

Company Registration No.

01847134

Charity Registration No. 298140

THE ALDENHAM FOUNDATION

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

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THE ALDENHAM FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Governors/Directors The Directors of the company, who served during the year, and their committee duties, are as below. All are members of the Governing Body and Trustees of the Charity.

Full Governing Body: Names	Committees					
	Finance & General Purposes	Education	Estates	Audit	Governance	Remuneration
Mr J T Barton (Chair) (Retired June 21)	○	○	○		●	●
Mrs S Altman (Chair) (Appointed June 21)	○	○	○	●	●	●
Mrs F Cuttall *****				●		
Mr A Day			☒			
Dr J Hawdon ***						
Mr A G Hellman	●					
Mr A Hunter (Appointed June 21)		●				
Mr J James-Crook		●	●			
Cllr D Lambert *			●			
Ven Dr J Mainwaring *****		●				
Mr R Mashru (Resigned December 20)	●					
Mrs D Nicholes *** (Retired May 21)						
Mr J Neame (Upper Warden)						
Col M G C O'Dwyer (Retired November 21)					☒	
Mr Alan Phillips	●			☒		
Mr Chris Rees	●					
Mrs V Shah (Retired March 21)	●				●	
Ms H Simmons		●				
Mr T C Sligo-Young	☒					●
Mrs H Thomas (Appointed June 21)						
Mr D T Tidmarsh		☒			●	☒
Mr T F Wells			●			

☒ = Chair of that Committee

● = Member of Committee

○ = In attendance at the Committee meetings, but not a member

* Governor Responsible for Aldenham Prep School

** Local Authority Designated Governor

*** Safeguarding Designated Governor for the Foundation and Governor Responsible for St Hilda's School

**** Governor Responsible for St Hilda's School

***** Governor Responsible for Aldenham Senior School and Boarding

LEGAL AND ADMINISTRATIVE INFORMATION AS AT 31 AUGUST 2021

Secretary	K Mahon
Charity number	298140
Company number	01847134
Registered office/ Principal address	Aldenham School Elstree Herts WD6 3AJ
Auditor	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Bankers	National Westminster Bank Plc 72/74 High Street Watford Hertfordshire WD17 2GZ
Solicitors	Farrer & Co LLP 65-66 Lincoln's Inn Fields London WC2A 3LH Taylor Walton 28-44 Alma Street Luton Bedfordshire LU1 2PL
Contact details	Website: www.aldenham.com E-mail: enquiries@aldenham.com

Key Management Personnel (Foundation Leadership Group/Executives)

JC Fowler	Headmaster & Chief Executive Officer
AM Williams	Principal of Aldenham Senior School
VJ Gocher	Head of Aldenham Preparatory School
SJ Styles	Head of St Hilda's School
K Mahon	Bursar & Clerk to the Governors
S Toye	Director of Finance
P Dunstan	Business Development Director

THE ALDENHAM FOUNDATION

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2021

The Governors of The Aldenham Foundation present their Annual Report for the year ended 31 August 2021 under the Charities Act 2011 and the Companies Act 2006, including a Strategic Report, together with the audited financial statements for the year.

DIRECTORS' REPORT

CONSTITUTION

Aldenham School, the oldest part of The Aldenham Foundation ("the Foundation"), was founded in 1597. The Foundation is constituted as a company limited by guarantee, without a share capital, registered in England, No. 01847134, and is registered with the Charity Commission under Charity No. 298140. Each member of the company undertakes to contribute to the assets of the company in the event of the company being wound up while they are a member, or within one year after they cease to be a member. The liability of the members is limited to £100 each for the debts and liabilities contracted before they ceased to be a member.

The members are:

- The Worshipful Company of Brewers
- The Clerk to the Worshipful Company of Brewers

The Foundation operates three schools known as Aldenham Senior School, Aldenham Prep School and St Hilda's School Bushey.

There is one Governing Body for the three Schools. Details of the members of the Governing Body, together with the Foundation's officers and principal advisers, are set out on pages 1 and 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The Foundation is governed by its Memorandum of Association and Articles of Association last amended on 21st July 2011.

Governing Body

The Foundation has a Board of up to 20 Governors of whom six are Representative Governors appointed by the Worshipful Company of Brewers, one is appointed by the Local Education Authority, one was appointed by St John's College and the others are Co-opted Governors appointed by the Board. The Master of St John's College has recently written to the Foundation to advise that the Council has come to the decision that the College will end the practice of nominating Fellows, or other members of the College to be appointed as governors at any school. As such, the Governance Committee has reviewed the on-going requirement and will seek authority to turn this appointment into a further Co-opted one during the next revision of the Articles of Association. Each Governor is appointed for an initial term of three years and may subsequently be reappointed by the Board for successive periods of three years.

New members of the Governing Body are appointed or elected on the basis of nominations based on the candidates' professional qualities, qualifications and experience. The Governors of the Foundation are the Directors of the Company and Trustees of the Charity. From this point forward they will be referred to as Governors.

Recruitment and training of Governors

New Governors are inducted into the workings of the Foundation and its schools, including Governing Body policy and procedures, at an induction specially organised for them by the Heads and Bursar.

The new Governors are also encouraged to attend specialist external courses on the role and responsibilities of charity trustees and other external and in-house trustee training and information courses designed to keep them informed and updated on current issues in the sector and on regulatory requirements.

**GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Organisational management

The Governors are legally responsible for the overall management and control of the Foundation and its schools. Their role is to agree strategy, advise on and review the development of plans and monitor their execution by the Executive. The Governors decide ultimately how the Foundation's financial resources are deployed and hold the Executive to account while also acting as their critical friend.

Individual Governors hold a place on individual Committees as detailed below, to carry out the above, as well as ratifying policies where applicable, monitoring, safeguarding and discussing strategic and operational issues. The terms of reference for each Committee are summarised below:

- The Audit Committee keeps under review the Foundation's internal controls, is mainly responsible for the Foundation's relationship with the external auditor and oversees the production of the Annual Report and Accounts and performance of the external audit.
- The Education Committee has a monitoring and advisory role relating to the overall provision of education, pastoral care and safeguarding activities across the Foundation.
- The Estates Committee has a monitoring and advisory role relating to the Foundation's buildings, plant, grounds, gardens, roadways and security. They request financial approval from the Finance and General Purposes Committee of work that needs to be completed.
- The Finance & General Purposes Committee has a monitoring role relating to the overall financial and business activities of the Foundation, including budgeting, reviewing financial performance, investment, HR and Health and Safety. They also monitor the pay and conditions of all staff within the Aldenham Foundation and makes recommendations to the Full Governing Body about variations to these annually. The pay of the Foundation Leadership Group is decided by the Remuneration Committee.
- The Governance Committee keeps under review the Foundation's assessment and response to risk, monitors the governance offered to the Foundation schools by the various committees and advises the Board on any changes needed to the Board of Governors and how individual Governors are deployed.

The development and execution of strategic plans and operational management of the Aldenham Foundation is delegated to the Foundation Leadership Group (i.e., The Executive), consisting of the Heads of each school, and other key operational staff. They meet fortnightly to discuss and implement policy, strategy and development of the Foundation and significant operational issues. The day-to-day running of the three schools is delegated to the respective Heads, supported by their respective Senior Leadership Teams.

The Aldenham Foundation Board of Governors takes its governance responsibilities seriously and, as a large charity, aims to have a governance framework that is fit for purpose, compliant and efficient. The Board has established a solid foundation in governance in which all of its governors are clear about their roles and legal responsibilities, are committed to supporting the Foundation to deliver its objects most effectively for its beneficiaries' benefit, and contribute to the Aldenham 2027 Strategic Plan for continued improvement.

The Aldenham Foundation Governance Committee keeps the Charity Code of Governance under review and are minded that the Board of Governors meet a significant proportion of the recommended best practices for governance contained within the Code. During this reporting period, the Governance Committee commissioned an independent review of Board Effectiveness through the auspices of AGBIS. While no major points were highlighted, an action plan was created to address some minor points raised. The findings of the review and action plan were subsequently reviewed, discussed and adopted by the Full Governing Body.

Group structure and relationships

During the year there were three subsidiaries within the Foundation, these being:

- The Aldenham School Charity, a registered charity number 1057611("ASC");
- Aldenham Enterprises Ltd, a limited company registered in England No 01635965 ("AEL").
- Aldenham Schools Holdings Ltd, a registered company in England, No. 11923888 ("ASH")

**GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

The Aldenham School Charity is now a dormant Company and owns the endowed land.

Aldenham Enterprises Ltd is a wholly owned non-charitable subsidiary of the Foundation whose annual profits are donated to the Foundation under the Gift Aid Scheme. The trading activities of AEL primarily comprise a franchised retail outlet and revenue from letting of the Aldenham Foundation schools' facilities when not in use by the schools.

