steadily. This growth means that for the first time this year the College delivered over 100,000 days of high quality tuition (65,000 face-to-face, 40,000 online). This compares with a combined total of 35,000 tuition days in 2019. These overall growth figures mask, however, a 10% decline in registrations for our short courses, which have been slow to recover to pre-Covid levels.

The shortfall in short course registration is a key factor in the disappointing financial result for the year. In response to this decline, the Foundation has reviewed its short course provision to introduce greater flexibility, and launched a marketing campaign aimed at attracting new students as well as encouraging previously regular students to return. This activity is part of a financial stabilisation plan which will see the achievement of a modest EBITDA surplus within three years. The Foundation is fortunate to have a strong asset base which has allowed us to weather the storm created by the pandemic and subsequent cost of living crisis and drop in consumer confidence, without compromising the quality of our educational provision. We are also confident that there remains a strong demand for the courses we offer.

The Foundation has also sought to diversify its other income streams and there are exciting new opportunities which spring from our recent adoption of a major strategic shift towards environmental sustainability. One example is the direct packaging and sale of produce grown on the estate. Working with Natural England, the Forestry Commission and our own farm tenants, we are looking to achieve a more balanced and harmonious relationship with the land. In his letter to Huxley, Edward James wrote that 'above all the planting of trees is my greatest joy'. He would have been delighted, therefore, to see his Foundation commit to the planting of half a million trees over the next ten years, and the creation of a thousand hectares of priority habitat. The first oak has now been planted and during the forthcoming year 25,000 trees will be planted on the estate. They are a symbol of our commitment

Chair's introduction (continued)
For the year ended 30 September 2023

to the regeneration of the natural environment, and of our belief in a strong and sustainable future for the Foundation and the community we serve.

A handwritten signature in black ink, appearing to read 'Paul O'Prey', written in a cursive style.

Professor Paul O'Prey CBE

Chair of Trustees

22 February 2024

Trustees' report
For the year ended 30 September 2023

The Trustees present their Annual report and audited accounts for the year ended 30 September 2023 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 (the College). The College comprises three Schools: Arts, Conservation and Design, the latter resulting from the acquisition of KLC School of Design (KLC) in July 2021. 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 schools of arts, conservation and design offer a uniquely broad range of world-leading courses. At the heart of all we do is our belief that 'making' makes our lives better. We celebrate the intrinsic value of work that has been hand-made by artists and artisans, and challenge the assumption that mass-produced must be the only way because, across the world, the maker movement is growing.

From online courses to postgraduate degrees, our student cohorts reflect the interests, backgrounds and aspirations of a global community. Guided by experts, who are often leaders in their field, our students are encouraged to develop their practice and reach their true potential.

Our London and Sussex campuses connect our students to the city and countryside, providing inspiring study environments and state-of-the-art studios across all our disciplines, helping to forge collaborations and discover their creative voice.

Our founder

The original 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.

STRATEGIC REPORT: OUR ACHIEVEMENTS AND PERFORMANCE

This year has been full of significant achievements. We've continued to see record demand for our higher education courses, alongside the post Covid-19 recovery of those activities which experienced significant disruption or were suspended during that unprecedented period. We've also undertaken a rebrand, secured new London premises in Bloomsbury, advanced our Campus Development Plans to Royal Institute of British Architects (RIBA) Stage 1 and gained approval for our ambitious woodland creation plans. These successes have been made possible by our pre-pandemic asset strength, which has allowed us to absorb several years of financial deficits. Heading into 2023/24, we have approved a three-year Financial Stabilisation Plan which targets a return to surplus over that timeframe; this will be a major strategic focus in the year ahead, along with the exciting launch of 'West Dean:London' in our new premises in the heart of Bloomsbury.

Our achievements and performance are described in more detail below across the following core activities:

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

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 2022/23	
<i>Our aims for 2022/23 included:</i>	<i>The key achievements in 2022/23 included:</i>
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.	Further integration of KLC School of Design internally and externally including the implementation of a new single brand and website.
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.	The development of a cross college approach to portfolio development and student number planning in support of Vision 2030.

Trustees' report (continued)

For the year ended 30 September 2023

We will build on the work undertaken to date in relation to Equality, Diversity and Inclusion (EDI) to continue to develop and enhance the student experience.	The completion of the three-year EDI Working Group project with an agreed legacy action plan and full integration of ongoing work into the existing Board and academic committee structure.
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.	The completion of RIBA Stage I for the Campus Development Plan with the production of a comprehensive pre-planning design briefing document.
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.	The identification and securing of a new London campus in Bloomsbury. We will be the sole occupant of Dilke House, a heritage building on Malet Street, offering more than 12,500 square feet of space for staff and students from across all three of our schools. A 15-year lease was signed in October 2023 and the first short courses are scheduled to run there from April 2024 with a decant planned for Summer 2024 of all the higher education and short courses currently run at the Design Centre in Chelsea Harbour.

Our aims for 2023/24:

- We will continue to grow student numbers in accordance with the targets set out in the strategic plan through portfolio development and effective recruitment to existing programmes. This will include particularly emphasis on the short course programme based at our Sussex campus and higher education programmes across all three schools;
- We will successfully launch West Dean:London as a new hub for arts, craft, conservation and design in Bloomsbury;
- We will invest in our new West Dean:London campus to achieve an enhanced teaching and learning experience for our students;
- We will implement the actions set out in our EDI action plan and monitor the success of these through our committee structure.

Trustees' report (continued)

For the year ended 30 September 2023

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. The archive also now contains documents related to the establishment and history of KLC School of Design.

Our aims, performance and achievements for 2022/23	
<i>Our aims for 2022/23 included:</i>	<i>The key achievements in 2022/23 included:</i>
We will continue to work towards Museum Association accreditation and pilot a limited programme of public access.	We have continued to develop our collections management standards towards Museum Association accreditation and have developed criteria for acquisitions of external works and collections as well as for the collection of exemplary work that represents the educational mission of the College.
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 have continued the process of cataloguing and digitising material in order for inclusion in the online catalogue.
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.	We continued to review and critically reflect upon the presentation of the collection in line with the College's strategic aims and made contributions to curriculum delivery and a student conference on topics of decolonisation and repatriation in relation to collections.

Our aims for 2023/24:

- We will continue to develop our policy framework towards Museum Association accreditation;
- We will launch the online catalogue as part of the new branded website and complete the cataloguing of Edward James's literary papers;
- We will continue to offer a programme of public access through specialist tours and events aiming to broaden the diversity of audiences for these.

Trustees' report (continued)
For the year ended 30 September 2023

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 2022/23	
<i>Our aims for 2022/23 included:</i>	<i>The key achievements in 2022/23 included:</i>
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.	Increased footfall by 10,000 visitors.
We will further develop the Spring Garden planting scheme begun in 2021/22 to revitalise and enhance planting design.	Completion of the Spring, Wild and Dye Garden projects, each balancing the needs of the visitor attraction, our sustainability plan and educational benefit for our students.
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.	Revitalisation of unused and under-utilised areas of ground to grow food. This has doubled the growing areas of the garden and produce consumed within the College and Gardens.

Our aims for 2023/24:

- Focus on visitor engagement and interaction to further enjoyment and learning from visits;
- Revitalise and refresh the areas around the pergola and north lawns, combating the effects of box blight and box moth caterpillar;
- Increase to 90% or more the proportion of plants for resale which we grow or nurture in-house.

Trustees' report (continued)

For the year ended 30 September 2023

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 2022/23	
<i>Our aims for 2022/23 included:</i>	<i>The key achievements in 2022/23 included:</i>
We will implement the sustainability action plan across the organisation.	Our woodland creation plans were accepted and approved by the Forestry Commission for 500 acres of new woodland; Implemented Continuous Canopy Forestry as a new approach to our existing woodland management, benefiting the whole estate through more diverse habitats and increased future timber stocks; We published our first Sustainability Policy. The full Policy is available on our website, but its key aims are included later in this report.
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.	Completion of RIBA Stage I for the Campus Development Plan with the production of a comprehensive pre-planning design briefing document.

Our aims for 2023/24

- We will commence new woodland creation, planting more than 20,000 trees in the first six months;
- We will continue working closely with our tenant farmers to agree approaches to implementing landscape-scale sustainability plans.

Trustees' report (continued)
For the year ended 30 September 2023

OUR FUTURE PLANS

Our strategic plans are set out in 'Vision 2030'. Drafted during the lockdown periods of Covid-19 in 2020/21 and approved by the Board in July 2021, the plans reflect a level of ambition based on our increasing impact over recent years, the organisation's resilience during a period of global uncertainty, as well as the significant demand for our high-quality educational offer.

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 in-person 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.

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.

Detailed aims for 2023/24 are set out by activity earlier in this report, but these all fall into one of five priorities for the year:

- Grow student numbers;
- Successfully launch West Dean:London;
- Invest for long-term sustainability;
- Embed EDI action plans across West Dean;
- Deliver year one of a three-year financial stabilisation plan.

SECTION 172 STATEMENT

The Trustees of The Edward James Foundation Limited, as is the case for all trustees of UK charitable companies, must act in accordance with a set of general duties. These duties are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A trustee of a charitable company must act in the way they consider, in good faith, would be most likely to promote the success of the charity for the benefit of its stakeholders as a whole and, in doing so have regard (amongst other matters) to the:

- Likely consequences of any decisions in the long term;
- Interests of the charitable company's employees;
- Need to foster charitable company's business relationships with suppliers, customers and others;
- Impact of the charitable company's operations on the community and environment;
- Charitable company's reputation for high standards of business conduct; and
- Need to act fairly between members of the charitable company.

The following paragraphs summarise how the Trustees of The Edward James Foundation Limited fulfil their duties:

Trustees' report (continued)
For the year ended 30 September 2023

EMPLOYEES

We are highly dependent on our employees, and our extensive number of visiting tutors, to deliver our objectives and we are hugely grateful for their dedication and passion.

The organisation engages with its employees frequently and through various channels. This includes interactive quarterly staff meetings which are led by the Chief Executive, monthly emails providing latest news and developments, as well as staff-focused social events during the year.

We endeavour to pay all employees above the National Living Wage and offer them the opportunity to participate in pension schemes (to which we make a contribution of up to 7.5%, depending on the scheme). In addition, we provide various other benefits such as a cycle to work scheme and access to an Employee Assistance Programme.

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. The contribution of volunteers was more important than ever as we sought to recover from the impact of the Covid-19 pandemic.

OUR APPROACH TO SUSTAINABILITY

Over the last two years, we've been developing a 10-year roadmap action plan to deliver a sustainable future for the College's 6,500 acre estate, education and operations. Our Sustainability Policy (available in full on our website) is driving the plan which aligns with global best practice frameworks including the United Nation's Sustainable Development Goals.

West Dean's natural heritage setting has long been a place of inspiration to many. As custodians of that estate, we have a duty to ensure it can thrive long into the future. To maximise our unique sense of place, we are bringing together creativity, nature and wellbeing in a bold vision to become an exemplar of sustainability. We are committed to embedding sustainability permanently across all of our activities, including the estate, our education provision, our collection, our gardens and our community activities.

It is an easy fit with Edward James' original philosophy for West Dean, and we're confident that our sustainability action plan is not only the right and necessary thing to do, it will help inspire and support the participation of a diverse community throughout West Dean.

We have already started with a comprehensive Baseline Sustainability Review and extensive surveys to develop an evidence based process that includes biodiversity, our carbon footprint and many of the areas reflected in the United Nation's Sustainable Development Goals (UN's SDGs). We are now in the process of finalising our action plan which will be, at a minimum, self-financing.

Against a global backdrop of environmental and social challenges including climate change, biodiversity loss and inequality, our need to act has never been stronger. We are looking to lead the way in our sector, meeting annual emissions reductions, incorporating sustainability improvements across all areas of our work and breaking down barriers to enable equitable access.

Trustees' report (continued)

For the year ended 30 September 2023

Our sustainability action plan will deliver:

- 10-year roadmap action plan encompassing the 6,500 acre West Dean's Estate;
- Improved mixed land use to support a strong productive, farmed landscape that enhances natural capital, mitigates against climate change and is nature positive with Biodiversity Net Gain;
- Reforestation and the planting of 0.5 million new trees;
- 30% reduction in water use across College operations, estate management and gardens;
- Growing local crops and produce for our restaurants and shops;
- Zero waste to landfill by 2024;
- Certified Climate Neutral by 2030 as part of our long term commitment to achieving Net Zero Emissions by latest 2050;
- Leadership in embedding sustainability in arts, design, landscape and conservation education;
- An inclusive culture, curriculum, collection and campus to broaden access and widen participation;
- Alignment with the UN's SDGs - the blueprint foundations for sustainability best practice with seven most relevant to West Dean College.

STREAMLINED ENERGY AND CARBON REPORTING

Following our growth over recent years, in terms of student activity, net balance sheet value and staff numbers, we have now reached the threshold for Streamlined Energy and Carbon Reporting (SECR). As part of our Environmental, Social and Governance (ESG) Strategy & disclosures and compliance with governmental legislation like the SECR, we are publishing our Greenhouse Gas (GHG) Emissions data for the years ending 31 December 2021 (which represents our Emission Baseline data) and 2022:

	2022	2021	Change %
Energy Consumption used to calculate emissions (kWh)	985,475	1,089,164	(9.5)
Energy Consumption Breakdown:			
Gas or Oil	Kerosene and propane		
Electricity	West Sussex and Chelsea Harbour		
Transport Fuel	Diesel	Diesel & petrol	
Scope 1 emissions in metric tonnes CO ₂ e:			
Oil Consumption	97	61	59.0
Transport Fuel	38	149	(74.5)
Total Scope 1	135	210	(35.7)
Scope 2 emissions in metric tonnes CO ₂ e:			
Purchased Electricity – Grid based	177	221	(20.0)
Purchased Electricity – Market based	24	23	4.3
Totals:			
Scope 1 and 2 metric tonnes CO ₂ e (Grid)	312	431	(27.6)
Scope 1 and 2 metric tonnes CO ₂ e (Market)	159	233	(31.8)
Other:			
Biomass Boiler (wood chip feedstock) metric tonnes CO ₂ e	27	86	(68.6)

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2021 UK Government's Conversion Factors. We have included within our calculations our Scope 1 emissions oil consumption and our transport related emissions. Our Scope 2 consists of our purchased electricity. According to GHG emissions accounting best practice, the CO₂e produced from biologically sequestered carbon, e.g. from the combustion of biomass for heat generation is not included under Scope 1-3. It is reported separately as a biogenic (from a life form) emission. The biomass boiler fuelled by wood chip coppiced or felled timber from West Dean forests provides much of our heating and hot water is considered a renewable fuel.

Trustees' report (continued)
For the year ended 30 September 2023

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 2022/23.

In 2022/23 we received 0 (2021/22: 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 £349,741 (2021/22 £302,105). Of this total, £301,295 (2021/22 £282,682) was contributed from the West Dean Scholarship Fund and the balance of £48,446 (2021/22 £19,423) 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.

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 implementing our primary charitable objective, we offer educational courses and programmes that contribute greatly to public life, including through the protection of heritage craft skills, the promotion of sustainable design and making techniques and the enhancement of wellbeing. We provide significant financial subsidies across all our educational activities and we award 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.

In implementing our secondary charitable objective, we also provide public access to West Dean Estate, West Dean Gardens, West Dean House and West Dean College, and we operate West Dean Stores as an essential service to

Trustees' report (continued)

For the year ended 30 September 2023

the local community. We have also recently launched an ambitious landscape-scale sustainability project, which will enable us to make a positive contribution to tackling climate change and increasing biodiversity.

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 is carried out at least three times a year. A formal review of the Foundation's risk management processes is undertaken on an annual basis by the Board. The Trustees recognise that systems can provide only reasonable, but not absolute, assurance that major risks are being adequately managed.

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

- **IT infrastructure:** In recent years, we have moved much of our electronic data and associated IT infrastructure into the cloud. However, on-site, physical infrastructure is still necessary in order to securely access that data via the internet and also to run a number of legacy systems. A Technology Roadmap has been in place since 2022 to incrementally invest in new infrastructure and to replace all legacy systems but, in late August 2023, we suffered a failure of part of the 'old' physical infrastructure at the West Dean campus. No data was lost or in any way compromised, but the failure caused significant operational disruption for a period of about a week and some ongoing minor disruption since then. The previously approved Technology Roadmap has now been accelerated and significant investment is being made into 2023/24, but the risk level remains elevated until this work is complete;
- **Annual financial results:** We have intentionally used our pre-pandemic asset strength to absorb the impact of economic instability and insecurity arising from multiple external crises over recent years. Additionally, we have held fast to our strategic ambitions, investing in a range of projects for our medium-term success. However, the period of external instability has been longer and deeper than we anticipated and we have therefore prepared a three-year Financial Stabilisation Plan which has commenced in 2023/24. There are numerous risk factors to be considered as part of implementing this Plan, including student recruitment, the launch of 'West Dean:London', inflation, the sales market for residential property and future subsidy arrangements for UK farming and sustainable land management. We remain confident due to our investment asset strength, and our focus is to return to generating modest operating surpluses.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Operating deficit

We recorded an operating deficit in this year's financial statements of £3.146m (2022: £2.943m). This is our fourth consecutive deficit since the arrival of the Covid-19 pandemic in 2019/20. Our pre-pandemic asset strength has afforded us the ability to sustain these deficits, so absorbing the worst of the macro-economic disruption while continuing to support our students, acquiring KLC School of Design and evolving our business model for the future. In order to better illustrate the financial results during the period, we've included a table below which summarises the years between 2018/19 and 2022/23; the table also reconciles our results in the financial statements to the measure we use for management purposes, Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA).

