



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

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

Contents

	Page
Chair's introduction	3
Trustees' report	4
Statement of corporate governance	19
Statement of internal control	23
Independent auditor's report	25
Consolidated statement of financial activities	29
Consolidated and Charity Balance sheets	30
Consolidated statement of cash flows	31
Notes to the Financial statements	32
Reference and administrative information	67

Chair's introduction
For the year ended 30 September 2021

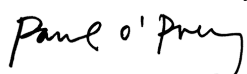
During 2021 and 2022 we are marking fifty years since our foundation by Edward James, who so generously donated his glorious West Dean estate to create a community for the teaching and practice of craft and art. We celebrate this milestone stronger than ever and with a growing confidence in our future. 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.

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

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.

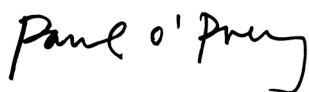
The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding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

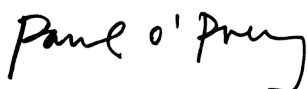
External audit

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)

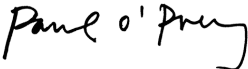
Consolidated and Charity Balance Sheets
For the year ended 30 September 2021


		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		<u>(13,297,174)</u>		<u>-</u>	
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		<u>(145,353)</u>		<u>(88,139)</u>	
Net cash (used)/generated from investing activities			<u>(95,353)</u>		<u>5,819,317</u>
Net (decrease)/increase in cash equivalents			(1,128,110)		5,921,946
Cash and cash equivalents at beginning of year			<u>10,272,254</u>		<u>4,350,308</u>
Cash and cash equivalents at end of year			<u>9,144,144</u>		<u>10,272,254</u>

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.

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

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>

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

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>
	School of Arts £	School of Conservation £	KLC School of Design £	Total 2020 £	
Grants to individuals	<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.

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

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.

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.

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

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 2021	Group 2020	Charity 2021	Charity 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 2021	Group 2020	Charity 2021	Charity 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 2021	Group 2020	Charity 2021	Charity 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.

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

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	17,241,000	17,455,000

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	17,241,000	17,455,000

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	(30,000)	39,000

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	(80,000)	(11,000)

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

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>

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

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>

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

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

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

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	<p>Stone King LLP 13 Queen Square, Bath, Somerset. BA1 2HJ</p> <p>Withers LLP 16 Old Bailey, London. EC4M 7EG</p> <p>Shakespeare Martineau LLP Bridgeway House, Bridgeway, Stratford upon Avon. CV37 6YX</p>
Bankers	<p>National Westminster Bank 5 East Street, Chichester, West Sussex. PO19 1HH</p> <p>Santander UK plc 2 Triton Square, Regent's Place, London. NW1 3AN</p> <p>Allied Irish Bank 10 Berkeley Square, Mayfair, London. W1J 6AA</p>
Auditors	<p>Moore Kingston Smith 60 Goswell Road, London. EC1M 7AD</p>
Insurance brokers	<p>Willis Towers Watson The Anchorage, 34 Bridge Street, Reading. RG1 2LU</p>
Investment managers/advisers	<p>CCLA Investment Management Limited 85 Queen Victoria Street, London. EC4V 4ET</p> <p>M&G Securities Limited Charities Investment Managers, Laurence Pountney Hill, London, EC4R 0HH</p> <p>Mayfair Capital Investment Limited 2 Cavendish Square, London, W1G 0PU</p> <p>Mercer Limited 1 Tower Place West, Tower Place, London. EC3R 5BU</p>
Estate managers	<p>Savills Exchange House, Petworth, West Sussex, GU28 0BF</p> <p>Tod Anstee Limited The Old Coach House, 14 West Pallant, Chichester, West Sussex, PO19 1TB</p>
Pensions administrators	<p>Mercer (formerly JLT Employees Benefits) Tower Place, London, EC3R 5BU</p> <p>Scottish Widows Plc 15 Dalkeith Road, Edinburgh, EH16 5BU</p> <p>National Employment Savings Trust Corporation ("NEST") Riverside House, Southwark Bridge Road, London, SE1 9HA</p> <p>Legal and General One Coleman Street, London. EC2R 5AA</p>