Aldenham Schools Holdings Ltd is a wholly owned non-charitable subsidiary of the Foundation and was formed on the 3rd of April 2019 with a separate Board, consisting of members of the Foundation's Leadership Group, as well as two Governors. Its purpose is to monitor and manage the overseas activities of the Foundation.

Employment and remuneration policy

The Foundation is an equal opportunities employer. Full and fair consideration is given to job applications from all applicants, and the Foundation does not discriminate against anyone. Due consideration is given to the individual applicant's training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the Foundation.

Communication with employees continues through normal management channels in a variety of forms and also via an annual briefing to all staff of the Foundation by the Headmaster/CEO in September covering the Foundation's performance over the previous year and targets and aspirations for the new academic and financial year. All staff are appraised annually. The annual pay increase for all staff is agreed by the Full Governors and the remuneration of Key Management Personnel (Foundation Leadership Group) is agreed by the members of the Remuneration Committee during each year.

Investment policy, objectives and performance

The Governors' investment powers are governed by the Charity Commission Scheme of 1995 which requires that all sums belonging to the Foundation, other than sums needed for immediate working purposes, be invested in trust for the schools. The Governors' policy is to maintain income whilst preserving the real value of the endowed investments held in restricted funds. The Governors aim to maximise the total investment return they are able to achieve from the cash and investments the Schools hold, bearing in mind their planned expenditure and financing needs. The investment strategy and policy is monitored by the Finance and General Purposes (F&GP) Committee. Currently, any surplus cash held by the Foundation, in excess of that required for working capital, is available for investment. The intention is to protect the value of funds used for bursaries and scholarships in addition to any Fees In Advance funds received for fees in excess of two years.

Principal Risks and Risk management

The Governors have considered the major risks to which the Foundation and its subsidiaries are exposed. The Governors have ultimate responsibility for managing any risks faced by the Foundation.

The risk management process and the resulting Risk Report identifies risks, assesses their impact and likelihood and, where necessary, recommends controls to mitigate and monitor those risks that are assessed as high.

The events of 2020 had been a huge shock to the world as a whole and the reality of a worldwide pandemic had not been seen as a likely risk. The risk register has subsequently been updated to include such risks and the actions to take along with a review of the lessons learned from the pandemic.

The current areas that the Governors consider to be the principal risks are as follows:

- The ongoing effects of COVID-19 on the welfare of pupils and staff. With regards to pupils, the House system and Housemasters and Tutors continue to monitor pupils' wellbeing, supported by the respective Senior Management Teams and Pastoral Teams. With regards to staff, check-ins have been introduced via the on-line platform Appraisd and regular questionnaires are sent out to monitor staff wellbeing.
- The economic effect of the pandemic on parental ability to pay fees. The risk is being managed by credit control policies and bursarial support where necessary and affordable.

**GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Principal Risks and Risk management (continued)

- **Affordability and non-payment of fees:** Full consideration is given to fee increases each year and any fee increases are therefore intended to meet expected cost increases whilst maintaining the educational provision provided by the Foundation. The surplus also needs to enable planning for the ongoing development of the Schools within it, whilst maintaining financial stability. It is not intended to increase fees for the coming year due to the financial impact of COVID-19 upon parents.
- The impact of interest rate rises on the cost of borrowing.
- Any impact of a change to opposition government with a manifesto promise of school fee VAT and taxation.
- **Safeguarding:** This is always deemed to be a principal risk due to the seriousness of any breach and the potential impact on pupils, reputation and confidence. Safeguarding is given the utmost consideration and a Governor, who is a professional Paediatrician, has been appointed to oversee compliance in the Foundation and to provide support and advice. There are Designated Safeguard Leads in each School who are responsible for keeping children safe in education. In addition, a "whole school" approach is taken to safeguarding so training is given to all staff and Governors.
- **Theft & Fraud:** The theft of data and attempts at financial fraud are deemed to be an area of principal risk due to the increasing number and sophistication of reported incidences in the wider business community. The Foundation seeks to adequately protect itself against such risk through comprehensive security measures, regular review and testing of these and through scrutiny of systems.
- **Health and Safety:** The health and safety of the Foundation's pupils and staff is a key area for risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the schools' sites, on trips and expeditions). The level and breadth of activity across the schools is extensive and the risks associated with this are minimised by ongoing risk assessments and management. A detailed COVID-19 risk assessment was completed by the Bursar and circulated to all parents, pupils and staff, and is published on the Schools' websites in the policy section of other information. This detailed risk assessment was completed by the Bursar and details each known risk identified and the mitigation measures taken. This is reviewed regularly and updated where necessary, especially following any Government announcement. The Health and Safety of the Foundation is the responsibility of all members of the school community but driven by the Bursar and his key teams and there is a designated Governor who takes an overview of this area.

The generic controls used by the Foundation to minimise all risks, including the above, are:

- Detailed terms of reference together with formal agendas for Committee and Board activity;
- Employment of qualified, key staff whose roles include consideration and minimisation of risk and use of specialist outside consultants where appropriate;
- Formal strategic development planning, reviewed by the relevant Committees and discussed annually at a special meeting attended by the Governors along with the senior management teams of the schools;
- Comprehensive budgeting and management accounting;
- Established organisational structures and lines of reporting;
- Formal written policies including clear authorisation and approval levels;
- Safeguarding procedures as required by law for the protection of the vulnerable;
- Regular review and monitoring by members of the Foundation Leadership Group and Committees.

The Governors are satisfied that for all major risks identified for the Foundation, appropriate controls have been put in place and maintained to mitigate those risks adequately. It is recognised that whilst systems can provide only reasonable, but not absolute assurance, that major risks have been managed. Detailed consideration of risk is delegated to the Governance Committee, which reports formally to the Governors at each meeting. The production and maintenance of the Risk Register is delegated to the Bursar.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Mission statement

The Foundation's mission is to provide the necessary education and appropriate training to enable pupils to develop their potential as individuals, and thereby to help ensure that when they leave they will be confident members of the larger society and effective contributors to it.

Charitable Objects

The Foundation's Objects, as set out in the Memorandum of Association, are to promote and provide for the advancement of education of children and students in the United Kingdom and elsewhere, such education to be consistent with the doctrines of the Church of England. In furtherance of these Objects for the public benefit the Foundation has established and administers bursaries, grants, awards and other benefactions, and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of these Objects. The Governors are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection they have monitored closely the Public Benefit guidance available from the Charity Commission and also its supplementary website guidance on fee-charging.

Intended impact

Within its charitable Objects, the Foundation's intention is to provide a first-class education through strong academic tuition and by developing broader skills that help every pupil to realise his or her potential to the full. This involves emphasis on the co-curriculum through cerebral, sporting, artistic, team building and social skills. This policy builds self-confidence and life skills in the pupils and inculcates a desire to learn and a willingness to contribute to the wider community whilst at school and in later life.

Aims

The Foundation's aims remain:

- to offer all pupils a range of opportunities so that they can achieve to the best of their ability within a framework of shared values and standards;
- to value and nurture pupils as individuals, giving them a sense of their own self-worth and of the value of service to others, thus preparing them for life beyond school;
- to continue to operate the Aldenham Senior School as a day and boarding community with strong links both locally and further afield, and to seek to increase the numbers of pupils who can benefit from boarding;
- to continue to operate the Aldenham Prep School and St Hilda's School as day schools, in which there are strong and active partnerships with parents and with the local community around the two schools;
- to continue to make its facilities available for the wider use of the community.

Primary objectives

The primary objectives of the Foundation to fulfil these aims are:

- to provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- to provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, co-education, respect for one another and good citizenship;
- to provide pupils with the opportunity to take advantage of a breadth of extra-curricular activities in order to develop positively all aspects of their character;

**GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

Primary objectives (continued)

- to provide pupils with the opportunity to take decisions based on their own judgment and to communicate those decisions appropriately and effectively;
- to provide financial support to enable children whose parents are unable to afford the full fees to benefit from the education and opportunities offered;
- to provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately;
- to provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike;
- to maintain and improve facilities which will enable these objectives to be achieved and which can also be applied for the wider benefit of the outside community.

The aims and objectives set for the Foundation's subsidiaries are to facilitate the achievement of the Foundation's aims and objectives as above.

Principal activity

The Foundation's principal activity, as specified in the Memorandum of Association is the advancement of education of children and students in the United Kingdom and elsewhere, such education to be consistent with the doctrines of the Church of England and, in this, the Foundation has again had a successful year with 954 pupils being educated in the Foundation's schools. This is a decrease over 2020 and is due to less children attending nursery. This is, in the main, due to parents being reticent to send their youngest children into the settings whilst COVID caused uncertainty.

Public benefit

The Governance Committee give due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011 to ensure that they are compliant and are offering as much as they can to the wider community.