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

Trustees' report (continued)

For the year ended 30 September 2023

Year ended 30 September:

	2023			2022	2021	2020	2019
	Income £'000	Costs £'000	Net £'000	Net £'000	Net £'000	Net £'000	Net £'000
Financial investments	363	(40)	323	202	331	1,039	1,201
Trading (excluding memberships)	1,702	(2,075)	(373)	(391)	(323)	(965)	(380)
West Dean Estate	2,344	(2,064)	280	710	1,190	916	705
Fundraising (including memberships)	221	(64)	157	121	448	560	247
Insurance proceeds	183	-	183	-	20	228	-
Governance	-	(208)	(208)	(169)	(78)	(69)	(82)
Net operating income available for education	4,813	(4,451)	362	473	1,588	1,709	1,691
Education	9,610	(13,118)	(3,508)	(3,416)	(3,840)	(4,391)	(2,086)
Total deficit as per Consolidated statement of financial activities	14,423	(17,569)	(3,146)	(2,943)	(2,252)	(2,682)	(395)
Add back:							
Interest			44	139	187	116	76
Depreciation			699	619	557	421	417
Amortisation			61	61	10	-	-
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)			(2,342)	(2,124)	(1,498)	(2,145)	98

The most significant aspects of the operating results above are as follows:

- **Education:** 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. The annual net cost of education more than doubled to £4.391m in the early stages of the Covid-19 pandemic (2020), but this had reduced by £0.883m by 2022/23, as we've recovered student numbers across all programmes and created an economy of scale through the acquisition of KLC School of Design (2021);
- **Net operating income available for education:** this has fallen sharply across 2021/22 and 2022/23 for a number of reasons:
 - o **Financial investments:** income from this source in 2022/23 was £0.878m lower than it was pre Covid-19. This is partly due to a reduction in investment holdings (following disposals required to support the recent deficits) and partly due to a change in our financial investment management approach (from income return to total return);
 - o **West Dean Estate:** the net annual contribution from this activity has fluctuated by more than £0.900m over the last 5 years, with 2022/23 seeing the lowest return during that period. The fluctuation is due to a combination of large repairs costs, changes in forestry approach and changes in the land management funding regime. An improvement in contribution from this activity is projected in 2023/24;
 - o **Fundraising:** the results in 2019/20 and 2020/21 were inflated by the short-term impact of funding received through the Government's Coronavirus Job Retention Scheme. The result in 2022/23 represents something more typical;
- **EBITDA:** prior to the arrival of the Covid-19 pandemic, significant progress had been made in rebalancing our business model in order to achieve an EBITDA operating surplus in 2018/19. The unprecedented events of recent years have resulted in significant deficits, but it is the purpose of reserves to absorb unexpected events and longer periods of uncertainty. However, we are committed to once again rebalancing the business model. We have developed a three-year Financial Stabilisation Plan. It is our intention to reduce the EBITDA deficit by 50% in 2023/24, to achieve breakeven in 2024/25 and to return to modest surpluses from 2025/26. This

Trustees' report (continued)

For the year ended 30 September 2023

improvement will be achieved primarily through income growth from West Dean Estate, Trading and Education, although close cost control will also be essential.

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

The investment gain during the year of £0.296m (2021/22: £0.090m) represents:

- An unrealised gain of £0.221m (2021/22: £1.320m) on the revaluation of investment properties (see note 16). The estimated value was based on advice from professional external valuers;
- An unrealised loss of £0.147m (2021/22: loss of £1.301m) on the revaluation of financial investments. This relatively modest movement reflects a year of lower volatility in financial investment markets compared to the significant market turmoil experienced late in 2021/22 triggered by the UK Government's short-lived emergency mini-budget. There have been unrealised gains in the early months of 2023/24;
- A realised gain of £0.222m (2021/22: gain of £0.070m) on the disposal of financial investment assets. This gain arose when decisions were taken by the Trustees to realise a total of £3.0m across two disposals (one in January 2023, one in July 2023) 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. Mercer assists the Trustees as an independent investment adviser. 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.

Actuarial gains on The Edward James Foundation Final Salary Pension Scheme

The most recent actuarial valuation as at 30 September 2021 reported a surplus of £0.765m. The update for accounting purposes as at 30 September 2023 was a surplus of £2.197m (2021/22: £2.718m). However, the Trustees have decided to restrict the asset recognised in the financial statements to £nil (2022: £nil). See note 26 for further details.

Trustees' report (continued)
For the year ended 30 September 2023

Intangible fixed assets

There have been minor additions only in the last two financial years. More than 95% of the carrying value as at 30 September 2023 relates to the goodwill generated on the acquisition of KLC Limited on 31 July 2021.

Tangible fixed assets

The additions of £0.907m (2021/22: £1.642m) included £0.663m (2021/22: £1.341m) in respect of the creation of new student building facilities and master-planning work for future campus expansion. The largest building project over the last two years has been the conversion of Old School House and major refurbishment of Church Lane House, delivering 25 student bedrooms at the West Dean campus (costing £0.283m in 2022/23 and £1.267m in 2021/22).

Property investment fixed assets

The additions of £0.608m (2021/22: £0.548m) related to the major refurbishment of residential houses on West Dean Estate.

Cash balances

As at 30 September 2023, we held cash balances totalling £2.399m (2022: £5.425m). The levels of cash fell by £3.026m during the year; this was driven by a combination of factors (the annual operating deficit, a reduction in the value of course fees in advance, loan repayments, 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.

As explained earlier in this Financial Review, we have used some of our reserves to absorb the worst of the macro-economic disruption of the last four years recorded while 'Net operating income available for Education' has been insufficient to meet the 'Net cost of Education'. 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 £8.785m as at 30 September 2023), of which at least 20% 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 and they have reallocated sufficient financial investments from designated reserves to achieve this. Vision 2030, our updated strategic plan approved in July 2021, together with our recently-drafted Financial Stabilisation Plan, sets out a future growth plan which targets the elimination of operating deficits and then, in the medium-term, sustainable operating surpluses. The Trustees also have in place 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 2023

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 Group and Charity will continue in business.

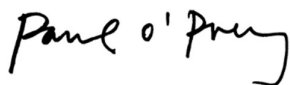
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the reparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

In so far as the Trustees are aware, there is no relevant audit information of which the Charitable Company's auditor is unaware; and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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



Professor Paul O'Prey CBE
Chair of Trustees
22 February 2024

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

Statement of corporate governance
For the year ended 30 September 2023

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 2023 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 has to date reviewed:
 - 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;
 - the compliance systems relating to residential property letting;
 - 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 is currently being sought, 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 remained in place until October 2023, since when the activity has been permanently embedded throughout management and Board committee structures.

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 2023

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 increased from seven to eight Trustees during 2022/23, following two appointments and one retirement. Two appointments in December 2023 mean there are ten Trustees as at the date of approval of the financial statements for the year ended 30 September 2023. One further appointment is planned for April 2024, taking the total number of Trustees to eleven.

The Board of Trustees usually meets five times a year, unless there are exceptional circumstances such as in the years ended 30 September 2020 (COVID-19) and 2021 (acquisition of KLC Limited). During the year ended 30 September 2023 it met on five occasions (2022: five). Members of the Foundation's Executive Leadership Team attended all Board meetings during the year ended 30 September 2023.

Most Board and sub-committee meetings take place in-person or as a hybrid mix (i.e. in-person with some participants via video conference), although they have been held entirely via video conference in exceptional circumstances (e.g. during COVID-19). During the year ended 30 September 2023, all of the five Board meetings and thirteen of the sixteen sub-committee meetings took place in-person or as a hybrid mix.

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 Principal & Deputy Chief Executive and the President of the Student Association.

Meeting frequency: Scheduled to meet at least three times per year. During the year ended 30 September 2023 it met three times (2022: 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, its IT risks 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 (there were temporarily two during 2022/23 following a retirement in May 2022), the Chief Executive and the Director of Finance & Business Systems (this post has

Statement of corporate governance (continued)
For the year ended 30 September 2023

been vacant since January 2024 and is being covered by an Interim Head of Finance at the date of approval of the accounts for the year ended 30 September 2023).

Meeting frequency: Scheduled to meet at least three times per year. During the year ended 30 September 2023 it met six times (2022: six).

- **The Estate Committee**

Purpose: To strategically keep under review the management of West Dean Estate, including the West Dean College Campus, and to make any necessary recommendations to the Board arising from that review. The management of the Estate and Campus includes property repairs, land/property sales and purchases, construction of property, and letting/renting of land/property.

Composition: Four members of the Board, the Chief Executive, the Director of Estates and the Director of Finance & Business Systems (this post has been vacant since January 2024 and is being covered by an Interim Head of Finance at the date of approval of the accounts for the year ended 30 September 2023).

Meeting frequency: Scheduled to meet at least two times per year. During the year ended 30 September 2023 it met three times (2022: three).

- **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;
- 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.

Meeting frequency: The Remuneration Committee meets at least once per year. During the year ended 30 September 2023 it met twice (2022: twice).

- **The Nominations & Governance Committee**

Purpose: The Committee considers and makes recommendations to the Board on matters relating to governance and appointments to the Board and its sub-committees.

Composition: 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 2023, it met twice (2022: once).

Statement of corporate governance (continued)
For the year ended 30 September 2023

- Urgent Situations Committee

Purpose: The Urgent Situations Committee (USC) meets only in exceptional circumstances. It 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 during COVID-19. 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: No meetings of the Committee have been deemed necessary since the year ended 30 September 2020.

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 has been taking action to address this. During the year ended 30 September 2023, 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.

Since the year ended 30 September 2023, the Board:

- Appointed two new Trustees in December 2023, following an external recruitment process, and plans to make one further appointment in April 2024.

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.

Statement of internal control
For the year ended 30 September 2023

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 2023 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.

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 2023

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.

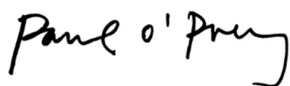
External audit

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 22 February 2024.



Professor Paul O'Prey CBE
Chair of Trustees



Alexander Barron ACA FRSA
Chief Executive

Independent auditor's report to the members of The Edward James Foundation Limited
For the year ended 30 September 2023

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 2023 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 2023 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 2023

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.

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

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes during the year ended 30 September 2023 have been properly applied to those purposes and managed in accordance with relevant legislation; and
- the requirements of the OfS's Accounts direction have been met.

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, the Charities Act 2011 or the Office for Students Accounts direction require us to report to you if, in our opinion:

- the parent charitable company has not kept adequate 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
- grant and fee income, as disclosed in the note to the accounts, has been materially misstated.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 19, 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.

Independent auditor's report to the members of The Edward James Foundation Limited (continued)
For the year ended 30 September 2023

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.

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.

Independent auditor's report to the members of The Edward James Foundation Limited (continued)
For the year ended 30 September 2023

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.

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.

Date

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

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 2023

	Notes	Unrestricted Fund £	Restricted Fund £	Total 2023 £	Total 2022 £
Income from:					
Donations and legacies	3	2,147	218,545	220,692	194,537
Income from charitable activities	4	9,610,259	-	9,610,259	9,140,527
Income from trading activities	5	1,701,626	-	1,701,626	1,277,410
Investment income					
- Properties	6	2,344,228	-	2,344,228	2,423,624
- Financial investments	6	351,846	11,041	362,887	235,523
Other income	7	183,408	-	183,408	-
Total income		14,193,514	229,586	14,423,100	13,271,621
Expenditure on					
Raising funds					
- Fundraising cost		64,479	-	64,479	74,353
- Trading costs		2,075,131	-	2,075,131	1,667,659
- Property investment management		2,063,592	-	2,063,592	1,713,894
- Financial investment management		40,287	-	40,287	33,638
Charitable activities	8	13,164,267	161,577	13,325,844	12,725,146
Total resources expended		17,407,756	161,577	17,569,333	16,214,690
Net gain on investments	13	268,210	27,550	295,760	89,552
Net (outgoing) / incoming resources before transfers		(2,946,032)	95,559	(2,850,473)	(2,853,517)
Transfers between funds	27,28	10,777	(10,777)	-	-
Net (expenditure) / income for the year		(2,935,255)	84,782	(2,850,473)	(2,853,517)
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	26	(69,000)	-	(69,000)	(61,000)
Net movement in funds		(3,004,255)	84,782	(2,919,473)	(2,914,517)
Fund balances at					
1 October		145,167,880	1,862,884	147,030,764	149,945,281
Fund balances at 30 September		142,163,625	1,947,666	144,111,291	147,030,764

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

The notes on pages 33 to 67 form an integral part of the financial statements,

The Edward James Foundation Limited
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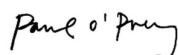
Consolidated and Charity Balance Sheets
For the year ended 30 September 2023

		Group	Group	Charity	Charity
		2023	2022	2023	2022
	Notes	£	£	£	£
Fixed assets					
Intangible assets	14	486,541	542,878	486,541	542,878
Tangible assets	15	34,463,242	34,255,203	34,442,533	34,239,105
Property investments	16	104,449,246	103,620,375	104,449,246	103,620,375
Financial investments	17	12,715,009	15,640,390	12,715,932	15,641,313
		152,114,038	154,058,846	152,094,252	154,043,671
Current assets					
Stocks	19	67,308	66,154	20,877	22,527
Debtors	20	2,805,197	3,256,712	2,832,156	3,292,719
Cash at bank and in hand		2,398,893	5,424,839	2,337,495	5,394,942
		5,271,398	8,747,705	5,190,528	8,710,188
Creditors: amounts falling due within one year	21	(6,008,530)	(8,155,618)	(5,931,421)	(8,126,473)
Net current (liabilities) / assets		(737,132)	592,087	(740,893)	583,715
Total assets less current liabilities		151,376,906	154,650,933	151,353,359	154,627,386
Creditors: amounts falling due after more than one year	22	(7,265,615)	(7,585,842)	(7,265,615)	(7,585,842)
Provisions for liabilities and charges	23	-	(34,327)	-	(34,327)
Net assets		144,111,291	147,030,764	144,087,744	147,007,217
Income funds					
Restricted funds	27	1,947,666	1,862,884	1,947,666	1,862,884
Unrestricted funds					
Designated funds	28	133,378,625	137,067,880	133,378,623	137,067,878
General unrestricted funds	28	8,785,000	8,100,000	8,761,455	8,076,455
		142,163,625	145,167,880	142,140,078	145,144,333
		144,111,291	147,030,764	144,087,744	147,007,217

The total income of the Charity as an individual entity for the year was £13,011,839 (2022: £12,258,065) and its net deficit was £3,217,083 (2022: £3,031,484 deficit). A Statement of financial activities for the Charity as an individual entity is not included using the exemption given in section 408 of the Companies Act 2006.

The notes on pages 33 to 67 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 22 February 2024.



Professor Paul O'Prey CBE
Chair of Trustees



Alexander Barron ACA FRSA
Chief Executive

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

Consolidated statement of cash flows
For the year ended 30 September 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities	33		(4,194,133)		(2,421,935)
Investing activities					
Purchase of tangible fixed assets		(907,365)		(1,642,304)	
Purchase of intangible fixed assets		(5,130)		(3,500)	
Proceeds from disposal of tangible fixed assets		-		49,267	
Purchase of investment property		(607,732)		(548,178)	
Proceeds from disposal investments		3,000,000		1,200,000	
Net cash inflow / (outflow) from investing activities			1,479,773		(944,715)
Financing activities					
Repayment of borrowings		(311,586)		(352,655)	
Net cash used by investing activities			(311,586)		(352,655)
Net decrease in cash equivalents			(3,025,946)		(3,719,305)
Cash and cash equivalents at beginning of year			5,424,839		9,144,144
Cash and cash equivalents at end of year			2,398,893		5,424,839

The notes on pages 33 to 67 form an integral part of the financial statements.

Notes to the Financial Statements
For the year ended 30 September 2023

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 Trustees have intentionally used reserves to absorb the worst impact of the macro-economic disruption experienced in recent years, but they have approved a three-year Financial Stabilisation Plan with a view to returning to modest operating surpluses. 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 2023

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

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

I. Accounting policies (continued)

I.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.

I.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.

I.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 2023

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. Having adopted a total return investment approach in recent years, the Trustees have decided to drawdown a minimum of 3% of financial investment value each year in lieu of income distributions.

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 2023

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.

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

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 2023

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.

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Notes to the Financial Statements (continued)
For the year ended 30 September 2023

3. Donations, legacies and grants

	Unrestricted Funds	Unrestricted Funds	Total 2023
	£	£	£
Donations and gifts	2,147	218,545	220,692
	<u>2,147</u>	<u>218,545</u>	<u>220,692</u>
	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
Donations and gifts	17,760	176,777	194,537
	<u>17,760</u>	<u>176,777</u>	<u>194,537</u>

4. Income from charitable activities

	School of Arts	School of Conservation	KLC School of Design	Total 2023
	£	£	£	£
Fees receivable	4,060,752	1,524,304	4,025,203	9,610,529
	School of Arts	School of Conservation	KLC School of Design	Total 2022
	£	£	£	£
Fees receivable	3,724,355	1,451,796	3,964,376	9,140,527

5. Income from trading activities

	2023	2022
	£	£
West Dean Gardens - admissions income (The Edward James Foundation Limited)	290,366	346,425
West Dean Gardens - commercial restaurant and shop (West Dean Limited)	699,872	445,487
Conferences (West Dean Limited)	421,657	233,266
West Dean Stores (West Dean Limited)	289,731	252,232
Income from trading activities	<u>1,701,626</u>	<u>1,277,410</u>

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Notes to the Financial Statements (continued)
For the year ended 30 September 2023

6. Investment income

	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£
Properties			
West Dean Estate income	<u>2,344,228</u>	<u>-</u>	<u>2,344,228</u>
Financial investments			
Income from financial investments	180,023	11,041	191,064
Interest receivable	32,823	-	32,823
Net interest on defined benefit pension scheme	<u>139,000</u>	<u>-</u>	<u>139,000</u>
	<u><u>351,846</u></u>	<u><u>11,041</u></u>	<u><u>362,887</u></u>
	Unrestricted Funds	Restricted Funds	Total 2022
	£	£	£
Properties			
West Dean Estate income	<u>2,423,624</u>	<u>-</u>	<u>2,423,624</u>
Financial investments			
Income from financial investments	168,377	10,195	178,572
Interest receivable	8,951	-	8,951
Net interest on defined benefit pension scheme	<u>48,000</u>	<u>-</u>	<u>48,000</u>
	<u><u>225,328</u></u>	<u><u>10,195</u></u>	<u><u>235,523</u></u>

West Dean Estate income included £1,884,413 (2022: £2,139,895) in respect of rental income from land and buildings.

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Notes to the Financial Statements (continued)
For the year ended 30 September 2023

7. Other Income

	2023	2022
	£	£
Proceeds from Insurance claims	183,408	-

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. During the year ended 30 September 2023, it received a further £80,000. The claim remains in progress.

Three new insurance claims arose during the year ended 30 September 2023 relating to flood damage, storm damage and a car accident. £103,408 was received during the year in relation to these claim.

8. Charitable activities

	School of Arts	School of Conservation	KLC School of Design	Total 2023
	£	£	£	£
Staff & staff related costs	1,959,525	1,334,581	1,679,003	4,973,109
Visiting tutors & lecturers	580,459	75,408	223,300	879,167
Material & other course costs	365,961	175,397	105,364	646,722
Catering provisions	271,359	103,169	1,344	375,872
Premises costs	351,433	229,994	915,375	1,496,802
Insurance	90,773	90,773	90,773	272,319
Irrecoverable VAT	309,624	101,313	102,148	513,085
Depreciation	229,406	140,322	160,857	530,585
Other charitable expenditure	203,030	148,642	121,084	472,756
	<u>4,361,570</u>	<u>2,399,599</u>	<u>3,399,248</u>	<u>10,160,417</u>
Grant Funding of activities (note 9)	152,458	197,283	-	349,741
Share of support costs (note 10)	1,034,162	796,769	984,755	2,815,686
	<u>5,548,190</u>	<u>3,393,651</u>	<u>4,384,003</u>	<u>13,325,844</u>
Analysis by fund				
Unrestricted funds	5,470,900	3,309,364	4,384,003	13,164,267
Restricted funds	77,290	84,287	-	161,577
	<u>5,548,190</u>	<u>3,393,651</u>	<u>4,384,003</u>	<u>13,325,844</u>

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

8. Charitable activities (continued)

Analysis of expenditure in year ended 30 September 2022:

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

9. Grants payable

	School of Arts £	School of Conservation £	KLC School of Design £	Total 2023 £
Grants to individuals	<u>152,458</u>	<u>197,283</u>	<u>-</u>	<u>349,741</u>
	School of Arts £	School of Conservation £	KLC School of Design £	Total 2022 £
Grants to individuals	<u>134,200</u>	<u>167,905</u>	<u>-</u>	<u>302,105</u>

Grants to individuals include bursaries and scholarships of £48,446 (2022: £19,423) funded internally by the Foundation, together with bursaries and scholarships of £301,295 (2022: £282,682) paid from the West Dean Scholarship Fund.