The Foundation remains committed to the aim of providing public benefit, and details below the activities that took place during the year:

Bursaries

- The awarding of bursaries to parents is a measurable means of providing public benefit. The Governors consider bursaries, awarded to those whose parents would not otherwise be able to afford the fees, as being very important, but not to the exclusion of the much wider benefit that the Foundation provides within the community. Those pupils who attend our schools and who receive financial support contribute to the school community in a variety of ways, and so the benefit is not purely to these pupils but to the whole Foundation and, in some cases, to the wider community. In 2020/21 the Foundation awarded means-tested awards based on a sliding scale according to financial circumstances totalling £743k to 76 pupils.
- In addition to allocations of support from its fee income, there are specific bursary funds established from legacies provided by former pupils, specific funds created from Foundation reserves and annual support from funds held by other organisations associated with the Foundation.

Other activities

Other activities were impacted by COVID-19 and the closure of the school facilities in the Lent term, however they are listed below as these would have taken place in a "normal" year:

- The Foundation has partnered local maintained schools and provided support for local community organisations through pupil and staff involvement, and by use by the community of Foundation facilities and equipment.
- Letting of the grounds and facilities to local clubs and organisations. Some of these lettings are below market rate or free of charge. These were impacted by COVID-19 this year.
- Free use of St Hilda's hall for use for a local mother and toddler group. This was impacted by COVID-19 this year.

GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021

Public Benefit (continued)

- Use of Aldenham Chapel by other local schools.
- Use of Aldenham minibuses by local community groups and sports teams.
- Members of the local community use Aldenham land for walking groups.
- We cooperate with local charities and educational bodies in our ongoing endeavours to widen public access to the schooling we provide, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive at the Foundation's schools.
- The Senior School partners a local maintained school to provide a Combined Cadet Force for the mutual benefit of both schools.
- Pupils and staff of the Foundation continue to provide support for a range of local and national charities through fundraising and Aldenham School has maintained its support of a community in Malawi through its Ripple Africa initiative which involves a group of 6th Form students travelling to Malawi each year to take part in community projects there. Unfortunately, due to COVID-19 this did again not take place this year.
- Staff and pupils support the PHAB Charity and hosts a weekend each year for children with physical and mental disability, allowing them access to the facilities and resources. Unfortunately, due to COVID-19 this did again not take place this year.
- Across the Foundation and prior to lock-down a total of £8,900 was raised for several different Charities.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The School year of 2020-21 was one that was in many ways even more affected than the previous year by the COVID pandemic. Even though the School year began and finished in relatively normal fashion with all pupils in School there were many “bumps in the road” along the way and it was a very strange year for education. It was also the year which had the greater impact in financial terms on the Aldenham Foundation and which required a more measured approach to spending, whilst needing to complete the major capital projects committed to prior to the pandemic.

The reality of the education that children received during the school year was that it was highly effective in academic terms, but effectively limited in all other ways. At Aldenham Foundation schools we value the high-level involvement of pupils, staff and parents in all aspects of the Schools’ lives, yet this was not possible in these 12 months. The major restrictions which were put in place by Government regulations, included some which entirely limited our ability to undertake this sort of extracurricular activity which is so important to the development of young people in our Schools.

The restriction on pupils operating outside their year group “bubbles” meant that there was no normal interaction between pupils of different year groups and ages in both informal and formal ways as would be usual for us. In particular our highly effective House structure is one which depends upon the blending together of pupils of different year groups – in the Junior Houses between Y7 & Y8 pupils, and in the Senior Houses with pupils from Y9 through to Y13. Such interactions were not possible, but we did manage to open the new Woodrow’s House for 80 pupils in Y7 and Y8 as scheduled on the 1st September 2021. Their new housemistress brought valued experience as an Assistant Housemistress in the other Junior House which allowed this new development to work well.

The restrictions upon travel meant that there was no opportunity for pupils to travel for educational and sporting trips to other points around the UK and indeed across the globe as would be normal. However, inventive solutions were found to some of these problems with DofE Award expeditions taking place as day walks without overnight stays and the Annual Battlefields trip for every Y9 pupil having to be replaced by a virtual event from within the School Chapel rather than being at Tyne Cot or on Vimy Ridge.

The restrictions upon visitors to the School meant that there was almost no possibility of inter school sports fixtures taking place which severely curtailed the opportunity for competitive activity for many pupils. Whilst we maintained a full programme of training and preparation in all sports, there is an inevitable lack of intensity when no matches are in sight. It also led to the total exclusion of all parents from the site and hence all opportunities for parents to engage with their children’s sports and cultural performances were lost, as were the many invaluable opportunities for social interaction between parents and staff that occur on such occasions.

Nonetheless the parental body remained positive and cheerful in their support of their children and the introduction of online parental consultation evenings and some upgraded regular communications were much appreciated. Much of this stemmed from the fact that during the period of total school closure from early January till early March, our Schools demonstrated a high level of sophistication in their online teaching and support of pupils which was well received.

In the previous academic year, the Senior School had already made good provision for all their pupils under the specifically named Aldenhome programme focussing on Microsoft Teams and delivering a full programme of lessons. By this academic year, we had established a similarly effective programme for the younger pupils at prep school ages, whose level of need for parental support had led to a more uncertain pattern of provision in 2020. In this we were certainly not out of line with many other school groups dealing with different aged pupils with differing levels of independent working capacity at the start of the pandemic.

The Schools were once again closed in January 2021 in line with Government instruction and for the period January to March 2021 pupils of all ages from Reception upwards were offered a good number of live lessons each day with additional tutorial sessions and the presentation of other familiar parts of the School programme including PE sessions, Chapel services and Assemblies. In our view this allowed almost all pupils the opportunity to make excellent progress in their academic studies and upon their return to School on March 8 we were able to see that our pupils were not suffering from a deficit on academic progress, although the younger pupils demonstrated the by-products of a lack of social interaction and engagement with other children and adults.

During this period we were fortunate that the School community as a whole was not significantly affected by COVID cases, although anxiety about infections amongst some support staff led to a review of our homeworking arrangements for anyone who could operate in this way. Our staff team showed a remarkable degree of resilience and flexibility in equal measure which allowed the sense of a community to be preserved even in these dark months of School closure.

GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021

ACHIEVEMENTS AND PERFORMANCE – Continued

It also made the return to School in early spring a particularly joyous one with much to be thankful for. This was also the moment for us to open our entirely new Aldenham Prep School – Vincent House – to pupils and staff with the demolition of the old facility taking place just before the reopening. There can have been very few pupils in any setting who will have had the happy experience of walking into a brand new building on March 8, and this quickly proved to be a much admired and highly effective space for our Aldenham Prep School with their own School Hall, Science Lab, Dining Hall and many exciting outdoor areas in a very well planned and cohesive design. The completion of most of the work during the pandemic during lockdowns was a remarkable achievement, but it did mean that the contribution from appeal funding for this project was lower than anticipated.

We also took the opportunity of upgrading the Science labs over the summer period. This work of restyling and modernising the ten very appropriately sized labs to the best modern standards has been very well received, not least by the many students who aim to study Science and Engineering subjects at university. Very pleasingly the proportion of girls choosing such subjects – around a third – is identical to that for boys.

In terms of those pupils in Years 11 and 13 who were unable to sit public examinations in the normal way, we were pleased to be able to support our pupils with realistic Teacher Assessed Grades which were endorsed as confirmed final grades in the summer. This was a very demanding process, but one where our excellent level of regular academic monitoring and record keeping allowed us to provide superbly justified evidence based judgements. The results for the year were slightly higher than normal, but very much in line with the upscaling seen in other schools, thus taking a seriously responsible attitude to this important process.

At A Level we saw a total of 54% of grades awarded at A*/A Level, 73% at A* to B and a 99.6% pass rate overall. Of the 80 students in our Year 13 group, 97% were admitted to their first or second choice university with a very small number electing to take a gap year or go straight into work. We were delighted that 55% of those going to university chose to study at Russell Group universities with others heading not only to other universities around the country, but also to the USA. We saw Aldenham students beginning studies in almost every top university including Bath, Bristol, Cambridge, Cardiff, Durham, Edinburgh, Exeter, KCL, Lancaster, Leeds, Loughborough, Manchester, Nottingham, Sheffield, Southampton and UCL. There were some very significant individual achievements including 7 students who gained A* grades in each of their A Levels.

There were similarly strong results at GCSE with almost half of all the GCSEs graded at level 7-9 and over 90% at level 5 or above. 12 pupils gained 10 or more 7-9 grades and every one of these students has remained at Aldenham to study for their A Levels.

Both prep schools were able to see their academic achievements recognised with the award of 16 scholarships for St Hilda's girls and 8 for Aldenham Prep School. These extraordinary high figures from single form entry prep schools demonstrate the excellent work that our teachers achieve in their classes, whilst maintaining as with all Aldenham Foundation Schools a genuine commitment to all-round education in their ethos and programmes.

As a result of the January to March lockdown we were able to reduce costs which included the total closure of the Nursery. All cost savings were passed back to parents by means of a reduced fee in the Summer Term 2021 which was seen as acceptable to all.

Therefore, despite a most challenging period the Aldenham Foundation was able to end the year in a strong position and with excellent prospects for future years. In fact, despite the pandemic and the inability of parents to view the School, we saw the largest ever intake of pupils accept places for starting in Y7 from September 2021 and the registrations for entry in 2022 are up by 30% year on year. The strong commitment to following through the clear goals set out in the Aldenham 2027 Strategic Plan remains in place, and we are cautiously confident that it will not need to be significantly altered despite the global pandemic.

As part of this plan the Foundation has continued its work on the development of international schools through its subsidiary, Aldenham Schools Holdings (ASH) who are partners in Aldenham Education Group (AEG) operating from Dubai. The initial plans for the first overseas school were delayed but we have now seen good progress towards prospects in both the Middle East and South-East Asia. It is believed that the good working relationships established with our overseas partners through this phase should enable good progress to be made over the next 12 months towards these projects reaching fruition.

**GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

ACHIEVEMENTS AND PERFORMANCE – Continued

The Governors were involved in many aspects of the Foundation's activities during the period under review. As well as their usual functions of overseeing the strategy of the Foundation and the implementation of the Foundation's aims, the Governors have been substantially involved in ensuring that the reaction of the Foundation and the individual Schools to the Coronavirus pandemic has been carefully considered, appropriate, and measured. The relationship between the Govern and the Foundation's senior executive team, very ably led by CEO James Fowler, continues to be very positive and constructive.

The Chair of Governors, Trevor Barton, stood down after six years in Summer 2021 and the Governors were unanimous in appointing Mrs Sarah Altman, a former parent who is currently Chair of the Finance and General Purposes Committee to succeed him.

James Fowler will retire from his post after 16 years in Summer 2022 and the Governors were able to complete the appointment of his successor, Mrs Alexandra Hems, currently Head of St George's School in Edinburgh during the Summer Term.

The Governors are extremely grateful for the hard work, diligence, care, common sense and resilience shown by the senior executive team, the Heads of the individual Schools, the teachers, all other staff and the pupils during a period that has been challenging but that has also demonstrated vividly the qualities of the Aldenham Foundation and has given great confidence for the future.

Fundraising

Fundraising for the School is carried out by Aldenham School General Charitable Trust. The focus for 2020-21 was to fundraise for Vincent House (new Prep School). There has also been continued progress made this year in the Foundation's work of raising voluntary funding for other Charities. This is undertaken by the Charity Committee whose members are pupils from the School. Across the Foundation, a total of £8,900 was raised for several different Charities. There are no professional fundraising organisations used and so no monitoring processes are required. The school has not subscribed to the Fundraising Regulator, but adheres to the Code of Fundraising Practice when undertaking fundraising activity. The school takes its responsibility to anyone who might be vulnerable very seriously and this will continue to be considered in the School's approach to fundraising activity.

**GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

FINANCIAL REVIEW

Results for the year

The operating deficit, before investment gains, was £403,727 (2020: surplus £816,184), which translates into an operating cash outflow of £1,111,006 and a decrease in fund balances of £129,169 (2020: increase £930,213) at the year end. This deficit was due to the impact of COVID upon the year, resulting in reduced boarding, no fee increases and the closure of the nurseries during the Lent term. As we had to close the schools the previous summer, there were maintenance and development works that were not carried out and it was decided to complete some of these during the current year to ensure the level of facilities were maintained and so not to impact further on the experience of the pupils.

The Foundation's funding came from cash generated from fees and the fees in advance scheme that the Foundation operates. Of the cash flow generated, £42,848 repaid the remaining bank loan and £5,515,955 financed the new Prep building and the science block refurb, which have been capitalised in line with the accounting policies and are therefore not reflected in the Statement of Financial Activities on page 20. The final element of the loan to fund the Prep School build was drawn to fund the build amounting to £4,088,168.

The interests of the company's employees

In relation to employee engagement, the Headmaster/CEO carries out termly updates to all staff. Weekly staff briefings are held in each school for all staff and minutes issued. Clear and frequent communication with staff has been essential, during the lent lockdown when most staff were working remotely. Staff who had been furloughed in January to March 2021 were contacted by their own line management and HR via calls. Staff were kept regularly informed by the Headmaster/CEO by regular email communication and weekly newsletters continued to be sent to parents and staff.

The Governors receive regular reports on staff matters through the respective Heads' termly reports and all Governors conduct visits to school where opportunity is made for direct staff engagement.

All staff were involved in the early stages of the strategic plan development, and all are updated on the plan and priorities at the start of each academic year.

The Foundation has complied with the UK's Equality Act 2010 that require the publication of information on the gender pay gap for UK employees annually. The latest report is available on the website.

Reserves Policy

It is the Governors' policy not to accumulate and retain funds but to spend, wisely, the available cash on maintenance, and on enhancement of the Foundation school's facilities. Such enhancements usually involve significant capital sums and are therefore normally only undertaken as and when funds on a sufficient scale, built up over a number of years, become available. This policy means the Foundation does not hold a large reserve for any length of time. Moreover, as the fees are paid in advance and the short-term flow of income and expenditure is relatively predictable, the Foundation does not, as a matter of policy, hold reserves to cover say a whole term's operating costs.

The Foundation's total reserves of £15,411,843 at the year-end included £1,965,327 restricted funds and £13,446,516 unrestricted funds. Included in the reserves is a permanent endowment fund of £1,695,739, which is subject to specific conditions by donors that the capital must be maintained by the Charity.

The Foundation has no free reserves at the balance sheet date due to the investment of funds in tangible fixed assets, largely buildings for use within the Foundation. However, the Governors regularly examine the Foundation cash flows alongside the development plans for the future and are satisfied that they are adequate for the purpose of meeting its working capital requirements, by careful management of short-term liquid reserves, and that they will also cover strategic capital expenditure when complimented with an appropriate amount of loan finance. This has been reviewed in light of the pandemic and given the current climate the Governors are satisfied with the level of reserves held, however this will continue to be reviewed at F&GP meetings.

**GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021**

FUTURE PLANS

Despite the pandemic, the future plans for the Foundation continue to be the expansion of the Senior School over future years so that it can become a more significant contributor to education in its locality, and to generate surplus funds that allow the continued improvement of facilities.

The strategy document "Aldenham 2027" details the basis and plans for expansion and vision of the future.

The detailed key objectives of the strategy are as follows:

1. To deliver a holistic education which supports the academic and personal progress of all children in its schools.
2. To increase the number of pupils in the Senior School to 650 without changing the ethos of the School.
3. To increase the proportion of girls in the Senior School to at least 40% of pupils.
4. To generate expanded and improved facilities for the enlarged Senior School.
5. To create a new purpose-built facility for the whole Aldenham Prep School on the school site and increase its popularity amongst local parents.
6. To maintain the strong positioning of St Hilda's School as a high performing all girls prep school with improved facilities on its existing site.
7. To consider opportunities for the Aldenham Foundation to expand its operation by the addition of further schools or other institutions.
8. To make sure that the schools of the Aldenham Foundation are as well embedded as possible in their local communities through partnership and other links.
9. To ensure that the financial position of the Aldenham Foundation is secured for the long term.
10. To create extra revenue for the Foundation in a way which can ensure that the strategic goals are achieved and the financial success of the Foundation is assured.

The Governors and Leadership team will be driving forward the strategy to strengthen the Foundation in the years to come, especially in light of current economic and political uncertainty and threats to the Independent Schools sector.

With reference to objective 5 above, the build of the new Aldenham Prep School was completed early in 2021 and pupils moved into the building once the school reopened in March 2021.

Annually, specific objectives for The Foundation Leadership Group are defined that support the key objectives above and reflect changes to the political or social environment, however the above underpin the direction of the Foundation.

With reference to objective 10, as per the Strategic Report above, the Foundation has formed Aldenham Schools Holdings and plans to invest funds into the identification and creation of new schools overseas, with the aim of generating additional non-fee income into the Foundation. Due to the pandemic, the plans for new schools opening have been delayed, however the Foundation is committed to such projects and continues to monitor developments.

Going Concern

In light of the current climate and the pandemic, further scenario forecasts were produced by The Foundation Leadership Team and reviewed by F&GP. Several scenarios were considered, and the Governors are satisfied that the revised budget and cashflow produced reflects the most likely outcome for the current year. The Governors are also satisfied that if there was to be a further lockdown for schools then the Governors believe that the Foundation has adequate financial resources to weather this.

The financial projections, have taken into consideration the current economic climate and global pandemic and its potential impact on the various sources of income and planned expenditure. The scenarios were reviewed to forecast the impact on cash flow and contingencies have been built into budgets for the ongoing uncertainty of the pandemic. The Governors are confident that the Foundation has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt the Foundation's ability to continue. The accounts have therefore been prepared on the basis that the Foundation is a going concern.

GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2021

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The members of the Governing Body (who are also the Directors of the charitable company for the purpose of company law) are responsible for preparing the Annual Report and the financial statements for each financial year in accordance with applicable law and FRS102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

Under company law the Governing Body members must not approve the financial statements unless they are satisfied that they 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 group for that period. In preparing these financial statements, the Governing Body members are required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the applicable Financial Reporting Standard has been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The members of the Governing Body are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, 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 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Directors, as members of the Governing Body, at the date of approval of this report is aware there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

Approved by the Governing Body of The Aldenham Foundation, including, in their capacity as company directors, the Strategic Report contained therein, and signed on its behalf by:



Sarah Altman

Chair of Governing Body

Dated: 14 December 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ALDENHAM FOUNDATION

Opinion

We have audited the financial statements of the Aldenham Foundation ('the charitable company') and its subsidiaries ('the group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Charity Balance Sheet, Consolidated Cash Flow Statement 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2021 and of the group's income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 trustee's 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 charitable company's or the group'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 trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to 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.

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 our audit

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ALDENHAM FOUNDATION

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate and proper accounting records have not been kept; or
- the 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.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and Safety legislation, Taxation legislation and Employment legislation.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE ALDENHAM FOUNDATION

Extent to which the audit was considered capable of detecting irregularities, including fraud, Continued

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within non-fee income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, substantive testing on non-fee income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Use of our report

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



Andrew Thomas
Senior Statutory Auditor
For and on behalf of

Crowe U.K. LLP
Statutory Auditor
London

Date: 18 January 2022

THE ALDENHAM FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021
(Including Income and Expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
INCOME:					
School fees		15,944,233		15,944,233	15,726,308
Ancillary income		752,803		752,802	1,269,505
	3	16,697,036		16,697,035	16,995,813
Income from:					
Donations and legacies	2	8,063	89,213	97,276	107,796
Investments		128		128	12,570
Rents and lettings		9,643		9,643	16,163
Other activities	4	123,521		123,521	591,251
Other trading activities	21	60,771		60,771	134,430
		202,126	89,213	291,339	862,210
TOTAL INCOME		16,899,162	89,213	16,988,374	17,858,023
EXPENDITURE:					
Raising funds					
Costs of financing and raising funds		159,431		159,431	168,699
Trading expenditure	5/21	38,369		38,369	95,189
Charitable Activities					
Expenditure on education		17,053,936	140,366	17,194,302	16,777,951
TOTAL EXPENDITURE	5	17,251,736	140,366	17,392,102	17,041,839
Operating surplus/(deficit)		(352,575)	(51,153)	(403,728)	816,184
Net gains on investments	10	250,053	24,505	274,558	114,029
Net Income/(deficit)		(102,522)	(26,648)	(129,170)	930,213
Net movement in funds		(102,522)	(26,648)	(129,170)	930,213
Fund balances at 1 September 2020		13,549,038	1,991,975	15,541,013	14,610,800
FUND BALANCES AT 31 AUGUST 2021		13,446,516	1,965,327	15,411,843	15,541,013

Operations throughout both periods were from continuing activities.

Included within the balance brought forward on restricted funds is a permanent endowment of £1,695,739 (Note 14)

The notes on pages 22 to 38 form part of these financial statements.

THE ALDENHAM FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2021

	Notes	GROUP 2021 £	GROUP 2020 £	FOUNDATION 2021 £	FOUNDATION 2020 £
Fixed assets					
Tangible assets	9	22,321,077	18,047,295	22,321,077	18,047,058
Investments	10	2,831,253	1,556,695	2,831,453	1,556,795
		<u>25,152,330</u>	<u>19,603,990</u>	<u>25,152,530</u>	<u>19,603,853</u>
Current assets					
Debtors	11	1,054,914	1,037,453	1,083,235	1,074,578
Cash at bank and in hand		2,967,041	4,078,047	2,934,261	4,018,892
		<u>4,021,955</u>	<u>5,115,500</u>	<u>4,017,496</u>	<u>5,093,470</u>
Creditors: amounts falling due within one year	12	(5,662,990)	(5,350,081)	(5,658,101)	(5,329,757)
Net current liabilities		<u>(1,641,035)</u>	<u>(234,581)</u>	<u>(1,640,605)</u>	<u>(236,287)</u>
Total assets less current liabilities		<u>23,511,295</u>	<u>19,369,409</u>	<u>23,511,925</u>	<u>19,367,566</u>
Creditors: amounts falling due after more than one year	13	(8,099,452)	(3,828,396)	(8,099,452)	(3,828,396)
NET ASSETS		<u>15,411,843</u>	<u>15,541,013</u>	<u>15,412,473</u>	<u>15,539,170</u>
Endowment funds	15	1,695,739	1,695,739	1,695,739	1,695,739
Restricted funds	16	269,588	296,236	269,588	296,236
Total restricted funds		<u>1,965,327</u>	<u>1,991,975</u>	<u>1,965,327</u>	<u>1,991,975</u>
Unrestricted funds					
General funds	17	13,446,516	13,549,038	13,447,146	13,547,195
Total unrestricted funds		<u>13,446,516</u>	<u>13,549,038</u>	<u>13,447,146</u>	<u>13,547,195</u>
TOTAL FUNDS	17	<u>15,411,843</u>	<u>15,541,013</u>	<u>15,412,473</u>	<u>15,539,170</u>

The notes on pages 22 to 38 form part of these financial statements.

The result of the parent charity for the year ended 31 August 2021 was a deficit of £129,580 (2020: £969,058).

The accounts were approved by the Board of Governors on the 14th December 2021



S Altman
Governor



D Tidmarsh
Governor

The accompanying notes form an integral part of these financial statements.

THE ALDENHAM FOUNDATION

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	2020 £
Net cash inflow from operating activities	18	1,441,038	1,113,861
Cash flows from investing activities:			
Investment income		128	12,570
Payments to acquire tangible fixed assets		(5,515,956)	(3,756,791)
Payments to acquire investments		(1,000,000)	-
Financing costs		(81,536)	(97,418)
Net cash used in investing activities		(6,597,364)	(3,841,639)
Cash flows from financing activities:			
Repayment of long-term bank loan		(42,848)	(244,885)
New bank loan for Prep School		4,088,168	2,520,940
Net cash used in financing activities		4,045,320	2,276,055
Change in cash and cash equivalents in the reporting period		(1,111,006)	(451,723)
Cash and cash equivalents at the beginning of reporting period		4,078,047	4,529,770
Cash and cash equivalents at the end of reporting period		2,967,041	4,078,047

The notes on pages 22 to 38 form part of these financial statements.

The Aldenham Foundation is constituted as a company limited by guarantee, without a share capital, registered in England, No. 01847134, and is registered with the Charity Commission under Charity No. 298140. The Foundation's principal activity is the advancement of education of children and students in the United Kingdom and elsewhere such education to be consistent with the doctrines of the Church of England.

1 Accounting policies

1.1 Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The governors have given due regard to the guidance on public benefit issued by the Charity Commission.

In light of the current climate and the pandemic, further scenario forecasts were produced by The Foundation Leadership Team and reviewed by F&GP. Several scenarios were considered, and the Governors are satisfied that the revised budget and cashflow produced reflects the most likely outturn for the current year. The Governors are also satisfied that if there was to be a further lockdown for schools then the Governors believe that the Foundation has adequate financial resources to weather this. The financial projections have taken into consideration the current economic climate and global pandemic and its potential impact on the various sources of income and planned expenditure. The scenarios were reviewed to forecast the impact on cash flow and contingencies have been built into budgets for the ongoing uncertainty of the pandemic. The Governors are confident that the Foundation has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that call into doubt the Foundation's ability to continue. The accounts have therefore been prepared on the basis that the Foundation is a going concern.

Basis of consolidation

The group financial statements consolidate the results of The Aldenham Foundation and the Foundation's subsidiaries, Aldenham Enterprises Limited and Aldenham Schools Holdings Ltd.

No separate Statement of Financial Activities of the Foundation has been presented, as permitted by s406 of the Companies Act 2006. The gross income of the Foundation was £17,610,630 (2020: £17,161,712). The movement in funds (net income) of the Foundation was minus £129,169 (2020: £930,213).

1.2 Income

School fees are accounted for in the period in which the service is provided. Fees receivable are before deduction for bursaries and scholarships granted by the school. Fee income received in advance is deferred.

Voluntary income, including donations, gifts and legacies are recognised when there is entitlement, probability of receipt and if the amount can be measured with sufficient reliability. Such income is only deferred when either the donor specifies that the grant or donation can only be used in a future accounting period, or if the donor has imposed conditions that must be met before the charity has unconditional entitlement.

Investment income and other incoming resources are recognised on a receivable basis.

Government grants are recognised on the performance model, when the School has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to.

1.3 Expenditure

Resources expended are recognised in the period in which they are incurred with liabilities being recognised where there is a legal or constructive obligation to pay.