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

10. Support costs

	Support costs £	Governance costs £	Total 2023 £	Support costs £	Governance costs £	Total 2022 £	Basis of allocation
Staff costs	1,725,108	112,767	1,837,875	1,554,797	107,161	1,661,958	Staff time and student/delegate days
Depreciation	117,280	-	117,280	101,603	-	101,603	Staff time and student/delegate days
Marketing costs	314,304	-	314,304	372,791	-	372,791	Staff time and student/delegate days
Other costs	450,757	-	450,757	531,025	-	531,025	Staff time and student/delegate days
Audit fees	-	28,559	28,559	-	29,500	29,500	Governance
Accountancy	-	5,940	5,940	-	3,800	3,800	Governance
Legal and professional	-	54,353	54,353	-	27,458	27,458	Governance
Trustee related expenses	-	6,618	6,618	-	885	885	Governance
	<u>2,607,449</u>	<u>208,237</u>	<u>2,815,686</u>	<u>2,560,216</u>	<u>168,804</u>	<u>2,729,020</u>	

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 £6,618 relating to travel and subsistence were either reimbursed to, or paid directly on behalf of eight Trustees (2022: £885 to three Trustees).

During the year, £3,590 (2022: £3,157) 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.

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

12. Employees

Staff Costs during the year were:

	2023	2022
	£	£
Wages and salaries	6,866,566	6,190,189
Social security costs	582,352	533,935
Other pension costs	297,529	266,529
	7,746,447	6,990,653

Average number of employees

The average monthly number of employees during the year was:

	2023	2022
	Number	Number
Direct education staff	79	83
Other staff	196	185
	275	268

Higher paid employees

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

	2023	2022
	Number	Number
£160,000 - £169,999	1	-
£150,000 - £159,999	-	1
£120,000 - £129,999	1	-
£110,000 - £119,999	-	1
£100,000 - £109,999	1	-
£90,000 - £99,999	-	1
£80,000 - £89,999	1	-
£70,000 - £79,999	2	1
£60,000 - £69,999	6	-
	12	4

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

12. Employees (continued)

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

	2023	2022
	Number	Number
£150,000 – £154,999	1	-
£140,000 – £144,999	-	1
£125,000 – £129,999	1	-
£115,000 - £119,999	-	1
	2	2

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 during summer / autumn 2020 which the Trustees chose to reimburse in a one-off payment in October 2022 (i.e. payment in lieu of previously waived remuneration). The employment costs of those considered to be key management personnel are:

	2023	2022
	£	£
Wages and salaries	461,833	430,949
Benefits	9,721	9,036
Social security costs	54,939	52,465
Other pension costs	31,176	30,976
	557,669	523,426

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:

	2023	2022
	£	£
Basic Salary	143,097	133,627
Employer's pension contribution	11,602	10,835
Salary sacrifice arrangements	11,602	10,835
Company car	6,533	6,559
Medical insurance	-	658
	172,834	162,514

The Chief Executive, alongside all ELT members, took a temporary pay decrease during summer / autumn 2020 which the Trustees chose to reimburse in a one-off payment in October 2022.

The Chief Executive's basic salary is 6.30 (2022: 5.91) 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 6.83 (2022: 6.73) 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.

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

13. Net gains / (losses) on investments

	Unrestricted Funds	Restricted Funds	Total 2023
	£	£	£
Financial Investments:			
Revaluation	(174,928)	27,550	(147,378)
Gain on sale of investments	221,999	-	221,999
Property investments			
Gain on revaluation of investment properties (see note 16)	221,139	-	221,139
	<u>268,210</u>	<u>27,550</u>	<u>295,760</u>

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

14. Intangible fixed assets

Group and Charity

	Product design rights	Software	Goodwill - KLC School of Design	Total
	£	£	£	£
Cost				
At 1 October 2022	10,000	7,469	607,118	624,587
Additions	-	5,130	-	5,130
At 30 September 2023	<u>10,000</u>	<u>12,599</u>	<u>607,118</u>	<u>629,717</u>
Amortisation and impairment				
At 1 October 2022	10,000	-	71,709	81,709
Amortisation charge	-	-	61,467	61,467
At 30 September 2023	<u>10,000</u>	<u>-</u>	<u>133,176</u>	<u>143,176</u>
Carrying Amount				
At 30 September 2023	<u>-</u>	<u>12,599</u>	<u>473,942</u>	<u>486,541</u>
At 30 September 2022	<u>-</u>	<u>7,469</u>	<u>535,409</u>	<u>542,878</u>

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

15. Tangible fixed assets

Group

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Chattels (Collection and archive) £	Total £
Cost						
At 1 October 2022	20,623,292	6,249,421	1,887,395	137,184	12,384,220	41,281,512
Additions	662,508	174,197	70,123	-	537	907,365
At 30 September 2023	<u>21,285,800</u>	<u>6,423,618</u>	<u>1,957,518</u>	<u>137,184</u>	<u>12,384,757</u>	<u>42,188,877</u>
Depreciation and impairment						
At 1 October 2022	1,997,085	3,321,687	1,588,168	119,369	-	7,026,309
Charge for the year	284,236	295,958	113,896	5,236	-	699,326
At 30 September 2023	<u>2,281,321</u>	<u>3,617,645</u>	<u>1,702,064</u>	<u>124,605</u>	<u>-</u>	<u>7,725,635</u>
Carrying Amount						
At 30 September 2023	<u>19,004,479</u>	<u>2,805,973</u>	<u>255,454</u>	<u>12,579</u>	<u>12,384,757</u>	<u>34,463,242</u>
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>

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

15. Tangible fixed assets (continued)

Charity

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Chattels (Collection and archive) £	Total £
Cost						
At 1 October 2022	20,623,292	6,036,201	1,887,395	137,184	12,384,220	41,068,292
Additions	662,508	165,204	70,123	-	537	898,372
At 30 September 2023	<u>21,285,800</u>	<u>6,201,405</u>	<u>1,957,518</u>	<u>137,184</u>	<u>12,384,757</u>	<u>41,966,664</u>
Depreciation and impairment						
At 1 October 2022	1,997,085	3,124,565	1,588,168	119,369	-	6,829,187
Charge for the year	284,236	291,576	113,896	5,236	-	694,944
At 30 September 2023	<u>2,281,321</u>	<u>3,416,141</u>	<u>1,702,064</u>	<u>124,605</u>	<u>-</u>	<u>7,524,131</u>
Carrying Amount						
At 30 September 2023	19,004,479	2,785,264	255,454	12,579	12,384,757	34,442,533
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>34,239,105</u>

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

16. Property investments

Group and Charity

	2023	2022
	£	£
Fair value		
At 1 October	103,620,375	103,822,245
Additions	607,732	548,178
Transfer to Freehold land and buildings	-	(2,070,000)
Net gains through fair value adjustment	221,139	1,319,952
At 30 September	<u>104,449,246</u>	<u>103,620,375</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 2023 and 30 September 2022 includes a barn which suffered significantly fire damage during the year ended 30 September 2021. Although the damage is in the process of being 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 2023 or 30 September 2022.

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

17. Financial investments

Group

	Listed investments
	£
At 1 October 2022	15,640,390
Valuation changes	74,619
Disposal	<u>(3,000,000)</u>
At 30 September 2023	<u>12,715,009</u>
Carrying Amount	
At 30 September 2023	<u><u>12,715,009</u></u>
At 30 September 2022	<u><u>15,640,390</u></u>
Historic Cost	
At 30 September 2023	<u><u>12,267,218</u></u>
At 30 September 2022	<u><u>15,329,570</u></u>

Charity

	Listed investments	Shares in subsidiaries	Total
	£	£	£
At 1 October 2022	15,640,390	923	15,641,313
Valuation changes	74,619	-	74,619
Disposal	<u>(3,000,000)</u>	<u>-</u>	<u>(3,000,000)</u>
At 30 September 2023	<u>12,715,009</u>	<u>923</u>	<u>12,715,932</u>
Carrying Amount			
At 30 September 2023	<u><u>12,715,009</u></u>	<u><u>923</u></u>	<u><u>12,715,932</u></u>
At 30 September 2022	<u><u>15,640,390</u></u>	<u><u>923</u></u>	<u><u>15,641,313</u></u>
Historic Cost			
At 30 September 2023	<u><u>12,267,218</u></u>	<u><u>923</u></u>	<u><u>12,268,141</u></u>
At 30 September 2022	<u><u>15,329,570</u></u>	<u><u>923</u></u>	<u><u>15,330,493</u></u>

Refer to note 32 for details of shareholdings in subsidiaries.

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Notes to the Financial Statements (continued)
For the year ended 30 September 2023

18. Financial instruments

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,873,661	1,703,932	1,872,969	1,705,663
Equity instruments measured at fair value	-	-	923	923
Instruments measured at fair value through income and expenditure	<u>12,715,009</u>	<u>15,640,390</u>	<u>12,715,009</u>	<u>15,640,390</u>
Carrying amount of financial liabilities	<u>8,789,935</u>	<u>9,685,220</u>	<u>8,743,721</u>	<u>9,653,286</u>

19. Stocks

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Raw materials and consumables	36,789	39,821	17,187	22,507
Finished goods and goods for resale	<u>30,519</u>	<u>26,333</u>	<u>3,690</u>	<u>20</u>
	<u>67,308</u>	<u>66,154</u>	<u>20,877</u>	<u>22,527</u>

20. Debtors

	Group 2023	Group 2022	Charity 2023	Charity 2022
	£	£	£	£
Trade debtors	1,829,356	1,635,563	1,828,664	1,637,294
Amounts due from subsidiary undertakings	-	-	27,998	34,943
Other debtors	44,305	68,369	44,305	68,364
Prepayments and accrued income	<u>931,536</u>	<u>1,552,780</u>	<u>931,189</u>	<u>1,552,118</u>
	<u>2,805,197</u>	<u>3,256,712</u>	<u>2,832,156</u>	<u>3,292,719</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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Notes to the Financial Statements (continued)
For the year ended 30 September 2023

21. Creditors: amounts falling due within one year

		Group	Group	Charity	Charity
		2023	2022	2023	2022
	Notes	£	£	£	£
Loans and overdraft ⁽¹⁾	24	326,228	317,587	326,228	317,587
Trade creditors		811,135	1,076,844	785,840	1,055,361
Amounts due to subsidiary undertakings		-	-	920	920
Other taxation and social security		284,509	271,517	263,016	281,858
Other creditors		289,932	312,111	288,157	308,752
Accruals		386,957	704,947	366,038	694,496
Deferred income	25	3,909,769	5,472,612	3,901,222	5,467,499
		<u>6,008,530</u>	<u>8,155,618</u>	<u>5,931,421</u>	<u>8,126,473</u>

⁽¹⁾ As at 30 September 2023, the Group and Charity had an unutilised overdraft facility for £1,000,000 (2022: £nil) in place.

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

		Group	Group	Charity	Charity
		2023	2022	2023	2022
	Notes	£	£	£	£
Bank loans	24	<u>7,265,615</u>	<u>7,585,842</u>	<u>7,265,615</u>	<u>7,585,842</u>

23. Provisions for liabilities and charges

Group and charity

	2023	2022
	£	£
At 1 October	34,327	81,254
Utilised during the year	(34,327)	(46,927)
At 30 September	<u>-</u>	<u>34,327</u>

As at 30 September 2023, the Group and Charity recognised a provision of £nil (2022: £34,327) in respect of an enhanced credit for Short Course cancellations.

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

24. Loans and overdrafts

Group and charity

	2023	2022
	£	£
Bank Loans	<u>7,591,843</u>	<u>7,903,429</u>
Payable within one year	326,228	317,587
Payable within two to five years	1,379,995	1,340,283
Payable after five years	<u>5,885,620</u>	<u>6,245,559</u>

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

Security (Land Registry Title number)	Interest rate	Status	2023 £	2022 £
WSX265408	3.28% - 3.62%	Repayable March 2036	2,066,370	2,196,555
WSX265296 (part of)	2.29%	Repayable August 2030	5,525,473	5,706,874

As at 30 September 2023, the Group and Charity had an unutilised overdraft facility for £1,000,000 (2022: £nil) in place.

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

25. Deferred income

Group

	2023	2022
	£	£
Arising from grants	189,200	177,116
Arising from course and diploma fees received in advance	3,712,022	5,290,383
Arising from conference and event deposits	8,547	5,113
	<u>3,909,769</u>	<u>5,472,612</u>
Movement in deferred income		
Deferred income at 1 October	5,472,612	5,584,683
Released to statement of financial activities in the year	(5,472,612)	(5,584,683)
New deferred income in the year	<u>3,909,769</u>	<u>5,472,612</u>
Deferred income at 30 September	<u>3,909,769</u>	<u>5,472,612</u>

Charity

	2023	2022
	£	£
Arising from grants	189,200	177,116
Arising from course and diploma fees received in advance	3,712,022	5,290,383
	<u>3,901,222</u>	<u>5,467,499</u>
Movement in deferred income		
Deferred income at 1 October	5,467,499	5,552,988
Released to statement of financial activities in the year	(5,467,499)	(5,552,988)
New deferred income in the year	<u>3,901,222</u>	<u>5,467,499</u>
Deferred income at 30 September	<u>3,901,222</u>	<u>5,467,499</u>

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

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 £297,529 (2022: £266,529). £47,595 (2022: £48,089) 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 is carried out by a qualified actuary, independent of the scheme's sponsoring employer, every three years. The most recent full actuarial valuation was carried out as at 30 September 2021. This actuarial valuation showed a defined benefit pension surplus of £765,000 and there have been no subsequent updates. The surplus has been restricted to £nil (2022: £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 2023 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:

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

26. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations:

	2023	2022
	£	£
Liabilities at 1 October	11,470,000	17,241,000
Benefits paid and expenses	(685,000)	(548,000)
Actuarial (losses) / gains	(1,051,000)	(5,544,000)
Experience gain and losses	258,000	(18,000)
Interest cost	579,000	339,000
At 30 September	10,571,000	11,470,000

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

Movements in the fair value of plan assets:

	2023	2022
	£	£
Fair value of assets at 1 October	11,470,000	17,241,000
Interest income	718,000	387,000
Return on plan assets (excluding amounts included in net interest)	(1,383,000)	(5,269,000)
Benefits paid and expenses	(685,000)	(548,000)
Contributions by the employer	-	13,000
Surplus not recognised	521,000	(354,000)
Administrative expenses paid from plan assets	(70,000)	-
At 30 September	10,571,000	11,470,000

Amounts recognised in the Consolidated statement of financial activities:

	2023	2022
	£	£
<i>Recognised within Income and expenditure account:</i>		
Contributions (paid) by the employer	-	(13,000)
	2023	2022
	£	£
<i>Recognised within Other gains and losses:</i>		
Actual return on scheme assets	(1,383,000)	(5,269,000)
Actuarial changes related to obligations	1,314,000	5,208,000
	(69,000)	(61,000)

The actual return on the scheme assets over the year ending 30 September 2023 was a £665,000 decrease (2022: £4,882,000 decrease).

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

26. Retirement benefit schemes (continued)

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

	2023	2022
	£	£
Cash	299,000	326,000
Equity instruments	781,000	1,059,000
Debt instruments	5,091,000	5,525,000
Other	6,597,000	7,278,000
	<u>12,768,000</u>	<u>14,188,000</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

	2023	2022
	%	%
Discount rate	5.7	5.2
Expected rate of salary increases	3.5	3.8
Inflation (RPI : CPI)	<u>3.5 : 2.5</u>	<u>3.8 : 2.8</u>

Mortality assumptions

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

	2023	2022
	Years	Years
Retiring today		
Males	22.1	22.8
Females	<u>24.0</u>	<u>24.6</u>
Retiring in 20 years		
Males	23.7	24.5
Females	<u>25.5</u>	<u>26.1</u>

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

27. Restricted funds

Group and Charity

	Balance at 1 October 2022 £	Incoming resources £	Movement in funds		Revaluations gains and losses £	Balance at 30 September 2023 £
			Resources expended £	Transfers £		
West Dean						
Scholarship Fund	1,559,527	229,586	(161,577)	-	27,550	1,655,086
Other	303,357	-	-	(10,777)	-	292,580
	<u>1,862,884</u>	<u>229,586</u>	<u>(161,577)</u>	<u>(10,777)</u>	<u>27,550</u>	<u>1,947,666</u>

	Balance at 1 October 2021 £	Incoming resources £	Movement in funds		Revaluations gains and losses £	Balance at 30 September 2022 £
			Resources expended £	Transfers £		
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>

West Dean Scholarship Fund

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

Other restricted funds

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

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Notes to the Financial Statements (continued)
For the year ended 30 September 2023

28. Unrestricted funds

Group

	Movement in funds					
	Balance at 1 October 2022 £	Incoming resources £	Resources expended £	Gains/ (losses) £	Transfers £	Balance at 30 September 2023 £
General unrestricted funds	8,100,000	14,193,514	(17,064,767)	27,199	3,529,054	8,785,000
Pension reserve (note 26)	-	-	-	-	-	-
	<u>8,100,000</u>	<u>14,193,514</u>	<u>(17,064,767)</u>	<u>27,199</u>	<u>3,529,054</u>	<u>8,785,000</u>
Designated funds						
Freehold property (charitable use)	17,360,002	-	-	-	-	17,360,002
Chattels (charitable use)	12,364,220	-	-	-	-	12,364,220
Investment properties	100,378,575	-	-	221,139	(3,518,277)	97,081,437
Quoted investments	204,134	-	-	19,872	-	224,006
West Dean Scholarship Fund	1,187,074	-	(142,417)	-	-	1,044,657
Vision 2030	5,573,875	-	(269,572)	-	-	5,304,303
	<u>137,067,880</u>	<u>-</u>	<u>(411,989)</u>	<u>241,011</u>	<u>(3,518,277)</u>	<u>133,378,625</u>
Total	<u>145,167,880</u>	<u>14,193,514</u>	<u>(17,476,756)</u>	<u>268,210</u>	<u>10,777</u>	<u>142,163,625</u>

	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>(2,659,713)</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>

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Notes to the Financial Statements (continued)
For the year ended 30 September 2023

28. Unrestricted funds (continued)

Charity

	Movement in funds					Balance at 30 September 2023
	Balance at 1 October 2022	Incoming resources	Resources expended	Gains/ (losses)	Transfers	
	£	£	£	£	£	£
General unrestricted funds	8,076,455	14,193,514	(17,064,767)	27,199	3,529,054	8,761,455
Pension reserve (note 26)	-	-	-	-	-	-
	<u>8,076,455</u>	<u>14,193,514</u>	<u>(17,064,767)</u>	<u>27,199</u>	<u>3,529,054</u>	<u>8,761,455</u>
Designated funds						
Freehold property (charitable use)	17,360,002	-	-	-	-	17,360,002
Chattels (charitable use)	12,364,220	-	-	-	-	12,364,220
Investment properties	100,378,575	-	-	221,139	(3,518,277)	97,081,437
Quoted investments	204,134	-	-	19,872	-	224,006
West Dean Scholarship Fund	1,187,074	-	(142,417)	-	-	1,044,657
Vision 2030	5,573,873	-	(269,572)	-	-	5,304,301
	<u>137,067,878</u>	<u>-</u>	<u>(411,989)</u>	<u>241,011</u>	<u>(3,518,277)</u>	<u>133,378,623</u>
Total	<u>145,144,333</u>	<u>14,193,514</u>	<u>(17,476,756)</u>	<u>268,210</u>	<u>10,777</u>	<u>142,140,078</u>

	Movement in funds					Balance at 30 September 2022
	Balance at 1 October 2021	Incoming resources	Resources expended	Gains/ (losses)	Transfers	
	£	£	£	£	£	£
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>

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

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 ended 30 September 2022 represented 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 ended 30 September 2022 related to expenditure on the roof project (within Freehold property) and cottage refurbishments (within Investment property).