Resources expended are allocated to a particular activity where the costs relate directly to that activity. Resources expended have been allocated on the basis indicated below:

1.3 Expenditure (Continued)

- Charitable activities: These are costs directly attributable to the operation of the school.
- Governance costs: These include the cost of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in the charitable activity. This includes such items as external audit and costs associated with constitutional and statutory requirements.
- Raising funds include all direct fundraising expenditure associated with running the development office.
- Support costs: These include all the costs relating to the management, administration and running the central functions of the school.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land	not depreciated
Freehold buildings	up to 50 years
Sports pitch and equipment	4-10 years
Fixtures, fittings and equipment	3-10 years
Motor vehicles	4 years

All expenditure over £5,000, or £500 for IT costs, is identified as a new tangible fixed asset or as an improvement to an existing tangible fixed asset and is capitalised. Where on review an impairment of a fixed asset is identified, the value of the fixed asset is reduced or eliminated in line with the review. All tangible fixed assets are regarded as operational assets.

1.5 Stock

Stock is carried at the lower of cost and net realisable value.

1.6 Leasing

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

1.7 Investments

Fixed asset investments are stated at market value.

Any gain or loss on revaluation or on disposal of fixed asset investments is taken to the Statement of Financial Activities.

1.8 Pensions

The Aldenham Foundation, along with many other schools, contributes to the defined benefit scheme operated by the Government Teachers Pension Agency and known as the Teachers' Pension Scheme. The Teachers' Pension Scheme is a multi-employer scheme as defined in the transitional arrangements of FRS102 and accordingly, the schools are required to treat the scheme as a defined contribution scheme.

The regular cost of providing retirement pensions and related benefits is charged to the Statement of Financial Activities over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the Statement of Financial Activities and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

The Aldenham Foundation also contributes to one externally invested defined contribution scheme for staff who are not eligible for the Teachers' Pension scheme and the pension costs charged to the statement of financial activities represent the contributions payable by the charity during the year. In addition, The Aldenham Foundation contributes to personal pension schemes for two employees pre-dating the introduction of the school's own defined contribution scheme.

1.9 Accumulated Funds

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the Charity. Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

The Governors may designate monies held by the charity for specific purposes, particularly when building up funds for investment by the charity into further educational facilities and projects and additional bursarial funds, in order to have resources available to provide assistance to those who would otherwise be unable to attend the school.

Unrestricted funds are school fees, donations and other incoming resources received or generated for charitable purposes.

1.10 Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value and based upon market valuation at that date. Financial assets held at amortised cost comprise cash at bank and in hand, together with parent and other debtors.

A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital.

Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

The value of financial assets held at fair value at year end totalled £2,831,253 (2020 £1,556,695).

1.11 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the accounting policies, the Governors are required to make judgements, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

Redundancy costs (termination benefits) are recognised as an immediate cost and charged to the SOFA on a demonstrable commitment to termination, with provision for future redundancy costs measured at a best estimate of the expenditure that would be required to settle the obligation at the reporting date.

The accounting policies have been applied consistently in dealing with items which are considered material in relation to the Foundation's financial statements.

THE ALDENHAM FOUNDATION

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

2 Donations and Legacies

Donations received during the year were:

Name of donor	Unrestricted	Restricted	Total £ 2021	Total £ 2020
Whitbread Fund	-	12,000	12,000	12,000
Richard Platt Foundation	-	11,983	11,983	22,069
ASWMEF	-	12,000	12,000	13,500
Martineau's Trust	-	11,680	11,680	11,680
Brewers Company	-	18,000	18,000	18,000
GCT	8,063	22,550	30,613	26,967
Other donations and gifts	-	1,000	1,000	3,580
	8,063	89,213	97,276	107,796

3 School Fees and Ancillary Income

	2021 £	2020 £
The Foundation's fee income comprised the following:		
Gross fees (Net of Fee Reduction due to COVID-19)	17,487,982	17,030,748
Less: Bursaries and scholarships	(1,666,397)	(1,435,404)
	15,821,585	15,595,344
Add back: Bursaries paid for by Restricted funds	122,648	130,964
	15,944,233	15,726,308

The ancillary income of £752,803 includes recharges of coach transport, instrumental lessons, after and before school activities and educational trips and events. The costs relating to ancillary income are included in educational activities, other and staff costs, below.

The number of pupils (not FTE in the nursery) educated across the Foundation is given below:

	Average 2021	Average 2020
Aldenham Nursery	18	23
Aldenham Prep	147	146
Aldenham Senior	636	633
Total Aldenham pupils	801	802
St Hilda's Nursery	37	54
St Hilda's Prep	116	128
	153	182
TOTAL FOUNDATION	954	984

4 Other Activities

The income from other activities included the furlough income received of £123,521 (2020 £474,821).

THE ALDENHAM FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

5 Expenditure

5a	Staff costs	Other costs	Depreciation	Total 2021	Total 2020
	£	£	£	£	£
Charitable Activities					
Educational activities	8,402,710	1,495,316	416,395	10,314,421	10,487,967
Welfare (including catering)	252,611	1,266,593	-	1,519,204	1,286,113
Premises	752,900	1,594,123	,846,999	3,194,022	2,929,960
Support costs of schooling	1,385,815	640,474	-	2,026,289	1,925,342
Grants, awards and funded resources (Note 5b)	-	140,366	-	140,366	148,569
	10,794,036	5,136,872	1,263,394	17,194,302	16,777,951
 Trading expenditure	 18,688	 19,818	 237	 38,743	 95,189
Development office	52,749	25,146	-	77,895	71,282
Bank loan interest and charges	-	81,536	-	81,536	97,417
	71,437	126,500	237	198,174	263,888
 Total Expenditure	 10,865,473	 5,263,372	 1,263,631	 17,392,476	 17,041,839

5b Grants, awards and funded resources	Total 2021	Total 2020
From Restricted resources:	£	£
Bursaries and scholarships	122,648	130,964
Prizes	405	-
Direct teaching resources (funded by Aldenham General Charitable Trust)	17,313	17,605
	140,366	148,569

6 Support Costs of Schooling	2021	2020
	£	£
Salaries	1,272,168	1,251,298
Staff recruitment, travel and training	21,294	7,493
Communications and network	36,223	62,020
Telephone, postage, printing, stationery	93,921	93,827
Miscellaneous administration costs	452,932	365,626
Governance costs	149,751	145,078
	2,026,289	1,925,342

7 Operating Profit

This is arrived at after charging the following:

	2021	2020
Depreciation	1,263,631	1,225,983
Operating lease expenses	70,971	64,559
Fees payable to the company's auditor for audit fees	40,200	37,670
Fees payable to the company's auditor for other services	12,485	5,262
Furlough income	(123,521)	(474,821)
	1,263,766	858,653

8 Employees**Number of employees**

The average monthly number of employees during the year was:

	2021 Number	2020 Number
Teaching staff	158	162
Fundraising and publicity	3	3
Management and support staff	87	90
	<u>248</u>	<u>255</u>

Employment costs

	2021 £	2020 £
Wages and salaries	8,258,428	8,263,619
Social security costs	865,319	844,360
Other pension costs	1,394,298	1,355,678
	<u>10,518,045</u>	<u>10,463,657</u>
Payments made to peripatetic and temporary staff working at the school	196,586	206,256
Other staff costs	150,842	64,726
	<u>10,865,473</u>	<u>10,734,639</u>

The number of employees whose annual taxable emoluments were £60,000 or more were:

	2021	2020
£60,000 - £70,000	8	6
£70,000- £80,000	3	3
£80,000- £90,000	2	2
£90,000- £100,000	0	1
£100,000- £110,000	1	1
£110,000- £120,000	1	0
£170,000-£180,000	0	0
£180,000-£190,000	1	1

The aggregate amount of total employee salary and benefits for the Key Management Personnel/Foundation's Leadership Group (FLG) was £950k (2020: £924k). The FLG have other teaching and support responsibilities.

All but 2 (2019: 2) of these employees are members of the defined benefit pension scheme. Those not included are members of the defined contribution pension scheme and employer payments of £10,348 (2020: £9,435) were made on their behalf.

During the year there were redundancy and settlement payments made which amounted to £58,982 (2020 £2,566). £10,000 of this amount was outstanding at the year end.

THE ALDENHAM FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

9 Tangible Fixed Assets

GROUP	Land and buildings £	Assets in the course of construction £	Sports pitch and equipment £	Library £	Fixtures, fittings and equipment £	Motor Vehicles £	Total £
Cost							
At 1 September 2020	19,199,014	3,918,372	882,167	25,000	4,147,047	219,616	28,391,216
Additions	1,300,032	3,924,587			312,794		5,537,413
Transfers	7,842,959	(7,842,959)					-
Disposals					(21,457)		(21,457)
At 31 August 2021	28,342,005	-	882,167	25,000	4,438,384	219,616	33,907,172
Depreciation							
At 1 September 2020	(6,053,315)		(822,888)		(3,300,469)	(167,247)	(10,343,919)
Eliminated on disposal					21,457		21,457
Charge for the year	(848,909)		(29,347)		(369,308)	(16,068)	(1,263,632)
At 31 August 2021	(6,902,224)		(852,236)		(3,648,319)	(183,317)	(11,586,095)
Net book value							
At 31 August 2020	13,145,695	3,918,372	59,278	25,000	846,581	52,369	18,047,295
At 31 August 2021	21,439,781	-	29,932	25,000	790,065	36,299	22,321,077

FOUNDATION	Land and buildings £	Assets in the course of construction £	Sports pitch and equipment £	Library £	Fixtures, fittings and equipment £	Motor Vehicles £	Total £
Cost							
At 1 September 2020	19,199,014	3,918,372	882,167	25,000	4,106,275	219,616	28,350,444
Additions	1,300,032	3,924,587			312,794		5,537,413
Transfers	7,842,959	(7,842,959)					
Disposals					(21,457)		(21,457)
At 31 August 2021	28,342,004		882,167	25,000	4,397,612	219,616	33,866,400
Depreciation							
At 1 September 2020	(6,053,315)		(822,889)		(3,259,935)	(167,247)	(10,303,386)
Eliminated on disposal					21,457		21,457
Charge for the year	(848,909)		(29,347)		(369,069)	(16,068)	(1,263,393)
At 31 August 2021	(6,902,224)		(852,235)		(3,607,547)	(183,317)	(11,545,323)
Net book value							
At 31 August 2020	13,145,695	3,918,372	59,278	25,000	846,340	52,369	18,047,058
At 31 August 2021	21,439,780		29,931	25,000	790,065	36,301	22,321,077

THE ALDENHAM FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

10 Fixed Asset Investments

	GROUP 2021 £	GROUP 2020 £	FOUNDATION 2021 £	FOUNDATION 2020 £
Investment in subsidiary – Aldenham Enterprises Ltd	-	-	100	100
Aldenham Schools Holdings (ASH)	-	-	100	100
Listed Investments:				
Market value at 1 September	1,556,695	1,442,666	1,556,695	1,442,666
Additions	1,000,000		1,000,000	
Movement on valuation in year	274,558	114,029	274,558	114,029
Market value at 31 August	<u>2,831,253</u>	<u>1,556,695</u>	<u>2,831,453</u>	<u>1,556,695</u>
Historical cost of listed investments	<u>1,927,644</u>	<u>927,644</u>	<u>1,927,644</u>	<u>927,644</u>

The Foundation's investments are managed by Sarasin Investment Fund Limited. The funds are held in Alpha CIF for Endowments and in Alpha CIF for Income and Reserves.

The Foundation owns 100% of Aldenham School Holdings who in turn have a 40% shareholding in Aldenham Education DMCC, based in Dubai.

11 Debtors

	GROUP 2021 £	GROUP 2020 £	FOUNDATION 2021 £	FOUNDATION 2020 £
Fee and trade debtors	245,752	118,582	206,822	75,873
Other debtors	427,701	469,780	62,876	119,780
Prepayments	381,461	449,091	381,461	449,091
Due from subsidiary	-	-	432,076	429,834
	<u>1,054,914</u>	<u>1,037,453</u>	<u>1,083,235</u>	<u>1,074,578</u>

THE ALDENHAM FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

12 Creditors: Amounts falling due within one year

	GROUP	GROUP	FOUNDATION	FOUNDATION
	2021	2020	2021	2020
	£	£	£	£
Bank loans	440,607	224,773	440,607	224,773
Taxes and social security costs	213,867	238,210	214,053	238,412
Other creditors and accruals	1,383,788	630,258	1,379,693	613,267
Trade creditors	242,815	890,080	241,835	886,545
Refundable deposits	1,226,734	1,263,596	1,226,734	1,263,596
Fees in advance	1,194,302	1,207,589	1,194,302	1,207,589
Advance fee scheme	960,877	895,575	960,877	895,575
	<u>5,662,990</u>	<u>5,350,081</u>	<u>5,658,101</u>	<u>5,329,757</u>

Refundable deposits

Deposits are placed when pupils join the school and credited against fees and disbursements for their last term.

Fees in advance

Fees in advance reflect advance payments of school fees for the forthcoming year, which are not part of the Advance Fee Scheme below.

Advance Fee Scheme

Parents may enter into a contract to pay to the school multiple years' fees in advance. The advance fee creditor represents the school's liability under the contracts, to be utilised in the forthcoming year. The movements in the year were:

Advance Fee Scheme - Group & Foundation (combined)

	2021	2020
	£	£
Balance at beginning of year	2,384,957	2,516,822
Monies deposited into scheme	1,492,942	875,704
Amounts utilised in payment of fees	(986,071)	(1,007,569)
Balance at the end of the year	<u>2,891,828</u>	<u>2,384,957</u>
Utilised within 1 year	960,877	895,576
Utilised within more than 1 year	1,930,951	1,489,381
	<u>2,891,828</u>	<u>2,384,957</u>

13 Creditors: Amounts falling due after more than one year

	GROUP 2021 £	GROUP 2020 £	FOUNDATION 2021 £	FOUNDATION 2020 £
Bank loans	6,168,501	2,339,015	6,168,501	2,339,015
Advance Fee Scheme	1,930,951	1,489,381	1,930,951	1,489,381
Other creditors and accruals	-	-	-	-
	8,099,452	3,828,396	8,099,452	3,828,396
Bank loan maturity analysis				
Debt due in one year or less	440,667	224,772	440,667	224,772
In more than one year but not more than two years	440,607	545,774	440,667	545,774
In more than two years but not more than five years	1,321,821	1,637,321	1,321,821	1,637,321
In more than five years	4,406,073	155,920	4,406,073	155,920
	6,609,108	2,563,787	6,609,108	2,563,787

Bank loans

The bank loans are secured on the freehold land and buildings at the School. The loans outstanding at 31 August 2021 secured on Aldenham School represents 23.3% of the carrying value of the land and buildings of the school.

A new bank loan agreement was signed on the 29th of November 2019 to fund the build of the new Prep School. The loan is to be repaid over a 15 year period commencing any time up to 24 months after the first amount is drawn. The first amount was drawn on the 14th February 2020 and the final one in July 2021. The rate agreed is 1.39% over base rate. The final amount of the total amount borrowed is £6,609,108 and with amortised interest the total commitment of the loan is £7,378,342 at today's rates. The loan can be repaid at any time without penalty. The interest element is written off as an expense in the SOFA, and the above refers to the capital element only.

Advance fee scheme

Parents may enter into a contract to pay to the school multiple years' fees in advance. The advance fee creditor represents the school's liability under the contracts, to be utilised in the forthcoming year. The movements in the year are detailed in note 11.

14 Pension and other post-retirement benefit commitments

The Foundation participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,258,464 (2020: £1,220,889) and at the year-end £149,476 (2020: £148,147) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied Government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. Government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on the 16th of July 2020, and closed to responses on the 11th of October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on the 24th of June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to responses on the 19th of August 2021 and the Government is currently analysing the responses.

In view of the above rulings and decisions, the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

For employees not eligible for the Teachers' Pension scheme, the Foundation contributes to a direct contribution scheme run by AVIVA (the Norwich Union) and investing in AVIVA (Norwich Union Pension funds). The minimum employee contribution for those who have not opted out is 5% and the Foundation will match fund employee contributions at this level but up to a maximum of 6% contribution. During the year the Foundation contributed £134,560 (2020: £137,660) into the scheme and at the year-end contributions of £19,314 (2020: £20,296) remained outstanding. These amounts include charges and liabilities relating to the Foundation's auto-enrolment arrangements that applied with effect from 1 April 2014.

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

15 Endowment funds

The permanent endowment fund is represented by the land and buildings detailed in part 1 of the Charity Commission Scheme sealed on 27 November 1995. The value of the fund at 31 August 2021 and 31 August 2020 was £1,695,739.

16 Restricted Funds

The funds of the charity include restricted funds comprising the following unexpended balances of donations held on trust for specific purposes:

GROUP & FOUNDATION (Combined)

Fund	Balance at 1 Sept 2020 £	Income £	Expenditure £	Investment gains £	Balance at 31 August 2021 £
Rodney Fitzgerald Memorial	56,306		(55,206)	5,460	6,560
Jukes Fund	196,392		(16,939)	19,045	198,498
Aldenham School General Charitable Trust	-	22,550	(22,550)		-
Sundry Donations Received	3,500	1,000	(4,500)		-
Brewers Company General Charitable Trust-Annual Fund	13,140	18,000	(7,009)		24,131
Whitbread Fund	-	12,000	(5,801)		6,199
Richard Platt Foundation	14,700	11,983	(9,344)		17,339
ASWMEF	-	12,000	(12,000)		-
Brewers Co. - Martineau's Trust for Prizes	-	405	(405)		-
Brewers Co. - Martineau's Trust for Scholarships	2,173	3,275	(3,349)		2,099
Brewers Co. - Martineau's-General	10,025	8,000	(3,263)		14,762
	296,236	89,213	(140,366)	24,505	269,588

The Rodney Fitzgerald Memorial Fund reflects an interim distribution from the estate of a former pupil of the school. The funds were left to the school for the provision of bursaries for those with sporting abilities.