Notes to the Financial Statements (continued)
For the year ended 30 September 2023

29. Analysis of net assets between funds

Analysis of net assets between funds

	2023	2023	2023
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 30 September 2023 are represented by:			
Intangible assets	486,541	-	486,541
Tangible assets	34,443,242	20,000	34,463,242
Property investments	104,449,246	-	104,449,246
Financial investments	11,763,289	951,720	12,715,009
Net current (liabilities) / assets	(1,713,078)	975,946	(737,132)
Creditors > 1 year	(7,265,615)	-	(7,265,615)
	<u>142,163,625</u>	<u>1,947,666</u>	<u>144,111,291</u>

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
Property investments	103,620,375	-	103,620,375
Financial 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>

30. Capital commitments

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

	2023	2022
	£	£
Relating to insurance claims	154,041	-
Software	12,825	-
Conversion / refurbishment of student accommodation	-	263,599
	<u>166,866</u>	<u>263,599</u>

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For the year ended 30 September 2023

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
	2023	2022	2023	2022
	£	£	£	£
Not later than 1 year	508,479	591,459	508,479	591,459
Later than 1 year and not later than 5 years	36,979	502,580	36,979	502,580
	545,458	1,094,039	545,458	1,094,039

Lessor

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

	2023	2022
	£	£
Not later than 1 year	208,633	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 2023		% held 2022	
				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.

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Notes to the Financial Statements (continued)
For the year ended 30 September 2023

32. Subsidiaries (continued)

A summary of the results is given below:

West Dean Limited

	2023	2022
	£	£
Income/Gains	1,411,755	1,013,622
Expenditure	<u>(1,114,145)</u>	<u>(925,207)</u>
Net income	297,610	88,415
 Total funds brought forward	 <u>23,544</u>	 <u>23,544</u>
Total funds carried forward	<u><u>23,544</u></u>	<u><u>23,544</u></u>

	2023	2022
	£	£
 Paid to The Edward James Foundation Limited	 89,132	 102,286
Owed from The Edward James Foundation Limited	<u><u>27,998</u></u>	<u><u>34,943</u></u>

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.

	2023	2022
	£	£
 Owed from The Edward James Foundation Limited	 920	 920

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Notes to the Financial Statements (continued)
For the year ended 30 September 2023

33. Cash flows from operating activities

	2023	2022
	£	£
Net expenditure for the year	(2,850,473)	(2,853,517)
Adjustments for:		
Gain on disposal of investments	(221,999)	(70,496)
Revaluation of investments	(73,761)	(19,056)
Depreciation and impairment of tangible fixed assets	699,326	619,345
Amortisation of Goodwill	61,467	61,465
Surplus on disposal of tangible fixed assets	-	(49,267)
Movement on defined pension scheme recognised in the Statement of financial activities	(69,000)	(61,000)
Movements in working capital:		
(Increase) / decrease in stocks	(1,154)	11,329
Decrease / (increase) in debtors	451,515	(169,373)
(Decrease) / increase in creditors	(2,155,727)	155,562
(Decrease) in provisions	(34,327)	(46,927)
Cash used by operations	<u>(4,194,133)</u>	<u>(2,421,935)</u>

34. Analysis of cash and cash equivalents

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

	2023	2022
	£	£
Cash in hand	2,398,893	5,424,839
Total cash and cash equivalents	<u>2,398,893</u>	<u>5,424,839</u>

35. Analysis of changes in net debt

	Balance at 1 October 2022	Cash-flows	Balance at 30 September 2023
	£	£	£
Cash	5,424,839	(3,025,946)	2,398,893
	<u>5,424,839</u>	<u>(3,025,946)</u>	<u>2,398,893</u>
Loans falling due within one year	(317,587)	(8,641)	(326,228)
Loans falling due after more than one year	(7,585,842)	320,227	(7,265,615)
Total	<u>(2,478,590)</u>	<u>(2,714,360)</u>	<u>(5,192,950)</u>

36. Events after the end of the reporting period

In the period between 30 September 2023 and the date these financial statements were signed, the Charity served notice to terminate the lease on a property it rents in Chelsea Harbour (London) and entered into a new 15 year lease for a property in Bloomsbury (London). As a result, rent related payments are expected to be lower over each of the next five years than those incurred during the year ended 30 September 2023.

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Notes to the Financial Statements (continued)
For the year ended 30 September 2023

37. Comparative consolidated statement of financial activities

	Unrestricted Fund	Restricted Fund	Total 2022
	£	£	£
Income from:			
Donations and legacies	17,760	176,777	194,537
Income from charitable activities	9,140,527	-	9,140,527
Income from trading activities	1,277,410	-	1,277,410
Investment income			
- Properties	2,423,624	-	2,423,624
- Financial investments	225,328	10,195	235,523
Total income	13,084,649	186,972	13,271,621
Expenditure on			
Raising funds			
- Fundraising cost	74,353	-	74,353
- Trading costs	1,667,659	-	1,667,659
- Property investment management	1,713,894	-	1,713,894
- Financial investment management	33,638	-	33,638
Charitable activities	12,551,962	173,184	12,725,146
Total resources expended	16,041,506	173,184	16,214,690
Net gain / (loss) on investments	162,143	(72,591)	89,552
Net outgoing resources before transfers	(2,794,714)	(58,803)	(2,853,517)
Transfers between funds	5,482	(5,482)	-
Net expenditure for the year	(2,789,232)	(64,285)	(2,853,517)
Other recognised gains and losses			
Actuarial loss on defined benefit pension schemes	(61,000)	-	(61,000)
Net movement in funds	(2,850,232)	(64,285)	(2,914,517)
Fund balances at 1 October	148,018,112	1,927,169	149,945,281
Fund balances at 30 September	145,167,880	1,862,884	147,030,764

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

Reference and administrative information
For the year ended 30 September 2023

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 ²	Appointed 9 December 2022
Martin Ashley MVO RIBA ³	
Naomi Davenport ²	Appointed 9 December 2022
Kevin Edgeley CFA	Appointed 7 December 2023
Caroline Griffith ^{1 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	Retired 19 October 2023
Yen-Yen Teh RIBA	Appointed 7 December 2023

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

Chief Executive

Alexander Barron ACA FRSA

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

Professional advisers
For the year ended 30 September 2023

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 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

THE EDWARD JAMES FOUNDATION LIMITED

England & Wales - Charity number 1126084

Accounts



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

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

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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.

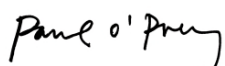
The external challenges all institutions and individuals have faced over the last few years remind us of the important contribution we can make in a troubled world, through our encouragement and nurturing of creative practice and the sensitive stewardship of nature and community. I think Edward James 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

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.

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

The Edward James Foundation Limited
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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 £'000	2022 Expenditure £'000	Net £'000	2021 Net £'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.

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.

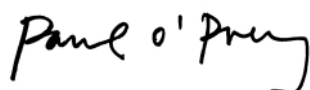
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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 reparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

In so far as the Trustees are aware, there is no relevant audit information of which the Charitable Company's auditor is unaware; and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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.

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.

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.

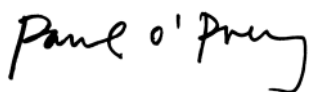
External audit

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

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.

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

In our opinion, in all material respects:

- funds from whatever source administered by the institution for specific purposes during the year ended 30 September 2022 have been applied to those purposes and managed in accordance with relevant legislation;
- no funds were provided by the OfS and Research England during the year ended 30 September 2022; and
- the requirements of OfS's accounts direction have been met.

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.

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

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.

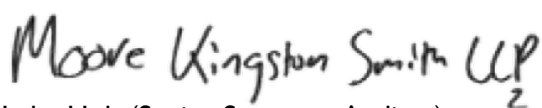
Our approach was as follows:

- 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.



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)

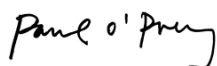
Consolidated and Charity Balance Sheets
For the year ended 30 September 2022

		Group 2022	Group 2021	Charity 2022	Charity 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
		154,058,846	153,650,362	154,043,671	153,633,729
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		5,424,839	9,144,144	5,394,942	8,909,430
		8,747,705	12,308,966	8,710,188	12,173,014
Creditors: amounts falling due within one year	21	(8,155,618)	(7,990,476)	(8,126,473)	(7,906,682)
Net current assets		592,087	4,318,490	583,715	4,266,332
Total assets less current liabilities		154,650,933	157,968,852	154,627,386	157,900,061
Creditors: amounts falling due after more than one year	22	(7,585,842)	(7,942,317)	(7,585,842)	(7,897,071)
Provisions for liabilities and charges	23	(34,327)	(81,254)	(34,327)	(81,254)
Net assets		147,030,764	149,945,281	147,027,217	149,921,736
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	8,100,000	7,750,000	8,076,455	7,726,455
		145,167,880	148,018,112	145,144,333	147,994,567
		147,030,764	149,945,281	147,007,217	149,921,736

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

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.

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

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

I. Accounting policies (continued)

I.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.

I.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.

I.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.

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.

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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>

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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	<u>2,423,624</u>	<u>-</u>	<u>2,423,624</u>	<u>2,390,764</u>
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	<u>48,000</u>	<u>-</u>	<u>48,000</u>	<u>30,000</u>
	<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	<u>2,390,764</u>	<u>-</u>	<u>2,390,764</u>	
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	<u>30,000</u>	<u>-</u>	<u>30,000</u>	
	<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	<u>-</u>	<u>20,000</u>

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	87,677	85,507	-	173,184	208,603
	<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>

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

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

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

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	2021
	Number	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.

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>

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Notes to the Financial statements (continued)
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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.

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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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Notes to the Financial statements (continued)
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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.

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

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

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

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:

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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).

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>

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			Revaluations gains and losses £	Balance at 30 September 2022 £
			Resources expended £	Transfers £			
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			Revaluations gains and losses £	Balance at 30 September 2021 £
			Resources expended £	Transfers £			
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.

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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)
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28. Unrestricted funds (continued)

Charity

	Movement in funds					
	Balance at 1 October 2021 £	Incoming resources £	Resources expended £	Gains/ (losses) £	Transfers £	Balance at 30 September 2022 £
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>

	Movement in funds					
	Balance at 1 October 2020 £	Incoming resources £	Resources expended £	Gains/ (losses) £	Transfers £	Balance at 30 September 2021 £
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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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>

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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.

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	(925,207)	(784,963)
Net income	<u>88,415</u>	<u>102,285</u>
 Total funds brought forward	 <u>23,544</u>	 <u>23,544</u>
Total funds carried forward	<u><u>23,544</u></u>	<u><u>23,544</u></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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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)
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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

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

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

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

THE EDWARD JAMES FOUNDATION LIMITED

England & Wales - Charity number 1126084

Accounts



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

ANNUAL REPORT AND GROUP FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 SEPTEMBER 2021

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Chair's introduction
For the year ended 30 September 2021

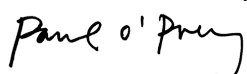
During 2021 and 2022 we are marking fifty years since our foundation by Edward James, who so generously donated his glorious West Dean estate to create a community for the teaching and practice of craft and art. We celebrate this milestone stronger than ever and with a growing confidence in our future. We are sure that Edward would feel proud of how his vision has been implemented and pleased by what is daily being achieved in his name. West Dean today is a vibrant community of teaching and practice, an international centre of excellence in conservation, and an inspiring place where people from around the world come together to share ideas, perform excellent work and achieve their creative potential.

The Covid pandemic has again this year caused major disruption to our activities. During these testing times the Foundation has proved itself both adaptable and resilient, thanks to the dedication, commitment and professionalism of our staff. We have been resolute in putting first at all times the health, wellbeing and safety of our staff and students. We have also continued to provide exceptional levels of support to our students even when it was not possible for them to attend in person, just as we have continued to provide a first-rate experience for visitors to our world-class gardens, which have been a vital source of inspiration and sustenance to a great many people during a period of enforced social isolation.

The acquisition of KLC School of Design in July 2021 was an historic development for the Foundation. Structurally, KLC School of Design now forms a third School within West Dean College. Based in Chelsea, KLC has established a strong reputation in the world of design education under the assured leadership of its founder Jenny Gibbs, who is set to retire in the summer of 2022. KLC is an excellent strategic fit with regards to both our portfolio of courses and our geographic location, while strengthening the finances of the College with an immediate gain in terms of efficiency of scale. We now have a wider range of subject areas to offer prospective students, as well as two excellent campuses, one in the glorious South Downs and the other in central London.

This year's financial statement shows a deficit due to the impact of Covid, but also a significant strengthening of our balance sheet. During the year we revised our investment strategy to reduce risk and increase diversity. We are now focussed on growth and absolute return rather than short-term income from dividends. While this presents in these accounts as a downturn in terms of investment income, this is due to a strategic decision not to draw down gains during the year, but rather to let them continue to grow and work on our behalf. This shortfall in income is more than compensated for by the growth seen on our balance sheet. Covid restrictions again limited our ability to provide short courses, which results in a reduced level of income for the year. We are confident, however, that demand for these courses is stronger than ever and that numbers are recovering swiftly as society returns to normal.

During the year we revised our strategic plan to make sure that it remains relevant in a post-Covid world. Our Vision 2030 sets us on a bold and exciting course that will see West Dean College grow its student numbers and enhance its reputation for world-leading education in art, design and conservation. We are also determined that the Foundation as a whole will ensure that it provides equal opportunities for students and staff regardless of background or tradition, and that the stewardship of our estate in the South Downs National Park will set a lead in terms of sustainability and the regeneration of nature.



Professor Paul O'Prey CBE

Chair of Trustees

11 February 2022

Trustees' report
For the year ended 30 September 2021

The Trustees present their Annual report and audited accounts for the year ended 30 September 2021 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

To inspire learning in arts and conservation and, from 2021/22, design.

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

Underpinning this is a commitment to:

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

OUR ACHIEVEMENTS AND PERFORMANCE

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

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

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

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

Impact of Covid-19 pandemic

2020/21 was the second 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 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 proved invaluable, as again there were distinct phases to manage during 2020/21:

Phase 1 – Face to Face Start to the Academic Year (October 2020)

The academic year started positively compared with much of the second half of 2019/20. Key decisions and actions during this phase included:

- Resuming the face to face teaching of Higher Education students at the beginning of the 20/21 academic year;
- Continuing to rebuild face to face teaching on the Short Course programme to 75% of normal capacity.

Phase 2 – Lockdowns: Partial then Full (November 2020 to February 2021)

In early November 2020, a second period of national lockdown commenced, during which it was permitted for face to face teaching of Higher Education course to continue. This lasted for one month, before a national tiering system was briefly implemented. However, in early January 2021, a third period of national lockdown commenced, which this time prohibited face to face teaching on almost all Higher Education courses. Key decisions and actions during this phase included:

- Continuing all face to face teaching of Higher Education courses for as long as permitted, then moving teaching online and changing semester dates (i.e. the timing of the Easter break was altered to minimise lost face to face teaching during the lockdown period);

Trustees' report (continued)

For the year ended 30 September 2021

- Developing a range of options for Higher Education students to complete their studies in 2020/21 or to return in 2021/22;
- Ceasing all face to face teaching of Short Courses, thereby leading to the suspension of the programme;
- Offering Short Course students enhanced credit transfers, in order to reduce refund demands;
- Making use of the Government's Coronavirus Job Retention Scheme to help protect jobs;
- Continuing to open the Gardens to the public with ticketed entry, albeit neither the Shop nor Restaurant was permitted to operate for much of this phase;
- Continuing to operate the West Dean Stores as an essential service to the local community.

Phase 3 – 4-Step Reopening (March 2021 to September 2021)

With effect from March 2021, a national Roadmap out of lockdown was implemented by the Government. This permitted activities to recommence gradually over a four month period to mid July 2021. Key decisions and actions during this phase included:

- Resuming the face to face teaching of Higher Education students from early March 2021;
- Extending access to workshops and studios for Higher Education students, beyond the academic year and into the summer months, in response to the lost practice time during lockdown periods;
- Resuming the face to face teaching of one-day, non-residential Short Courses from mid-April 2021;
- Resuming the face to face teaching of residential Short Courses from mid May 2021, rebuilding the programme to approximately 75% of normal capacity by September 2021;
- Reopening the Gardens Shop and Restaurant to the public with effect from mid-April and mid-May 2021 respectively.

Moving into 2021/22, there have been no further periods of national lockdown at the time of approving this report. This has enabled face to face teaching of Higher Education students to continue, together with the rebuilding of the Short Course programme (100% of normal capacity targeted from April 2022). Although the pandemic has affected the Foundation's financial position and necessitated urgent action, the experience has demonstrated the institution's resilience and the significant demand for its high-quality offer. This galvanised the Executive and the Board to revisit and update the Foundation's 10-year strategic plan, Vision 2027; rather than any scaling-back, Vision 2030 was approved in 2021 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 and conservation and to preserve the knowledge and application of craft skill. Our portfolio will expand 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 and conservation. For many students, these support the development of a vocation or career and for all, they contribute to a life better lived.

Our aims, performance and achievements for 2020/21

Our aims for 2020/21 included:

Trustees' report (continued)

For the year ended 30 September 2021

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

Performance and achievement for 2020/21 inevitably centred on our response to the impact of Covid-19, although good progress was also made in respect of the aims set out above. The key achievements in 2020/21 included:

- During the pandemic, we always prioritised the health, safety and wellbeing of our student and staff community. In 20/21, despite continued disruption, we maintained student satisfaction and improved completion rates. We rescheduled the Easter vacation and extended workshop and studio access into the summer in order to ensure students had opportunities to complete practical work;
- We introduced a new department of Student Recruitment & External Engagement and achieved record recruitment for Higher Education course entry in 2021/22, requiring us to create new workshop spaces and increase student accommodation;
- We continued to develop online courses, introduced craft boxes and successfully launched an Online Foundation Certificate in Art and Design (OFCad) combining pre-recorded and live teaching sessions;
- We acquired KLC School of Design in July 2021 and began the process of integrating the academic provision as the basis for future development and growth.

Our aims for 2021/22:

- We will successfully achieve Institutional Re-recognition with the University of Sussex, renewing our partnership for a further five years and recognising Chelsea Harbour as an additional campus and delivery site;
- We will 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;
- We will approve a Campus Development Plan to extend and update teaching and learning facilities at West Dean;
- We will 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.

Trustees' report (continued)
For the year ended 30 September 2021

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 2020/21

Our aims for 2020/21 included:

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

Performance and achievement for 2020/21 inevitably centred on our response to the impact of Covid-19, although good progress was also made in respect of the aims set out above. The key achievements in 2020/21 included:

- We continued to develop the digital catalogue of our archive material supported with images and contextual material to coincide with the College's 50th anniversary in 2021/22;
- We continued to work towards the adoption of national standards required to achieve Museums Accreditation and Archives Service Accreditation;
- Despite the continued lockdown restrictions, all essential regular checks were maintained on the Collection throughout including on the environment and security;
- We successfully re-instated the Collection items that had been stored off-site during the major roof refurbishment project and continued the process of re-evaluating the current display of the Collection.

Our aims for 2021/22:

- We will 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;
- We will 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;

We will 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.

Trustees' report (continued)
For the year ended 30 September 2021

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 2020/21

Our aims for 2020/21 included:

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

Performance and achievement for 2020/21 inevitably centred on our response to the impact of Covid-19, although good progress was also made in respect of the aims set out above. The key achievements in 2020/21 included:

- Significant catch-up works took place following Covid-19 restrictions, returning the Gardens to their high standards;
- Some areas of re-imagination commenced in the first phase of the College borders in readiness for the 2022 planting season;
- Maintenance of the glasshouses continued albeit slower than anticipated due to the pandemic.

Our aims for 2021/22:

- We will adopt further sustainable practices in horticulture and expanding in-house compost production;
- We will grow more produce in the Gardens to supply West Dean food outlets;
- We will 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.

Trustees' report (continued)
For the year ended 30 September 2021

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.

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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 2020/21

Our aims for 2020/21 included:

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

Performance and achievement for 2020/21 inevitably centred on our response to the impact of Covid-19, although good progress was also made in respect of the aims set out above. The key achievements in 2020/21 included:

- Continuing to be supportive of all tenants throughout the pandemic, with the result that no tenant needed to leave or change circumstances.

Trustees' report (continued)

For the year ended 30 September 2021

- Continuing to undertake all minor repairs and some minor refurbishment work to cottages.
- Continuing the major refurbishment of 88 & 86 The Warren, as the project had started.
- Appointing the Sustainability consultant, Davy Horizons Partnership, ahead of the initial phase of work commencing in October 2021.

Our aims for 2021/22

- We will convert the Old School (most recently arranged as three tenanted residential cottages) into student accommodation providing 12 ensuite rooms;
- We will refurbish the Church Lane student accommodation annexe;
- We will refurbish a further four cottages, one to include a live-work space for an artist, conservator or designer;
- We will create and begin implementation of a Sustainability Action Plan;
- We will change the management of green spaces within West Dean village to enhance and protect these areas while increasing biodiversity and their aesthetic;
- We will commence a consultation on the Campus Development Plan and the Conservation Management Plan with the South Downs National Park Authority and Historic England.

OUR FUTURE PLANS

The Covid-19 pandemic period has demonstrated the institution'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 it presents a renewed level of ambition for the years ahead. The Vision 2030 fund (previously the Vision 2027 fund, see note 28) remains in place at the end of 2020/21 to reflect project designations which will continue.

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.

Trustees' report (continued)
For the year ended 30 September 2021

OUR APPROACH TO SAFEGUARDING

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

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 2020/21.

In 2020/21 we received 0 (2019/20: 0) complaints about our fundraising programme.

GRANT MAKING

A significant proportion of degree and diploma students and some short course students would be unable to study at West Dean College without some form of financial assistance towards tuition fees. The value of scholarships and bursaries awarded to students this year totalled £288,994 (2019/20 £238,252). Of this total, £273,184 (2019/20 £218,663) were made from the West Dean Scholarship Fund and the balance of £15,810 (2019/20 £19,589) was contributed from annual unrestricted operating budgets. The West Dean Scholarship Fund is administered by the Foundation using funds which have been designated by the Board or which have been restricted for this purpose by third party donations from partners and funders who share our mission to inspire the artists and conservators of the future, and to whom we are enormously grateful.

VOLUNTEERS

Volunteers are an integral part of the welcoming community of West Dean. We currently have around 60 volunteers, the majority of whom provide support within our beautiful gardens and surrounding landscape. We work to ensure that volunteers gain valuable experience whilst working at West Dean College and feel respected, safe and recognised for everything they do in support of our charitable activities. We've prioritised the health, safety and wellbeing of volunteers in the same way as we have for our employees during the Covid-19 pandemic. Unfortunately, this means there have been periods of time during the year when they've been unable to attend site, but their contribution will be more important than ever as we seek to recover in 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 all the Charity's educational activities, the College awards a number of scholarships and bursaries to enable students who might otherwise be unable to do so to study at West Dean College. Students are considered on merit, potential and financial need. During the Covid-19 pandemic, we made freely available a significant amount of creative content via our website and social media channels. We also published an open letter to the arts and conservation sectors 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.

The biggest risks and uncertainties we are managing in 2021/22 are:

- The ongoing operational and financial risks associated with the Covid-19 pandemic. Since the year-end, there has been further disruption as a consequence of the Omicron variant, although it has been possible to continue all planned face to face teaching to date. Particular concerns remain around the need to continue and/or reintroduce Covid-related safety restrictions, which may adversely impact on Higher Education student recruitment or the capacity of Short Courses. 2021/22 is projected to see another significant operating deficit and a further erosion of reserves, largely due to the time taken to safely rebuild programme capacity to pre-pandemic levels. The action the Foundation took at the start of the Covid-19 pandemic in disposing of some of its financial investments to protect its cash position means that it has sufficient cash to meet its operating needs for the foreseeable future. Furthermore, the Foundation has substantial liquid financial investments which it could call upon if required. The Board of Trustees are therefore confident that the Foundation can continue operating as a going concern. Its strategic plan (see below) is intended to ensure long-term financial sustainability;
- The strategic and financial risks associated with organisational change and transformation. More specifically:
 - Vision 2030: the Foundation updated its 10-year strategic plans during 2020/21 and 'Vision 2030' was approved in July 2021. 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

Trustees' report (continued)

For the year ended 30 September 2021

the Executive Management 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;

- KLC School of Design: the acquisition in July 2021 offered the Foundation a highly-regarded and well-developed course portfolio, immediate student growth and a London presence. However, it also carried significant reputational, operational and financial risks if not appropriately mitigated. Extensive due diligence was undertaken in advance of the acquisition and the various risks were fully absorbed into the Foundation's Critical Risk Register. The Chief Executive and the Executive Management Team, supported by a Director of Business Integration, are leading the post-acquisition integration process with progress being monitored regularly by the Trustees.
- 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 later in 2022. Details of the new Scheme remain incomplete 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 hoped that the new funding regime may be able to support the Foundation's aspirations around sustainable land management.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Operating deficit

2020/21 was the second consecutive year to suffer a significant operating deficit as a consequence of the Covid-19 pandemic. The Foundation's insurance policies did not cover the loss arising from business interruption due to a global pandemic; after claiming £0.198m (2019/20 £0.404m) from the Government's Coronavirus Job Retention Scheme, the Foundation sustained the balance of the resulting financial burden. Whilst the pandemic is a major contributory factor in the recorded operating deficit of £2.252m (2019/20: £2.682m), it is also partly attributable to a fall in financial investment income following a change in investment objective during the year (see later in this Financial Review). The continuation of the pandemic into 2021/22 means a further operating deficit is anticipated ahead, but this is forecast to be smaller than that in the previous two years and a minimum breakeven result is targeted thereafter.

Although impacted financially by the crisis, the Foundation's pre-pandemic asset strength has given us the ability in 2020/21 to react to the situation, to support students on award-bearing courses to complete their programmes of study, to acquire KLC School of Design and to adapt in readiness for the period of recovery ahead.

The Edward James Foundation Limited
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Trustees' report (continued)
For the year ended 30 September 2021

The operating deficit for the year of £2.252m (2020: £2.682m) is summarised below:

	Income £'000	Expenditure £'000	2021 Net £'000	2020 Net £'000
Financial investments	354	(23)	331	1,039
Trading (excluding memberships)	1,118	(1,441)	(323)	(965)
West Dean Estate	2,391	(1,201)	1,190	916
Fundraising (including memberships)	527	(79)	448	560
Insurance proceeds	20	-	20	228
Governance	-	(78)	(78)	(69)
Net operating income available for education	4,410	(2,822)	1,588	1,709
Education	3,598	(7,438)	(3,840)	(4,391)
Total operating deficit as per Consolidated statement of financial activities	8,008	(10,260)	(2,252)	(2,682)

The Net operating income available for education of £1.588m (2020: £1.709m) fell slightly compared with the previous year, but this headline figure masked compensating factors:

- The net return from Financial Investments fell by £0.708m compared with 2019/20. This was due to a combination of:
 - the reduction in size of the financial investment portfolio following the disposal of holdings in March 2020 in order to protect the Foundation's cash position as the Covid-19 crisis unfolded;
 - a change in investment approach across the majority of the portfolio from income return to total return. No drawdown of capital growth was required to support operating cash, so those returns effectively remained in the portfolio;
- The deficit on Trading activities fell by £0.642m compared with 2019/20. This was a result of tighter cost control.
- The surplus on West Dean Estate activities rose by £0.274m compared with 2019/20. This was due to costs being incurred in 2019/20 for Ash Die back which were not incurred during 2020/21.
- Net Fundraising income fell by £0.112m compared with 2019/20. This was due to a reduction of £0.206m in income from the Government's Coronavirus Job Retention Scheme, partly offset by staff cost savings following the redundancy programme undertaken in 2019/20;
- One-off insurance claim proceeds fell by £0.208m compared with 2019/20. The claim in 2019/20 related to a financial loss suffered as a consequence of adverse weather conditions forcing the closure of our Chilli Fiesta event in August 2019.

It is a central tenet of our charitable mission that we will subsidise the cost of our education programmes to ensure that the skills we teach may be preserved, and that our fees are competitive in the market place. This is achieved

Trustees' report (continued)
For the year ended 30 September 2021

by careful financial planning over the medium-term and detailed budgeting in the short-term, but neither time-horizon could allow for the impact of the Covid-19 crisis; it is the purpose of reserves to absorb such unexpected events. Our net expenditure on Education in 2020/21 fell by £0.551m to £3.840m, but this remained substantially higher than pre-pandemic levels. The comparatively high net expenditure on Education at the current time arises primarily from the suspension of the Short Course programme during the lockdown periods of Covid-related operating restrictions. In the absence of any advance warning, the fall in fee income could only be partly offset by cost savings; some of these are short-term general overhead savings, but the mitigating impact of the redundancy programme undertaken in 2019/20 has benefited the 2020/21 results. Taking over the activities of KLC School of Design (through the acquisition of KLC Limited on 31 July 2021) had limited impact on the operating deficit in 2020/21, but it is anticipated this will help provide an economy of scale over the medium-term which will make a net contribution to the operating result.

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

The investment gain during the year of £11.275m (2019/20: £61.305m) represents:

- An unrealised gain of £8.232m (2019/20: £66.666m) on the revaluation of investment properties. The estimated value was based on advice from professional external valuers. The size of the gain in 2019/20 was exceptional and reflected a change in estimation technique;
- An unrealised gain of £1.360m (2019/20: loss of £3.964m) on the revaluation of financial investments. This reflects the partial reversal of the general falls in financial investment markets experienced as a consequence of the Covid-19 pandemic. Volatility is expected to continue during 2021/22, as wider economic uncertainties persist during the pandemic recovery period;
- A realised gain of £1.682m (2019/20: loss of £1.396m) on the disposal of financial investment assets. This gain arose when a decision was taken by the Trustees in November 2020 to change investment objective (see next section), which involved reinvesting all of the Foundation's equity financial investment holdings into a new, multi-asset portfolio.

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. During the year, the Trustees reviewed the investment objective and they decided to adopt a total return approach. 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.

The new 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 is likely to impact 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 higher Net Gains on Investments; this impact is particularly evident in the current year of transition between objectives.

The Finance and Audit Committee monitors investment performance and reports to the Board on a regular basis. Members of the Finance and Audit Committee have background experience and knowledge of finance and investment markets and property. An independent investment adviser assists the Trustees and, following a selection process, Mercer was appointed to this role in November 2020. Mercer are currently assisting us to complete a

Trustees' report (continued)
For the year ended 30 September 2021

review and repositioning of our financial investments to ensure they align with our organisational values and ethical principles; this review is due to conclude during 2021/22.

Actuarial gains on The Edward James Foundation Final Salary Pension Scheme

As at 30 September 2021, the actuarial valuation indicated a surplus of £1.888m (2020: £1.768m). However the Trustees have decided to restrict the asset recognised in the financial statements to £nil (2020: £nil). See note 26 for further details.

Intangible fixed assets

The additions 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 £0.426m during 2020/21 included a final amount of £0.224m in respect of the major roof repair project to West Dean House.

Further additions arising from the acquisition of subsidiary undertakings of £1.030m (net book value £0.134m) relate to the plant, machinery, fixtures, fittings and equipment of KLC Limited. These were acquired on 31 July 2021.

Property investment fixed assets

The additions of £0.481m during 2020/21 related to the major refurbishment of residential houses on West Dean Estate.

Cash balances

As at 30 September 2021, we held cash balances totalling £9.144m (2020: £10.272m). The levels of cash fell by £1.128m during the year, driven largely by the investments set out above in respect of intangible, tangible and property investment fixed assets. The relatively high cash levels include £6.167m held in respect of Vision 2030 capital projects.

Funding and reserves

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

The impact of Covid-19 pandemic in 2020/21 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 second consecutive year which will be met from reserves.

The impact of Covid-19 pandemic in 2019/20 was that Net operating income available for Education was insufficient to meet the Net cost of Education, so generating a significant operating deficit for the second 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, currently £7.750m, 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, the updated strategic plan

Trustees' report (continued)
For the year ended 30 September 2021

approved in July 2021, sets out a future growth plan which targets a swift post-pandemic move to operating breakeven and then, in the medium-term, to sustainable operating surpluses.

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.

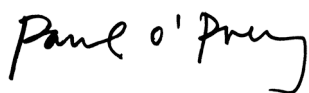
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding 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
11 February 2022

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

Statement of corporate governance
For the year ended 30 September 2021

The following statement is provided to enable the reader to understand The Edward James Foundations Limited's corporate governance framework and structure. It covers the year ending 30 September 2021 and the period up to the date of approval of the financial statements.

Governing document

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

Governance framework

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

- It is registered with the regulator of Higher Education, the Office for Students.
- It has adopted the Committee of University Chairs Higher Education Code of Governance. As part of its adherence to this Code, the Foundation:
 - o Conducted an internal, high-level review of compliance at the point of adoption in 2018.
 - o Commissioned Kingston City Group (KCG) to undertake a new, rolling internal audit programme with effect from 2021/22.
 - o Appointed a Clerk to the Board in May 2020. During 2020/21, the Clerk to the Board undertook a Governance Review, the findings of which were considered by the Board in December 2021 and an action plan for implementation was approved.
 - o Established an Equality, Diversity and Inclusivity (EDI) working group which held its first meeting in February 2021. The Foundation has also appointed an external consultancy to conduct an independent audit of its current policies, practices and procedures in relation to EDI. An action plan for implementation is currently being developed based on interim audit reports to date and it is anticipated this will be considered for approval during 2021/22.

Group Structure

The Foundation delivers education through West Dean College and, as a secondary activity, maintains and preserves the West Dean Estate. The Foundation is the parent company of a 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 wind-up KLC Limited in due course.

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.

Statement of corporate governance (continued)
For the year ended 30 September 2021

The Board of Trustees comprised eight trustees during 2020/21 and remains at eight as at the date of approval of the financial statements for the year ended 30 September 2021.

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 has met on more occasions in each of the last two years. During the year ended 30 September 2021 it met on seven occasions (2020: seven). Members of the Foundation's Executive Management Team attended all Board meetings during the year ended 30 September 2021.

Prompted by the COVID-19 pandemic, the majority of Board and sub-committee meetings since March 2020 have taken place by 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 2021 it met three times (2020: two).

- **The Finance and Audit Committee**

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

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

Meeting frequency: Scheduled to meet at least three times per year. During the year ended 30 September 2021 it met six times (2020: 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 2021 it met three times (2020: two).

Statement of corporate governance (continued)
For the year ended 30 September 2021

- **Urgent Situations Committee**

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

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

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

Meeting frequency: 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 year ended 30 September 2021, 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.

Meeting frequency: The Remuneration Committee meets at least once per year. During the year ended 30 September 2021 it met twice (2020: once).

- **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.

Statement of corporate governance (continued)
For the year ended 30 September 2021

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 former Nominations Committee last met on 18 October 2019 with the full Board in attendance to appoint Professor Paul O'Prey CBE as Chair. The Nominations & Governance Committee will meet once a year from 2021/22.

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.

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.

Statement of internal control
For the year ended 30 September 2021

The following statement is provided to enable the reader to understand The Edward James Foundations Limited's system of internal control. It covers the year ending 30 September 2021 and the period up to the date of approval of the financial statements.

System of internal control

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

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

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

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

Risk management

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

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

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

Statement of internal control (continued)
For the year ended 30 September 2021

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.

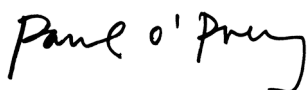
External audit

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 has now commissioned Kingston City Group (KCG) to undertake an annual internal audit programme commencing in 2021/22.

This Statement of Internal Control was approved by the Trustees and the Chief Executive on 11 February 2022.



Professor Paul O'Prey CBE
Chair of Trustees



Alexander Barron ACA FRSA
Chief Executive

Independent auditor's report to the members of The Edward James Foundation Limited
For the year ended 30 September 2021

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 2021 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 2021 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 2021

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 2021

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 2021

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.