The Jukes Fund represents a legacy to be used for pupil scholarships and bursaries where the parents of existing pupils fall into financial difficulty (as a result of illness or redundancy, or for any other such reason which the Governors deem necessary).

The Brewers Bursary Fund represents an historical sum received from The Aldenham School General Charitable Trust which is to be used in providing pupil bursaries for larger or longer-term bursaries at the Headmaster's discretion.

The Brewer's Company, Martineau's Trust funds are restricted funds that are restricted for 3 different uses. The General fund is to be used in the Senior School and it has been agreed that it will benefit Martineau's Junior House.

The Whitbread Fund is used for 6th form bursaries for pupils, at the Headmaster's discretion, who would not be able to remain in the school to continue their education in the 6th form without financial support.

The Richard Platt Foundation fund is an endowed fund and the income is distributed to various beneficiaries, of which Aldenham School is one. It is a restricted fund that must be used in the senior school.

The Aldenham School War Memorial Educational Fund or "ASWMEF", was a fund set up at the end of World War 1, and is a fund used for bursaries.

17 Analysis of net assets between funds

Fund balances as 31 August 2021 are represented by:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
GROUP				
Tangible fixed assets	20,625,338	-	1,695,739	22,321,077
Investments	2,626,195	205,058	-	2,831,253
Other net current liabilities	(1,705,566)	64,530	-	(1,641,035)
Creditors: amounts falling due after more than one year	(8,099,452)	-	-	(8,099,452)
	<u>13,446,515</u>	<u>269,588</u>	<u>1,695,739</u>	<u>15,411,843</u>
FOUNDATION				
Tangible fixed assets	20,625,338	-	1,695,739	22,321,077
Investments	2,626,395	205,058	-	2,831,453
Other net current (liabilities)/ assets	(1,705,037)	64,530	-	(1,640,605)
Creditors: amounts falling due after more than one year	(8,099,452)	-	-	(8,099,452)
	<u>13,447,144</u>	<u>269,588</u>	<u>1,695,739</u>	<u>15,412,473</u>

18 Net cash inflow from operating activities

	2021 £	2020 £
Reconciliation to net incoming resources		
Operating Surplus	(403,728)	816,184
Investment income	(128)	(12,570)
Financing costs	81,536	97,417
(Increase) / decrease in stocks	-	-
Depreciation of tangible fixed assets	1,242,173	1,225,983
Loss on disposal of fixed assets	-	-
(Increase) / decrease in debtors	(19,675)	(129,564)
Increase in creditors	540,860	(883,589)
	<u>1,441,038</u>	<u>1,113,861</u>

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Commitments

The Charity has annual commitments under non-cancellable operating leases as follows:

	2021	2020
	£	£
Expiry date:		
Within one year	84,475	55,492
Between two and five years	180,381	112,673
Over 5 years	-	1,548
	<u>264,856</u>	<u>169,713</u>

There are no other capital commitments at the year end.

20 Related party transactions

The Board of Governors

The Board of Governors of the Foundation did not receive any remuneration during the year, nor were they reimbursed expenses during the year.

There were no transactions with parties related to the Board of Governors during the year (2020: £0).

Aldenham School General Charitable Trust ("the Trust")

The Trust is independent of the Foundation but is substantially under the same management. During the year Aldenham Foundation received donations of £31,362 (2020: £24,250) from the Trust.

Aldenham Enterprises Ltd

During the year there were intercompany transactions with Aldenham Enterprises Ltd amounting to £26,750 (2020 £85,531) for salary recharges and other intercompany items. In addition to this the annual profits of £13,124 have been accrued and included in the intercompany debtor balance at the year-end of £79,172 (2020 £79,834).

Aldenham Schools Holdings Ltd

During the year there were intercompany transactions of £2,530 and at year end the intercompany debtor balance was £352,530.

21 Subsidiaries of The Aldenham Foundation

Aldenham Enterprises Limited is incorporated in the United Kingdom (No. 01635965) and is a wholly owned trading subsidiary of The Aldenham Foundation.

Aldenham Schools Holdings Ltd, is a registered company in England, No. 11923888 ("ASH") and is a wholly owned subsidiary of The Aldenham Foundation.

A summary of results for the year and financial position at 31 August 2021 is shown below.

	AEL		ASH	
	2021	2020	2021	2020
	£	£	£	£
Incoming resources	60,771	134,430	-	
Operating expenditure	(47,761)	(106,939)	2,358	
Gift aid donation to the Foundation	(13,124)	(25,888)	-	
Result for year	(114)	1,603	(2,358)	
Assets	86,363	102,101	350,272	350,150
Liabilities	(84,534)	(100,158)	(352,530)	(350,050)
	1,829	1,943	(2,258)	100
Called up Share Capital	100	100	100	100
Profit and Loss account	1,729	1,843	(2,358)	-
Total funds	1,829	1,943	(2,258)	100

The operating expenditure above includes intercompany transactions (see note 20) that are eliminated upon consolidation in the Statement of Financial Activities on page 18 and therefore the figures do not agree on the face of the SOFA.

ASH has a 40% shareholding in Aldenham Education DMCC, and £350,000 of the assets above reflects a loan to this company for working capital, to be repaid once profits are generated in Aldenham Education DMCC.

22 Members' Liability

Each member of the company undertakes to contribute to the assets of the company in the event of the company being wound up while they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £100 each for the debts and liabilities contracted before they ceased to be a member.

THE ALDENHAM FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

23. Consolidated Statement of Financial Activities for the year ending 31st August 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
INCOME:					
School fees		15,726,308	-	15,726,308	16,301,850
Ancillary income		1,269,505	-	1,269,505	1,637,068
	3	16,995,813	-	16,995,813	17,938,918
Income from:					
Donations and legacies	2	80	107,716	107,796	172,574
Investments		12,570	-	12,570	15,091
Rents and lettings		16,163	-	16,163	38,273
Other activities	4	591,251	-	591,251	1,411
Other trading activities	21	134,430	-	134,430	353,098
		754,494	107,716	862,210	580,447
TOTAL INCOME		17,750,307	107,716	17,858,023	18,519,365
EXPENDITURE:					
Raising funds					
Costs of financing and raising funds		168,699	-	168,699	100,398
Trading expenditure	5/21	95,189	-	95,189	233,052
Charitable Activities					
Expenditure on education		16,629,382	148,569	16,777,951	17,417,048
TOTAL EXPENDITURE	5	16,893,270	148,569	17,041,839	17,750,498
Operating surplus/(deficit)		857,037	(40,853)	816,184	768,867
Net gains on investments	10	90,721	23,308	114,029	100,234
Net Income/(deficit)		947,758	(17,545)	930,213	869,101
Net movement in funds		947,758	(17,545)	930,213	869,101
Fund balances at 1 September 2019		12,601,281	2,009,519	14,610,800	13,741,699
FUND BALANCES AT 31 AUGUST 2020		13,549,039	1,991,974	15,541,013	14,610,800

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

24. Restricted funds 2020

GROUP & FOUNDATION (Combined)

Fund	Balance at 1 Sept 2019 £	Income £	Expenditure £	Investment gains £	Balance at 31 August 2020 £
Rodney Fitzgerald Memorial	96,194	-	(47,491)	7,603	56,306
Jukes Fund	198,696		(18,010)	15,705	196,392
Aldenhams School General Charitable Trust	-	26,967	(26,967)	-	-
Sundry Donations Received	-	3,500			3,500
Brewers Company General Charitable Trust-Annual Fund	5,565	18,000	(10,426)	-	13,140
Whitbread Fund	-	12,000	(12,000)	-	-
Richard Platt Foundation	5,956	22,069	(13,325)	-	14,700
ASWMEF	-	13,500	(13,500)	-	-
Brewers Co. - Martineau's Trust for Prizes	-	405	(405)	-	-
Brewers Co. - Martineau's Trust for Scholarships	2,110	3,275	(3,213)	-	2,173
Brewers Co. - Martineau's- General	5,258	8,000	(3,233)	-	10,025
	313,780	107,716	(148,569)	23,308	296,236

25. Analysis of net assets between funds 2020

Fund balances as 31 August 2020 are represented by:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
GROUP				
Tangible fixed assets	16,351,556	-	1,695,739	18,047,295
Investments	1,303,997	252,698	-	1,556,695
Other net current liabilities	(278,119)	43,538	-	(234,481)
Creditors: amounts falling due after more than one year	(3,828,396)	-	-	(3,828,396)
	13,548,938	296,236	1,695,739	15,541,013
FOUNDATION				
Tangible fixed assets	16,351,319	-	1,695,739	18,047,058
Investments	1,304,097	252,698	-	1,556,795
Other net current (liabilities)/ assets	(279,828)	43,538		(236,287)
Creditors: amounts falling due after more than one year	(3,828,396)	-	-	(3,828,396)
	13,547,195	296,236	1,695,739	15,539,169