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

Date 28 March 2022

Devonshire House
60 Goswell Road
London
EC1M 7AD

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 2021

	Notes	Unrestricted Fund £	Restricted Fund £	Total 2021 £	Total 2020 £
Income from:					
Donations, legacies and grants	3	263,543	263,075	526,618	780,859
Income from charitable activities	4	3,598,060	-	3,598,060	2,419,766
Income from trading activities	5	1,118,465	-	1,118,465	1,007,857
Investment income					
- Properties	6	2,390,764	-	2,390,764	2,324,795
- Financial investments	6	336,220	18,157	354,377	1,060,149
Other income	7	20,000	-	20,000	228,174
Total income		7,727,052	281,232	8,008,284	7,821,600
Expenditure on					
Raising funds					
- Fundraising cost		78,557	-	78,557	220,535
- Trading costs		1,441,250	-	1,441,250	1,973,315
- Property investment management		1,200,552	-	1,200,552	1,408,960
- Financial investment management		22,940	-	22,940	20,983
Charitable activities	8	7,308,270	208,603	7,516,873	6,879,840
Total resources expended		10,051,569	208,603	10,260,172	10,503,633
Net gain on investments	13	11,106,313	168,198	11,274,511	61,305,142
Net incoming resources before transfers		8,781,796	240,827	9,022,623	58,623,109
Transfers between funds	27,28	89,498	(89,498)	-	-
Net income for the year		8,871,294	151,329	9,022,623	58,623,109
Other recognised gains and losses					
Actuarial loss on defined benefit pension schemes	26	(80,000)	-	(80,000)	(11,000)
Net movement in funds		8,791,294	151,329	8,942,623	58,612,109
Fund balances at					
1 October		139,226,818	1,775,840	141,002,658	82,390,549
Fund balances at					
30 September		148,018,112	1,927,169	149,945,281	141,002,658

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)

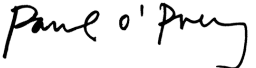
Consolidated and Charity Balance Sheets
For the year ended 30 September 2021

		Group 2021	Group 2020	Charity 2021	Charity 2020
	Notes	£	£	£	£
Fixed assets					
Intangible assets	14	608,374	3,969	608,374	3,969
Tangible assets	15	31,148,952	31,145,067	31,131,396	31,133,619
Property investments	16	103,822,245	95,108,649	103,822,245	95,108,649
Financial investments	17	18,070,791	15,034,857	18,071,714	15,034,860
		<u>153,650,362</u>	<u>141,292,542</u>	<u>153,633,729</u>	<u>141,281,097</u>
Current assets					
Stocks	19	77,483	90,491	21,908	23,111
Debtors	20	3,087,339	2,140,856	3,241,676	2,209,161
Cash at bank and in hand		<u>9,144,144</u>	<u>10,272,254</u>	<u>8,909,430</u>	<u>10,156,298</u>
		<u>12,308,966</u>	<u>12,503,601</u>	<u>12,173,014</u>	<u>12,388,570</u>
Creditors: amounts falling due within one year	21	(7,990,476)	(4,525,797)	(7,906,682)	(4,422,866)
		<u>4,318,490</u>	<u>7,977,804</u>	<u>4,266,332</u>	<u>7,965,704</u>
Net current assets					
		<u>157,968,852</u>	<u>149,270,346</u>	<u>157,900,061</u>	<u>149,246,801</u>
Total assets less current liabilities					
		<u>157,968,852</u>	<u>149,270,346</u>	<u>157,900,061</u>	<u>149,246,801</u>
Creditors: amounts falling due after more than one year	22	(7,942,317)	(8,207,290)	(7,897,071)	(8,207,290)
Provisions for liabilities and charges	23	(81,254)	(60,398)	(81,254)	(60,398)
		<u>149,945,281</u>	<u>141,002,658</u>	<u>149,921,736</u>	<u>140,979,113</u>
Net assets					
		<u>149,945,281</u>	<u>141,002,658</u>	<u>149,921,736</u>	<u>140,979,113</u>
Income funds					
Restricted funds	27	1,927,169	1,775,840	1,927,169	1,775,840
Unrestricted funds					
Designated funds	28	140,268,112	139,174,177	140,268,112	139,174,177
General unrestricted funds	28	7,750,000	52,641	7,726,455	29,096
		<u>148,018,112</u>	<u>139,226,818</u>	<u>147,994,567</u>	<u>139,203,273</u>
		<u>149,945,281</u>	<u>141,002,658</u>	<u>149,921,736</u>	<u>140,979,113</u>

The total income of the Charity as an individual entity for the year was £7,273,849 (2020: £6,878,418) and its net deficit was £2,354,175 (2020: £2,833,786 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 11 February 2022.


Professor Paul O'Prey CBE
Chair of Trustees


Alexander Barron ACA FRSA
Chief Executive

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

Consolidated statement of cash flows
For the year ended 30 September 2021

	Notes	2021		2020	
		£	£	£	£
Cash flows from operating activities	33		483,201		(2,217,594)
Net cash (outflow)/inflow from operating activities					
Investing activities					
Purchase of tangible fixed assets		(426,456)		(3,046,215)	
Purchase of intangible fixed assets		(614,649)		(42,874)	
Proceeds from disposal of tangible fixed assets		167		2,301	
Purchase of investment property		(481,348)		(664,647)	
Proceeds from disposal investments		13,303,502		6,071,658	
Purchase of investments		(13,297,174)		-	
Net cash (outflow)/inflow from investing activities			(1,515,958)		2,320,223
Financing activities					
Additional borrowings		50,000		5,907,456	
Repayment of borrowings		(145,353)		(88,139)	
Net cash (used)/generated from investing activities			(95,353)		5,819,317
Net (decrease)/increase in cash equivalents			(1,128,110)		5,921,946
Cash and cash equivalents at beginning of year			10,272,254		4,350,308
Cash and cash equivalents at end of year			9,144,144		10,272,254

The notes on pages 32 to 66 form an integral part of the financial statements.

Notes to the Financial Statements
For the year ended 30 September 2021

I. Accounting policies

Company information

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

I.1 Accounting convention

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

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

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

I.2 Going concern

At the time of approving the Financial statements, the Trustees have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group took prompt action at the start of the COVID-19 pandemic to increase its cash reserves by liquidating some of its financial investments. It went on to record an operating deficit for the years ending 30 September 2020 and 30 September 2021. Despite such factors, the Group possesses considerable asset strength. Furthermore, the Foundation has sufficient cash reserves and liquid financial investments to enable it to continue operating comfortably beyond 12 months after the date of approving the Financial statements. The Trustees therefore continue to adopt the going concern basis of accounting in preparing the Financial statements.

I.3 Charitable funds

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

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

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

I.4 Incoming resources

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

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

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

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

Notes to the Financial statements (continued)
For the year ended 30 September 2021

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

Notes to the Financial statements (continued)
For the year ended 30 September 2021

I. Accounting policies (continued)

I.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.

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

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

Capitalisation and replacement

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

I.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 2021

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 2021

I. Accounting policies (continued)

I.14 Financial instruments (continued)

1.14.2 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.

1.14.3 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.

Notes to the Financial statements (continued)
For the year ended 30 September 2021

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

I.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 2021

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

Notes to the Financial statements (continued)
For the year ended 30 September 2021

3. Donations, legacies and grants

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Donations and gifts	65,469	263,075	328,544	376,796
Government grants	198,074	-	198,074	404,063
	<u>263,543</u>	<u>263,075</u>	<u>526,618</u>	<u>780,859</u>

	Unrestricted Funds	Restricted Funds	Total 2020
	£	£	£
Donations and gifts	100,248	276,548	376,796
Government grants	404,063	-	404,063
	<u>504,311</u>	<u>276,548</u>	<u>780,859</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 2021	Total 2020
	£	£	£	£	£
Fees receivable	<u>1,941,828</u>	<u>1,098,348</u>	<u>557,884</u>	<u>3,598,060</u>	<u>2,419,766</u>

	School of Arts	School of Conservation	KLC School of Design	Total 2020
	£	£	£	£
Fees receivable	<u>1,696,435</u>	<u>723,331</u>	<u>-</u>	<u>2,419,766</u>

5. Income from trading activities

	2021	2020
	£	£
West Dean Gardens (The Edward James Foundation Limited)	333,908	283,428
West Dean Gardens (West Dean Limited)	372,343	387,836
Conferences (West Dean Limited)	156,620	86,650
West Dean Stores (West Dean Limited)	255,594	249,943
Income from trading activities	<u>1,118,465</u>	<u>1,007,857</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2021

6. Investment income

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Properties				
West Dean Estate income	2,390,764	-	2,390,764	2,324,795
Financial investments				
Income from financial investments	304,413	18,157	322,570	1,039,472
Interest receivable	1,807	-	1,807	6,677
Net interest on defined benefit pension scheme	30,000	-	30,000	14,000
	<u>336,220</u>	<u>18,157</u>	<u>354,377</u>	<u>1,060,149</u>

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

West Dean Estate income included £2,042,152 (2020: £2,002,360) in respect of rental income from land and buildings.

7. Other Income

	2021	2020
	£	£
Proceeds from Insurance claim	<u>20,000</u>	<u>228,174</u>

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.

During the year ended 30 September 2020, following the partial cancellation of the Group's Chilli Fiesta in August 2019, a claim was made on the Group's event cancellation insurance. Proceeds totalling £228,174 were received in full settlement.

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Notes to the Financial statements (continued)
For the year ended 30 September 2021

8. Charitable activities

	School of Arts	School of Conservation	KLC School of Design	Total 2021	Total 2020
	£	£	£	£	£
Staff & staff related costs	1,558,376	1,139,093	259,678	2,957,147	3,046,430
Visiting tutors & lecturers	337,185	54,777	19,749	411,711	367,829
Material & other course costs	213,922	116,791	15,366	346,079	405,711
Catering provisions	149,516	56,845	5,921	212,282	169,807
Premises costs	323,740	264,184	125,727	713,651	387,618
Insurance	91,460	91,460	1,893	184,813	175,510
Irrecoverable VAT	175,531	60,806	-	236,337	226,402
Depreciation	219,808	131,235	22,392	373,435	254,802
Other charitable expenditure	167,944	143,786	8,998	320,728	219,288
	<u>3,237,482</u>	<u>2,058,977</u>	<u>459,724</u>	<u>5,756,183</u>	<u>5,253,397</u>
Grant funding of activities (note 9)	126,904	162,090	-	288,994	238,252
Share of support costs (note 10)	723,494	561,593	186,609	1,471,696	1,388,191
	<u>4,087,880</u>	<u>2,782,660</u>	<u>646,333</u>	<u>7,516,873</u>	<u>6,879,840</u>
Analysis by fund					
Unrestricted funds	3,988,610	2,673,327	646,333	7,308,270	6,707,795
Restricted funds	99,270	109,333	-	208,603	172,045
	<u>4,087,880</u>	<u>2,782,660</u>	<u>646,333</u>	<u>7,516,873</u>	<u>6,879,840</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2021

8. Charitable activities (continued)

	School of Arts £	School of Conservation £	KLC School of Design £	Total 2020 £
Staff & staff related costs	1,665,234	1,381,196	-	3,046,430
Visiting tutors & lecturers	317,015	50,814	-	367,829
Material & other course costs	272,737	132,974	-	405,711
Catering provisions	108,486	61,321	-	169,807
Premises costs	205,244	182,374	-	387,618
Insurance	87,755	87,755	-	175,510
Irrecoverable VAT	164,140	62,262	-	226,402
Depreciation	140,241	114,561	-	254,802
Other charitable expenditure	117,752	101,536	-	219,288
	<u>3,078,604</u>	<u>2,174,793</u>	<u>-</u>	<u>5,253,397</u>
Grant funding of activities (note 9)	76,922	161,330	-	238,252
Share of support costs (note 10)	745,716	642,475	-	1,388,191
	<u>3,901,242</u>	<u>2,978,598</u>	<u>-</u>	<u>6,879,840</u>
Analysis by fund				
Unrestricted funds	3,851,797	2,855,998	-	6,707,795
Restricted funds	49,445	122,600	-	172,045
	<u>3,901,242</u>	<u>2,978,598</u>	<u>-</u>	<u>6,879,840</u>

9. Grants payable

	School of Arts £	School of Conservation £	KLC School of Design £	Total 2021 £	Total 2020 £
Grants to individuals	<u>126,904</u>	<u>162,090</u>	<u>-</u>	<u>288,994</u>	<u>238,252</u>
	<u>126,904</u>	<u>162,090</u>	<u>-</u>	<u>288,994</u>	<u>238,252</u>
	<u>76,922</u>	<u>161,330</u>	<u>-</u>	<u>238,252</u>	

Grants to individuals include bursaries and scholarships of £15,810 (2020: £19,589) funded internally by the Foundation, together with bursaries and scholarships of £273,184 (2020: £218,663) paid from the West Dean Scholarship Fund.

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Notes to the Financial statements (continued)
For the year ended 30 September 2021

10. Support costs

	Support costs	Governance costs	Total 2021	Support costs	Governance costs	Total 2020	Basis of allocation
	£	£	£	£	£	£	
Staff costs	982,008	36,081	1,018,089	1,012,294	39,182	1,051,476	Staff time and student/delegate days
Depreciation	90,798	-	90,798	63,701	-	63,701	Staff time and student/delegate days
Marketing costs	111,723	-	111,723	98,357	-	98,357	Staff time and student/delegate days
Other costs	208,970	-	208,970	144,835	-	144,835	Staff time and student/delegate days
Audit fees							
Current year	-	32,733	32,733	-	19,600	19,600	Governance
Prior year	-	-	-	-	11,000	11,000	Governance
Accountancy	-	-	-	-	(4,500)	(4,500)	Governance
Legal and professional	-	8,333	8,333	-	1,540	1,540	Governance
Trustee related expenses	-	1,050	1,050	-	2,182	2,182	Governance
	<u>1,393,499</u>	<u>78,197</u>	<u>1,471,696</u>	<u>1,319,187</u>	<u>69,004</u>	<u>1,388,191</u>	

Governance costs include payments to the auditors as follows:

	2021	2020
	£	£

Saffery Champness LLP:

Audit (Group) – current year	-	19,600
Audit (Group) – prior year	8,333	11,000
Financial due diligence	23,650	
Other	-	(4,500)

Moore Kingston Smith LLP:

Audit (Group) – current year	38,200	-
Other	5,050	-

Notes to the Financial statements (continued)
For the year ended 30 September 2021

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 £1,050 relating to travel and subsistence were either reimbursed to, or paid directly on behalf of three Trustees (2020: £2,182 to four Trustees).

During the year, £2,931 (2020: £2,255) 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:

	2021	2020
	£	£
Wages and salaries	4,170,053	4,709,227
Social security costs	335,372	362,454
Other pension costs	201,673	219,465
	4,707,098	5,291,146

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

- Wages and salaries: £nil (2020: £186,432): This includes redundancy payments of £nil (2020: £92,687), payments in lieu of notice of £nil (2020: £80,351) and settlement of outstanding annual leave £nil (2020: £13,394);
- Social Security costs £nil (2020: £13,382); and
- Other Pension costs: £nil (2020: £4,597).

Average number of employees

The average monthly number of employees during the year was:

	2021	2020
	Number	Number
Direct education staff	68	49
Other staff	183	180
	251	229

Higher paid employees

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

	2021	2020
	Number	Number
£150,000 - £159,999	-	1
£140,000 - £149,999	1	-
£110,000 - £119,999	1	-
£100,000 - £109,999	-	1
£90,000 - £99,999	1	-
£80,000 - £89,999	-	2
£70,000 - £79,999	1	2
	4	6

Notes to the Financial statements (continued)
For the year ended 30 September 2021

12. Employees (continued)

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

	2021	2020
	Number	Number
£145,000 – £149,999	-	1
£140,000 – £144,999	1	-
£110,000 – £114,999	1	-
£105,000 – £109,999	-	1
	<u>2</u>	<u>2</u>

Remuneration of key management personnel

Members of the Foundation's Executive Management Team (EMT) are considered to be key management personnel. In the year ended 30 September 2020, members of the Foundation's Senior Management Team (SMT) were considered to be key management personnel. The EMT includes the Chief Executive, as did the SMT. All members of the EMT voluntarily took a temporary pay decrease during the last two months of the year ended 30 September 2020 and in the first month of the year ended 30 September 2021. The employment costs of those considered to be key management personnel are:

	2021	2020
	£	£
Wages and salaries (including compensation for loss of office)	418,014	641,105
Benefits	9,206	10,069
Social security costs	48,746	69,635
Other pension costs	29,513	43,327
	<u>505,479</u>	<u>764,136</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:

	2021	2020
	£	£
Basic Salary	130,280	129,730
Performance-related pay (in relation to the year ended 30 September 2019)	-	5,000
Employer's pension contribution	10,563	10,924
Salary sacrifice arrangements	10,563	10,924
Company car	6,612	6,376
Medical insurance	1,043	757
	<u>159,061</u>	<u>163,711</u>

The Chief Executive's basic salary is 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 6.24 (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 2021

13. Net gains/(losses) on investments

	Unrestricted Funds	Restricted Funds	Total 2021	Total 2020
	£	£	£	£
Financial Investments:				
Revaluation	1,285,367	74,925	1,360,292	(3,964,111)
Gain/(Loss) on sale of investments	1,588,698	93,273	1,681,971	(1,396,419)
Property investments				
Gain on revaluation of investment properties (see note 16)	8,232,248	-	8,232,248	66,665,672
	<u>11,106,313</u>	<u>168,198</u>	<u>11,274,511</u>	<u>61,305,142</u>

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

14. Intangible fixed assets

Group and Charity

	Product design rights	Software	Goodwill - KLC School of Design	Total
	£	£	£	£
Cost				
At 1 October 2020	10,000	3,969	-	13,969
Additions	-	-	614,649	614,649
At 30 September 2021	<u>10,000</u>	<u>3,969</u>	<u>614,649</u>	<u>628,618</u>
Amortisation and impairment				
At 1 October 2020	10,000	-	-	10,000
Amortisation charge	-	-	10,244	10,244
At 30 September 2021	<u>10,000</u>	<u>-</u>	<u>10,244</u>	<u>20,244</u>
Carrying Amount				
At 30 September 2021	<u>-</u>	<u>3,969</u>	<u>604,405</u>	<u>608,374</u>
At 30 September 2020	<u>-</u>	<u>3,969</u>	<u>-</u>	<u>3,969</u>

An impairment of £nil (2020: £100,884) relates to the termination during the year of a project to develop a replacement for one of the Foundation's software systems.

Notes to the Financial statements (continued)
For the year ended 30 September 2021

15. Tangible fixed assets

Group

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Chattels £	Total £
Cost						
At 1 October 2020	16,947,663	5,941,685	713,964	211,926	12,384,220	36,199,458
Additions	265,049	145,561	15,846	-	-	426,456
Acquisition of subsidiary undertakings	-	-	1,029,536	-	-	1,029,536
Disposals	-	-	-	(6,292)	-	(6,292)
At 30 September 2021	<u>17,212,712</u>	<u>6,087,246</u>	<u>1,759,346</u>	<u>205,634</u>	<u>12,384,220</u>	<u>37,649,158</u>
Depreciation and impairment						
At 1 October 2020	1,587,533	2,743,055	525,870	197,933	-	5,054,391
Charge for the year	211,287	289,949	49,446	6,235	-	556,917
Acquisition of subsidiary undertakings	-	-	895,190	-	-	895,190
On disposals	-	-	-	(6,292)	-	(6,292)
At 30 September 2021	<u>1,798,820</u>	<u>3,033,004</u>	<u>1,470,506</u>	<u>197,876</u>	<u>-</u>	<u>6,500,206</u>
Carrying Amount						
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>
At 30 September 2020	<u>15,360,129</u>	<u>3,198,631</u>	<u>188,094</u>	<u>13,993</u>	<u>12,384,220</u>	<u>31,145,067</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2021

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 2020	16,947,663	5,740,685	713,964	211,926	12,384,220	35,998,458
Additions	265,049	135,341	15,846	-	-	416,236
Acquisition of subsidiary undertakings	-	-	1,029,536	-	-	1,029,536
Disposals	-	-	-	(6,292)	-	(6,292)
At 30 September 2021	<u>17,212,712</u>	<u>5,876,026</u>	<u>1,759,346</u>	<u>205,634</u>	<u>12,384,220</u>	<u>37,437,938</u>
Depreciation and impairment						
At 1 October 2020	1,587,534	2,553,502	525,870	197,933	-	4,864,839
Charge for the year	211,287	285,836	49,446	6,235	-	552,804
Acquisition of subsidiary undertakings	-	-	895,190	-	-	895,190
On disposals	-	-	-	(6,292)	-	(6,292)
At 30 September 2021	<u>1,798,821</u>	<u>2,839,338</u>	<u>1,470,506</u>	<u>197,876</u>	<u>-</u>	<u>6,306,541</u>
Carrying Amount						
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>
At 30 September 2020	<u>15,360,129</u>	<u>3,187,183</u>	<u>188,094</u>	<u>13,993</u>	<u>12,384,220</u>	<u>31,133,619</u>

Freehold land and buildings for both the Group and Charity includes assets under construction of £nil (2020: £5,743,555).
Depreciation commences on such assets upon completion.

Notes to the Financial statements (continued)
For the year ended 30 September 2021

16. Property investments

Group and Charity

	2021	2020
	£	£
Fair value		
At 1 October	95,108,649	27,665,416
Additions	481,348	664,647
Transfer from Freehold land and buildings	-	112,914
Net gains through fair value adjustment	5,148,738	66,665,672
Adjustment arising from change of valuation approach	3,083,510	-
At 30 September	<u>103,822,245</u>	<u>95,108,649</u>

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

The transfer from Freehold land and buildings during the year ended 30 September 2020 related to amounts that were capitalised within Freehold land and buildings in the year ending 30 September 2019 but which were determined to relate to Property investments.

The net gains through fair value adjustment reflects open market values of property investments.

The increase during the year ended 30 September 2021 is based a report prepared by a Royal Institution of Chartered Surveyors (RICS) Registered Valuer in accordance with RICS Red Book valuation methodology. In preparing the report, the RICS Registered Valuer inspected assets totalling approximately 20% of the portfolio.

The value reflected as at 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.

The increase during the year ended 30 September 2020 was based on appraisals performed by independent valuers who hold recognised qualifications, are specialists in the local residential and commercial / farming sectors and have a strong working knowledge of the West Dean Estate. This approach was adopted in preference to the RICS Red Book valuation methodology. Given the level of uncertainty that existed in the property market throughout much of 2020 as a result of Covid-19, it was not deemed an appropriate time to commission a RICS valuation.

Due to the above change in approach resulting in new information, assets such as woodland and grazing areas which form part of the West Dean Estate are attributed an aggregate value of £3,083,510 as at 30 September 2021 however they were not attributed a value as at 30 September 2020.

Notes to the Financial statements (continued)
For the year ended 30 September 2021

17. Financial investments

Group

	Listed investments
	£
At 1 October 2020	15,034,857
Additions	13,297,174
Valuation changes	1,360,292
Disposal	(11,621,532)
At 30 September 2021	<u>18,070,791</u>
Carrying Amount	
At 30 September 2021	<u>18,070,791</u>
At 30 September 2020	<u>15,034,857</u>
Historic Cost	
At 30 September 2021	<u>16,459,074</u>
At 30 September 2020	<u>13,784,133</u>

Charity

	Listed investments	Shares in subsidiaries	Total
	£	£	£
At 1 October 2020	15,034,857	3	15,034,860
Additions	13,297,174	920	13,298,094
Valuation changes	1,360,292	-	1,360,292
Disposal	(11,621,532)	-	(11,621,532)
At 30 September 2021	<u>18,070,791</u>	<u>923</u>	<u>18,071,714</u>
Carrying Amount			
At 30 September 2021	<u>18,070,791</u>	<u>923</u>	<u>18,071,714</u>
At 30 September 2020	<u>15,034,857</u>	<u>3</u>	<u>15,034,860</u>
Historic Cost			
At 30 September 2021	<u>16,459,074</u>	<u>923</u>	<u>16,459,997</u>
At 30 September 2020	<u>13,784,133</u>	<u>3</u>	<u>13,784,136</u>

Refer to note 32 for details of shareholdings in subsidiaries.

Notes to the Financial statements (continued)
For the year ended 30 September 2021

18. Financial instruments

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£	£	£	£
Carrying amount of financial assets				
Debt instruments measured at amortised cost	1,480,319	1,446,135	1,634,656	1,514,858
Equity instruments measured at fair value	-	-	923	3
Instruments measured at fair value through income and expenditure	<u>18,070,791</u>	<u>15,034,857</u>	<u>18,070,791</u>	<u>15,034,857</u>
Carrying amount of financial liabilities	<u>9,740,083</u>	<u>9,303,568</u>	<u>9,701,815</u>	<u>9,245,163</u>

19. Stocks

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£	£	£	£
Raw materials and consumables	36,764	36,987	21,888	23,091
Finished goods and goods for resale	<u>40,719</u>	<u>53,504</u>	<u>20</u>	<u>20</u>
	<u>77,483</u>	<u>90,491</u>	<u>21,908</u>	<u>23,111</u>

20. Debtors

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£	£	£	£
Trade debtors	1,439,106	1,419,529	1,438,780	1,424,918
Amounts due from subsidiary undertakings	-	-	154,663	63,333
Other debtors	41,213	26,606	41,213	26,606
Prepayments and accrued income	<u>1,607,020</u>	<u>694,721</u>	<u>1,607,020</u>	<u>694,304</u>
	<u>3,087,339</u>	<u>2,140,856</u>	<u>3,241,676</u>	<u>2,209,161</u>

The increase in Prepayments and accrued income reflected above mainly arises from the acquisition of the KLC School of Design during the year ended 30 September 2021. As explained in note 2.2.1, the 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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Notes to the Financial statements (continued)
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21. Creditors: amounts falling due within one year

		Group	Group	Charity	Charity
		2021	2020	2021	2020
	Notes	£	£	£	£
Loans and overdraft	24	313,767	144,148	309,013	144,148
Trade creditors		863,772	448,235	837,380	417,555
Other taxation and social security		288,660	99,308	288,757	99,308
Other creditors		319,368	420,290	310,193	420,118
Accruals		620,226	503,895	608,351	476,170
Deferred income	25	5,584,683	2,909,921	5,552,988	2,865,567
		<u>7,990,476</u>	<u>4,525,797</u>	<u>7,906,682</u>	<u>4,422,866</u>

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

		Group	Group	Charity	Charity
		2021	2020	2021	2020
	Notes	£	£	£	£
Loans	24	<u>7,942,317</u>	<u>8,207,290</u>	<u>7,897,071</u>	<u>8,207,290</u>

23. Provisions for liabilities and charges

Group and charity

	2021	2020
	£	£
At 1 October	60,398	182,230
New provisions during the year	45,340	60,398
Utilised during the year	(24,484)	(182,230)
At 30 September	<u>81,254</u>	<u>60,398</u>

As at 30 September 2021, the Group and Charity recognised a provision of £81,254 (2020: £60,398) in respect of an enhanced credit for Short Course cancellations.

Notes to the Financial statements (continued)
For the year ended 30 September 2021

24. Loans and overdrafts

Group and charity

	Group 2021 £	Group 2020 £	Charity 2021 £	Charity 2020 £
Bank Loans	<u>8,256,084</u>	<u>8,351,438</u>	<u>8,206,084</u>	<u>8,351,438</u>
Payable within one year	313,767	144,148	309,013	144,148
Payable within two to five years	1,341,786	1,328,045	1,301,792	1,328,045
Payable after five years	<u>6,600,531</u>	<u>6,879,245</u>	<u>6,595,279</u>	<u>6,879,245</u>

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

Security (Land Registry Title number)	Interest rate	Repayable date	2021 £	2020 £
WSX265408	3.28% - 3.62%	March 2036	2,322,353	2,443,982
WSX265296 (part of)	2.29%	August 2030	5,883,731	5,907,456
Not applicable	2.5%	April 2026	50,000	-

Notes to the Financial statements (continued)
For the year ended 30 September 2021

25. Deferred income

Group

	2021	2020
	£	£
Arising from grants	122,734	136,865
Arising from course and diploma fees received in advance	5,430,254	2,728,702
Arising from conference and event deposits	31,695	44,354
	<u>5,584,683</u>	<u>2,909,921</u>
Movement in deferred income		
Deferred income at 1 October 2020	2,909,921	2,327,557
Released to statement of financial activities in the year	(2,909,921)	(2,327,557)
New deferred income in the year	<u>5,584,683</u>	<u>2,909,921</u>
Deferred income at 30 September 2021	<u>5,584,683</u>	<u>2,909,921</u>

Charity

	2021	2020
	£	£
Arising from grants	122,734	136,865
Arising from course and diploma fees received in advance	5,430,254	2,728,702
	<u>5,552,988</u>	<u>2,865,567</u>
Movement in deferred income		
Deferred income at 1 October 2020	2,865,567	2,287,953
Released to statement of financial activities in the year	(2,865,567)	(2,287,953)
New deferred income in the year	<u>5,552,988</u>	<u>2,865,567</u>
Deferred income at 30 September 2021	<u>5,552,988</u>	<u>2,865,567</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2021

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 £201,673 (2020: £219,465). £35,157 (2020: £40,827) was unpaid at the year end.

Defined benefit scheme

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

Valuation

A full actuarial valuation was carried out as at 30 September 2018 and updated to 30 September 2021 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below. The actuarial valuation as at 30 September 2021 showed a defined benefit pension asset of £1,888,000 (2020: £1,768,000) however this has been restricted to £nil (2020: £nil) in these financial statements via adjustment to actuarial gains.

Funding policy

The employer has agreed with the Trustees that it will 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 2021 is therefore £12,501. In addition and in accordance with the actuarial valuation, the employer has agreed with the Trustees that it will meet expenses of the scheme and levies due to the Pension Protection Fund.

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

Notes to the Financial statements (continued)
For the year ended 30 September 2021

26. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations:

	2021	2020
	£	£
Liabilities at 1 October	17,455,000	17,927,000
Benefits paid and expenses	(563,000)	(746,000)
Expenses	-	53,000
Actuarial losses / (gains)	57,000	(95,000)
Interest cost	292,000	316,000
At 30 September	<u>17,241,000</u>	<u>17,455,000</u>

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

Movements in the fair value of plan assets:

	2021	2020
	£	£
Fair value of assets at 1 October	17,455,000	17,927,000
Interest income	322,000	330,000
Return on plan assets (excluding amounts included in net interest)	573,000	932,000
Benefits paid and expenses	(563,000)	(746,000)
Contributions by the employer	50,000	50,000
Surplus not recognised	(596,000)	(1,038,000)
At 30 September	<u>17,241,000</u>	<u>17,455,000</u>

Amounts recognised in the Consolidated statement of financial activities:

	2021	2020
	£	£
Net interest in defined benefit liability	(30,000)	(14,000)
Expenses	-	53,000
Total costs	<u>(30,000)</u>	<u>39,000</u>

Amounts taken to other comprehensive income:

	2021	2020
	£	£
Actual return on scheme assets	573,000	932,000
Experience gains and losses	-	62,000
Actuarial changes related to obligations	(653,000)	(1,005,000)
Total costs	<u>(80,000)</u>	<u>(11,000)</u>

The actual return on the scheme assets over the year ending 30 September 2021 was £895,000 (2020: £1,262,000).

Notes to the Financial statements (continued)
For the year ended 30 September 2021

26. Retirement benefit schemes (continued)

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

	2021	2020
	£	£
UK Equity instruments	67,000	348,000
Overseas Equity instruments	1,226,000	10,544,000
Bonds and Gilts	9,832,000	3,096,000
LDI	3,330,000	4,738,000
Multi Asset fund	4,850,000	-
Cash and other	300,000	497,000
	19,605,000	19,223,000

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

	2021	2020
	%	%
Discount rate	2.0	1.7
Expected rate of increase of pensions in payment	1.9 to 2.6	1.7 to 2.2
Expected rate of salary increases	3.6	3.1
Inflation (RPI : CPI)	3.6: 2.6	3.1 2.2
Revaluation of deferred pensions	3.6	3.1
Commutation of pension for cash at retirement (% of Post A Day)	80.0	80.0

Mortality assumptions

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

	2021	2020
	Years	Years
Retiring today		
Males	22.7	22.7
Females	24.5	24.5
Retiring in 20 years		
Males	24.4	24.4
Females	26.0	26.0

Notes to the Financial statements (continued)
For the year ended 30 September 2021

27. Restricted funds

Group and Charity

	Movement in funds					Balance at 30 September 2021
	Balance at 1 October 2020	Incoming resources	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>168,197</u>	<u>1,927,169</u>
	Balance at 1 October 2019	Incoming resources	Resources expended	Transfers	Revaluations gains and losses	Balance at 30 September 2020
	£	£	£	£	£	£
West Dean Scholarship Fund	1,724,036	233,466	(172,045)	-	(316,882)	1,468,575
Other	244,533	102,387	-	(39,655)	-	307,265
	<u>1,968,569</u>	<u>335,853</u>	<u>(172,045)</u>	<u>(39,655)</u>	<u>(316,882)</u>	<u>1,775,840</u>

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 2021

28. Unrestricted funds

Group

	Movement in funds					Balance at 30 September 2021
	Balance at 1 October 2020	Incoming resources	Resources expended	Gains/ (losses)	Transfers	
	£	£	£	£	£	£
General unrestricted fund	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>

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

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Notes to the Financial statements (continued)
For the year ended 30 September 2021

28. Unrestricted funds (continued)

Charity

	Movement in funds					Balance at 30 September 2021
	Balance at 1 October 2020	Incoming resources	Resources expended	Gains/ (losses)	Transfers	
	£	£	£	£	£	£
General unrestricted fund	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>

	Movement in funds					Balance at 30 September 2020
	Balance at 1 October 2019	Incoming resources	Resources expended	Gains/ (losses)	Transfers	
	£	£	£	£	£	£
General unrestricted funds	(2,782,053)	7,485,746	(10,331,588)	(34,545)	5,691,536	29,096
Pension reserve (note 26)	-	-	-	-	-	-
	<u>(2,782,053)</u>	<u>7,485,746</u>	<u>(10,331,588)</u>	<u>(34,545)</u>	<u>5,691,536</u>	<u>29,096</u>
Designated funds						
Freehold property (charitable use)	12,830,647	-	-	-	2,323,819	15,154,466
Chattels (charitable use)	12,364,220	-	-	-	-	12,364,220
Investment properties	27,665,416	-	-	66,665,672	777,561	95,108,649
Quoted investments	22,766,052	-	-	(4,609,296)	(5,115,895)	13,040,861
West Dean Scholarship Fund	2,132,636	-	-	(434,352)	(535,985)	1,162,299
Vision 2027	5,445,062	-	-	-	(3,101,380)	2,343,682
	<u>83,204,033</u>	<u>-</u>	<u>-</u>	<u>61,622,024</u>	<u>(5,651,880)</u>	<u>139,174,177</u>
Total	<u>80,421,980</u>	<u>7,485,746</u>	<u>(10,331,588)</u>	<u>61,587,479</u>	<u>39,656</u>	<u>139,203,273</u>

Notes to the Financial statements (continued)
For the year ended 30 September 2021

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 (previously Vision 2027). 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).

Notes to the Financial statements (continued)
For the year ended 30 September 2021

29. Analysis of net assets between funds

Analysis of net assets between funds

	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>
	2020	2020	2020
	Unrestricted funds	Restricted funds	Total funds
	£	£	£
Fund balances at 30 September 2020 are represented by:			
Intangible fixed assets	3,969	-	3,969
Tangible assets	31,145,067	-	31,145,067
Investment properties	95,108,649	-	95,108,649
Investments	14,203,161	831,696	15,034,857
Net current assets	7,977,804	-	7,977,804
Creditors > 1 year	(8,207,290)	-	(8,207,290)
Provisions for liabilities	(60,398)	-	(60,398)
	<u>140,170,962</u>	<u>831,696</u>	<u>141,002,658</u>

30. Capital commitments

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

	2021	2020
	£	£
Replacement of roof on main house	<u>88,401</u>	<u>62,417</u>
	<u>88,401</u>	<u>62,417</u>

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Notes to the Financial statements (continued)
For the year ended 30 September 2021

31. Commitments under operating leases

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

	Group	Group	Charity	Charity
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	605,411	5,426	605,411	5,426
Later than 1 year and not later than 5 years	33,730	2,394	33,730	2,394
	<u>639,141</u>	<u>7,820</u>	<u>639,141</u>	<u>7,820</u>

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 2021		% held 2020	
				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	-	-	-

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.

Notes to the Financial statements (continued)
For the year ended 30 September 2021

32. Subsidiaries (continued)

A summary of the results is given below:

West Dean Limited

	2021	2020
	£	£
Income/Gains	887,248	1,064,075
Expenditure	(784,963)	(912,323)
Net income	<u>102,285</u>	<u>151,752</u>
 Total funds brought forward	 <u>23,544</u>	 <u>21,793</u>
Total funds carried forward	<u><u>23,544</u></u>	<u><u>23,545</u></u>
	2021	2020
	£	£
Paid to The Edward James Foundation Limited	100,000	50,000
Owed by The Edward James Foundation Limited	<u>(111,933)</u>	<u>(63,333)</u>

Due to Covid-19, West Dean Limited's ability to run some of its key operations during the financial year ending 30 September 2021 was restricted (same as for the previous financial year). As some of these operations are run from premises owned by the Charity, West Dean Limited requested that four months (2020: six months) of the rent and management charge be waived. On the basis that West Dean Limited was profit making prior to the Covid-19 pandemic and it is expected to return to being profitable once the pandemic ceases, the Charity agreed to this request.

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.

	2021	2020
	£	£
Owed to The Edward James Foundation Limited	42,730	-

Notes to the Financial statements (continued)
For the year ended 30 September 2021

33. Cash flows from operating activities

	2021	2020
	£	£
Net income for the year	9,022,624	58,623,109
Adjustments for:		
Gain /(loss) on disposal of investments	(1,681,970)	1,396,418
Revaluation of investments	(9,592,541)	(62,701,560)
Write off of intangible assets	-	100,884
Depreciation and impairment of tangible fixed assets	556,917	544,954
Amortisation of Goodwill	10,244	-
Surplus on disposal of tangible fixed assets	(167)	(2,300)
Movement on defined pension scheme recognised in the Statement of financial activities	(80,000)	(11,000)
Movements in working capital:		
Decrease in stocks	13,008	168,792
Increase in debtors	(946,482)	(414,650)
Increase in creditors	3,295,058	199,590
Increase/(decrease) in provisions	20,856	(121,832)
Net working capital deficit arising due to acquisition of KLC Limited	(134,346)	-
Cash generated from / (used by) operations	483,201	(2,217,594)

34. Analysis of cash and cash equivalents

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

	2021	2020
	£	£
Cash in hand	9,144,144	10,272,254
Total cash and cash equivalents	9,144,144	10,272,254

35. Analysis of changes in net debt

	Balance at 1 October 2020	Cash-flows	Balance at 30 September 2021
	£	£	£
Cash	10,272,254	(1,128,110)	9,144,144
	10,272,254	(1,128,110)	9,144,144
Loans falling due within one year	(144,148)	(169,619)	(313,767)
Loans falling due after more than one year	(8,207,290)	264,973	(7,942,317)
Total	1,920,816	(1,032,756)	888,060

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Notes to the Financial statements (continued)
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36. Comparative consolidated statement of financial activities

	Unrestricted Fund £	Restricted Fund £	Total 2020 £
Income from:			
Donations, legacies and grants	504,311	276,548	780,859
Income from charitable activities	2,419,766	-	2,419,766
Income from trading activities	1,007,857	-	1,007,857
Investment income			
- Properties	2,324,795	-	2,324,795
- Financial investment	1,000,843	59,306	1,060,149
Other income	228,174	-	228,174
Total income	7,485,746	335,854	7,821,600
Expenditure on			
Raising funds			
- Fundraising cost	220,535	-	220,535
- Trading costs	1,973,315	-	1,973,315
- Property investment management	1,408,960	-	1,408,960
- Financial investment management	20,983	-	20,983
Charitable activities	6,707,795	172,045	6,879,840
Total resources expended	10,331,588	172,045	10,503,633
Net gain / (loss) on investments	61,622,025	(316,882)	61,305,142
Net incoming / (outgoing) resources before transfers	58,776,183	(153,074)	58,623,109
Transfers between funds	39,655	(39,655)	-
Net income / (expenditure) for the year	58,815,838	(192,729)	58,623,109
Other recognised gains and losses			
Actuarial loss on defined benefit pension schemes	(11,000)	-	(11,000)
Net movement in funds	58,804,838	(192,729)	58,612,109
Fund balances at:			
1 October	80,421,980	1,968,569	82,390,549
30 September	139,226,818	1,775,840	141,002,658

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

Reference and administrative information
For the year ended 30 September 2021

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)
Martin Ashley MVO RIBA ³	
Caroline Griffith 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}	

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

Chief Executive

Alexander Barron ACA FRSA

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

Professional advisers
For the year ended 30 September 2021

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 Allied Irish Bank 10 Berkeley Square, Mayfair, London. W1J 6AA
Auditors	Moore Kingston Smith 60 Goswell Road, London. EC1M 7AD
Insurance brokers	Willis Towers Watson The Anchorage, 34 Bridge Street, Reading. RG1 2LU
Investment managers/advisers	CCLA Investment Management Limited 85 Queen Victoria Street, London. EC4V 4ET M&G Securities Limited Charities Investment Managers, Laurence Pountney Hill, London, EC4R 0HH Mayfair Capital Investment Limited 2 Cavendish Square, London, W1G 0PU Mercer Limited 1 Tower Place West, Tower Place, London. EC3R 5BU
Estate managers	Savills Exchange House, Petworth, West Sussex, GU28 0BF Tod Anstee Limited The Old Coach House, 14 West Pallant, Chichester, West Sussex, PO19 1TB
Pensions administrators	Mercer (formerly JLT Employees Benefits) Tower Place, London, EC3R 5BU Scottish Widows Plc 15 Dalkeith Road, Edinburgh, EH16 5BU National Employment Savings Trust Corporation ("NEST") Riverside House, Southwark Bridge Road, London, SE1 9HA Legal and General One Coleman Street, London. EC2R 5AA

THE EDWARD JAMES FOUNDATION LIMITED

England & Wales - Charity number 1126084

Accounts



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

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

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

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Chair's introduction
For the year ended 30 September 2020

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

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

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

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

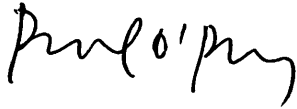
I would like to take this opportunity to recognize the tremendous professionalism and dedication of the senior team and all our staff during an exceptionally challenging period and to thank them for their hard work and commitment. Thanks to them West Dean has continued to thrive and provide an exceptional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

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

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

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

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

A handwritten signature in black ink, appearing to read 'Paul O'Prey', with a stylized, cursive script.

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

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

Trustees' report
For the year ended 30 September 2020

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

ABOUT US

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

Our Objects

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

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

Our Vision

To inspire learning in arts and conservation.

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

Underpinning this is a commitment to:

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

OUR ACHIEVEMENTS AND PERFORMANCE

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

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

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

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

Impact of Covid-19 pandemic

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

Phase I – Crisis Management

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

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

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

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

Phase 2 – Stabilisation

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

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

Phase 3 – Re-emergence from lockdown

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

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

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

Trustees' report (continued)

For the year ended 30 September 2020

Educational Programmes

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

Our aims, performance and achievements for 2019/20

Our pre-Covid aims for 2019/20 included:

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

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

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

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

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

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

Our aims for 2020/21:

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

Sharing our Collection and Archive

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

Our aims, performance and achievements for 2019/20

Our pre-Covid aims for 2019/20 included:

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

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

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

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

Our aims for 2020/21

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

West Dean Gardens

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

Our aims, performance and achievements for 2019/20

Our pre-Covid aims for 2019/20 included:

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

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

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

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

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

Our aims for 2020/21

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

The West Dean Estate and our local community

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

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

Our aims, performance and achievements for 2019/20

Our pre-Covid aims for 2019/20 included:

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

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

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

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

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

Our aims for 2020/21

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

OUR FUTURE PLANS

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

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

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

OUR APPROACH TO SAFEGUARDING

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

Trustees' report (continued)

For the year ended 30 September 2020

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

OUR APPROACH TO FUNDRAISING

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



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

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

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

GRANT MAKING

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

VOLUNTEERS

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

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

PUBLIC BENEFIT

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

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

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

RISKS AND UNCERTAINTIES

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

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

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

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Trustees' report (continued)

For the year ended 30 September 2020

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

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Operating deficit

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

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

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

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Trustees' report (continued)

For the year ended 30 September 2020

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

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

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

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

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

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

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

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

Investment policies

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

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

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

Actuarial gains on The Edward James Foundation Final Salary Pension Scheme

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

Tangible fixed assets

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

Property investment fixed assets

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

Cash balances

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

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

Funding and reserves

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

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

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

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

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

Statement of Trustees' responsibilities

The Trustees, who are also the Directors of The Edward James Foundation Limited for the purpose of company law, are responsible for preparing the Trustees' report and the Financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the Charitable Company and the Group for that period.

In preparing these financial statements, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently.
- Observe the methods and principles in the Charities SORP (FRS 102).
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the Financial statements.
- Prepare the Financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in business.

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

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Charitable Company's website. Legislation in the United Kingdom governing the reparation and dissemination of financial statements may differ from legislation in other jurisdictions.

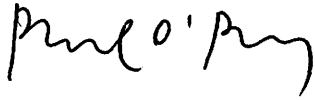
Disclosure of information to auditors

In so far as the Trustees are aware, there is no relevant audit information of which the Charitable Company's auditor is unaware; and the Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

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



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

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

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

Governing document

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

Governance framework

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

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

Group Structure

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

Corporate Governance Structures

The Board of Trustees

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

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

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

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

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

Sub-committees

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

- **The Education Committee**

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

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

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

- **The Finance and Audit Committee**

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

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

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

- **The Estate Committee**

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

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

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

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

- Urgent Situations Committee

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

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

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

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

- The Remuneration Committee

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

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

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

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

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

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

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

- **The Nominations Committee**

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

Composition: Mike McCart (Chair) and Caroline Griffith.

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

Recruitment, election and training of Trustees

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

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

Day-to-day management

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

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Statement of internal control
For the year ended 30 September 2020

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

System of internal control

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

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

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

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

Risk management

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

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

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

Statement of internal control (continued)
For the year ended 30 September 2020

Effectiveness of the system of internal control

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

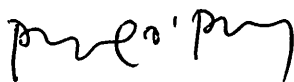
External audit

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

Internal audit

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

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



Professor Paul O'Prey CBE
Chair of Trustees



Alexander Barron ACA FRSA
Chief Executive

The Edward James Foundation Limited
(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 2020

Opinion

We have audited the financial statements of The Edward James Foundation Limited for the year ended 30 September 2020 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the affairs of the Group and the parent charitable company as at 30 September 2019 and of the Group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report and the Strategic Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report and Strategic Report.

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

- the Group or parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

In our opinion, in all material respects:

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 18, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

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

Use of our report

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



Liz Hazell (Senior Statutory Auditor)
For and on behalf of
Saffery Champness LLP
Chartered Accountants and Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

Date: 8 April 2021.

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

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

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

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

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

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

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

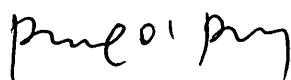
Consolidated and Charity Balance Sheets
For the year ended 30 September 2020

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

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

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

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



Professor Paul O'Prey CBE
Chair of Trustees



Alexander Barron ACA FRSA
Chief Executive

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

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

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

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

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

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

I. Accounting policies

Company information

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

I.1 Accounting convention

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

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

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

I.2 Going concern

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

I.3 Charitable funds

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

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

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

I.4 Incoming resources

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

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

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

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

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 2020

I. Accounting policies (continued)

I.4 Incoming resources (continued)

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

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

I.5 Resources expended

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

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

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

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

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

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

I.6 Intangible fixed assets other than goodwill

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

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

Product design rights	straight line over 5 years

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

1. Accounting policies (continued)

1.7 Tangible fixed assets

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

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

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

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

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

Capitalisation and replacement

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

1.8 Investment properties

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

1.9 Financial investments

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

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

1.10 Impairment of fixed assets

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

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

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

I. Accounting policies (continued)

I.11 Stocks

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

I.12 Cash and cash equivalents

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

I.13 Financial instruments

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

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

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

I.13.1 Basic financial assets

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

I.13.2 Basic financial liabilities

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

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

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

I.13.3 Derecognition of financial liabilities

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

I.14 Employee benefits

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

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

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

I. Accounting policies (continued)

I.15 Retirement benefits

The Group operates two post-employment benefit plans:

i) Defined contribution pension scheme

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

ii) Defined benefit pension scheme

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

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

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

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

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

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

I.16 Leases

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

I.17 Taxation

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

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

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

1. Accounting policies (continued)

1.18 Basis of consolidation

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

2. Critical accounting estimates and judgements

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

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

2.1 Critical judgements

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

2.1.1 Stocks

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

2.2 Key sources of estimation uncertainty

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

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

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

2.2.2 Fair value of investment property

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

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

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

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

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

3. Donations, legacies and grants

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

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

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

4. Income from charitable activities

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

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

5. Income from trading activities

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

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

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

6. Investment income

	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Properties				
West Dean Estate income	2,324,795	-	2,324,795	2,295,406
Financial investments				
Income from financial investments	980,166	59,306	1,039,472	1,211,000
Interest receivable	6,677	-	6,677	17,020
Net interest on defined benefit pension scheme	14,000	-	14,000	(4,000)
	<u>1,000,843</u>	<u>59,306</u>	<u>1,060,149</u>	<u>1,224,020</u>
	Unrestricted Funds £	Restricted Funds £	Total 2019 £	
Properties				
West Dean Estate income	2,295,406	-	2,295,406	
Financial investments				
Income from financial investments	1,140,326	70,674	1,211,000	
Interest receivable	17,020	-	17,020	
Net interest on defined benefit pension scheme	(4,000)	-	(4,000)	
	<u>1,153,346</u>	<u>70,674</u>	<u>1,224,020</u>	

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

7. Other Income

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

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

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

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

8. Charitable activities

	School of Arts	School of Conservation	Total 2020	Total 2019
	£	£	£	£
Staff & staff related costs	1,665,234	1,381,196	3,046,430	2,732,525
Visiting tutors & lecturers	317,015	50,814	367,829	659,694
Material & other course costs	272,737	132,974	405,711	541,994
Catering provisions	108,486	61,321	169,807	376,046
Premises costs	205,244	182,374	387,618	371,167
Insurance	87,755	87,755	175,510	154,366
Irrecoverable VAT	164,140	62,262	226,402	248,180
Depreciation	140,241	114,561	254,802	252,939
Other charitable expenditure	117,752	101,536	219,288	298,056
	<u>3,078,604</u>	<u>2,174,793</u>	<u>5,253,397</u>	<u>5,634,967</u>
Grant Funding of activities (note 9)	76,922	161,330	238,252	368,094
Share of support costs (note 10)	745,716	642,475	1,388,191	1,328,171
	<u><u>3,901,242</u></u>	<u><u>2,978,598</u></u>	<u><u>6,879,840</u></u>	<u><u>7,331,232</u></u>

Analysis by fund

Unrestricted funds	3,851,797	2,855,998	6,707,795	7,087,637
Restricted funds	49,445	122,600	172,045	243,595
	<u><u>3,901,242</u></u>	<u><u>2,978,598</u></u>	<u><u>6,879,840</u></u>	<u><u>7,331,232</u></u>

	School of Arts	School of Conservation	Total 2019
	£	£	£
Staff & staff related costs	1,510,205	1,222,320	2,732,525
Visiting tutors & lecturers	573,692	86,002	659,694
Material & other course costs	344,464	197,530	541,994
Catering provisions	254,569	121,477	376,046
Premises costs	207,399	163,768	371,167
Insurance	77,183	77,183	154,366
Irrecoverable VAT	183,135	65,045	248,180
Depreciation	140,761	112,178	252,939
Other charitable expenditure	171,009	127,047	298,056
	<u>3,462,417</u>	<u>2,172,550</u>	<u>5,634,967</u>
Grant Funding of activities (note 9)	140,135	227,959	368,094
Share of support costs (note 10)	716,180	611,991	1,328,171
	<u><u>4,318,732</u></u>	<u><u>3,012,500</u></u>	<u><u>7,331,232</u></u>

Analysis by fund

Unrestricted funds	4,259,813	2,827,824	7,087,637
Restricted funds	58,919	184,676	243,595
	<u><u>4,318,732</u></u>	<u><u>3,012,500</u></u>	<u><u>7,331,232</u></u>

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9. Grants payable

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

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

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

10. Support costs

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

Governance costs include payments to the auditors as follows:

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

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11. Trustees

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

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

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

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

12. Employees

Staff Costs during the year were:

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

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

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

Average number of employees

The average monthly number of employees during the year was:

	2020	2019
	Number	Number
Direct education staff	49	47
Other staff	180	178
	<u>229</u>	<u>225</u>

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

12. Employees (continued)

Higher paid employees

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

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

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

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

Remuneration of key management personnel

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

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

Remuneration of the Chief Executive

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

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

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12. Employees (continued)

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

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

13. Net gains/(losses) on investments

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

14. Intangible fixed assets

Group and Charity

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

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

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Notes to the Financial statements (continued)
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15. Tangible fixed assets

Group

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

Charity

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

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15. Tangible fixed assets (continued)

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

16. Property investments

Group and Charity

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

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

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

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

17. Financial investments

Group

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

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Notes to the Financial statements (continued)
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17. Financial investments (continued)

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

Charity

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

Refer to note 32 for details of shareholdings in subsidiaries.

18. Financial instruments

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

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19. Stocks

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

20. Debtors

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

21. Creditors: amounts falling due within one year

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

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

Group and charity

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

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Notes to the Financial statements (continued)
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23. Provisions for liabilities and charges

Group and charity

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

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

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

24. Loans and overdrafts

Group and charity

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

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

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

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25. Deferred income

Group

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

Charity

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

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

26. Retirement benefit schemes

Defined contribution schemes

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

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

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

Defined benefit scheme

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

Valuation

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

Funding policy

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

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

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

26. Retirement benefit schemes (continued)

Movements in the present value of defined benefit obligations:

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

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

Movements in the fair value of plan assets:

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

Amounts recognised in the Consolidated statement of financial activities:

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

Amounts taken to other comprehensive income:

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

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

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26. Retirement benefit schemes (continued)

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

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

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

Key assumptions

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

Mortality assumptions

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

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

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

27. Restricted funds

Group and Charity

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

West Dean Scholarship Fund

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

Other restricted funds

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

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

28. Unrestricted funds

Group and Charity

The unrestricted funds of the Charity are:

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

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

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

28. Unrestricted funds (continued)

Freehold property (charitable use)

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

Chattels (charitable use)

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

Investment property

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

Quoted investments

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

West Dean Scholarship Fund

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

Vision 2027

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

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

29. Analysis of net assets between funds

	2020	2020	2020
	Unrestricted	Restricted	Total
	funds	funds	funds
	£	£	£
Fund balances at 30 September 2020 are represented by:			
Intangible assets	3,969	-	3,969
Tangible assets	31,145,067	-	31,145,067
Investment properties	95,108,649	-	95,108,649
Investments	14,203,161	831,696	15,034,857
Net current assets	7,977,804	-	7,977,804
Creditors > 1 year	(8,207,290)	-	(8,207,290)
Provisions for liabilities	(60,398)	-	(60,398)
	<u>140,170,962</u>	<u>831,696</u>	<u>141,002,658</u>

	2019	2019	2019
	Unrestricted	Restricted	Total
	funds	funds	funds
	£	£	£
Fund balances at 30 September 2019 are represented by:			
Intangible fixed assets	61,979	-	61,979
Tangible assets	28,736,720	20,000	28,756,720
Investment properties	27,665,416	-	27,665,416
Investments	24,898,688	1,568,357	26,467,045
Net current assets	1,649,252	380,212	2,029,464
Creditors > 1 year	(2,407,845)	-	(2,407,845)
Provisions for liabilities	(182,230)	-	(182,230)
	<u>80,421,980</u>	<u>1,968,569</u>	<u>82,390,549</u>

30. Capital commitments

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

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

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

31. Commitments under operating leases

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

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

32. Subsidiary

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

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

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

A summary of the results is given below:

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

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

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

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

33. Cash flows from operating activities

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

34. Analysis of cash and cash equivalents

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

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

35. Analysis of changes in net debt

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

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

36. Events after the end of the reporting period

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

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

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

37. Comparative consolidated statement of financial activities

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

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Reference and administrative information
For the year ended 30 September 2020

Charity name and number

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

Registered office

Estate office
West Dean
Chichester
West Sussex
PO18 0QZ

Trustees

The following Trustees served during the period under report:

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

¹ Member of Finance and Audit Committee

² Member of Education Committee

³ Member of Estate Committee

⁴ Member of Remuneration Committee

⁵ Member of Urgent Situations Committee

⁶ Member of Nominations Committee

Clerk to the Board

Mark Ellul (Appointed 1 May 2020)

Chief Executive

Alexander Barron ACA FRSA

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

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