

Company Registration No.
01847134
Charity Registration No. 298140

THE ALDENHAM FOUNDATION
TRUSTEES' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2022

CONTENTS

	Page
Reference and administrative information	1-2
Report of the Governors	3-17
- Directors' Report	3-9
- Strategic Report	10-16
- Statement of accounting and reporting responsibilities	17
Independent Auditor's Report	18-20
Statement of Financial Activities	21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Financial Statements	24-40

THE ALDENHAM FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION

Governors/Directors The Directors of the Company, and their committee duties, are as below. All are members of the Governing Body and Trustees of the Charity.

Committees 21-22						
Full Governing Body: Names	Finance & General Purposes	Education	Estates	Audit	Governance	Remuneration
Altman, Mrs S (Chair)	○	○		●	●	●
Bryer, Mr R (Appointed September 2022)			☒			
Clifford, Mrs C	●					
Cuttell, Mrs F ****				●		
Day, Mr A (Retired July 22)			○			
Hawdon, Dr J ***						
Hellman, Mr A G	●					
Hunter, Mr A		●				
James-Crook, Mr J		●	●			
Lambert, Cllr D *			●			
Mainwaring, Ven Dr J ****		●				
Phillips, Mr A	●			☒		
Rees, Mr C	●					
Ms H Simmons		●				
Mr T C Sligo-Young	☒					●
Staughton, Mr J (Upper Warden)						
Thomas, Mrs H						
Tindal, Cdre N					●	
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 S Hilda's School
 ***** Governor Responsible for Aldenham Senior School and Boarding

THE ALDENHAM FOUNDATION

LEGAL AND ADMINISTRATIVE INFORMATION AS AT 31 AUGUST 2022

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 and HR
P Dunstan	Business Development Director

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022**

The Governors of The Aldenham Foundation present their Annual Report for the year ended 31 August 2022 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 and the remaining thirteen are Co-opted appointed by the board of Governors. 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. They are provided with a Governance Manual that provides detail on subjects such as recruitment and induction into their role, Terms of Reference and general policies and information.

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 2022

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 in excess of £250k and F&GP in turn seek approval for any project in excess of £500k
- 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. Following last year's independent review of the Boards effectiveness, the Full Governing Body continue to review the and implement the subsequent actions plan.

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 2022

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.

The registered address of both of the above subsidiaries is the same as The Aldenham 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. Full and fair consideration will be given to applications of employment made by disabled persons having regard to their particular aptitudes and abilities. Once employed, training and support will be given to disabled persons as with all staff.

With the introduction of a new Applicant Tracking System, we have moved to blind shortlisting which has strengthened the process. 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 current areas that the Governors consider to be the principal risks are as follows:

- The current economic effect of the global increase in the cost of living on parental ability to pay fees. The risk is being managed by carefully considered fee increases, credit control policies and bursarial support where necessary.
- The cost of living impact, and energy crisis, on the investment surplus for the Foundation along with the impact of interest rate rises on the cost of our current loan that funded the Prep School build. Careful attention is given to budgets and forecasting to ensure the loan repayments can be made. Capital projects are delayed where appropriate.

GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2022

Principal Risks and Risk management (continued)

- **Cyber Security:** 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.
- **General 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.
- **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.
- **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. An experienced dedicated Health and Safety Office was employed by the Foundation to support the Bursar in managing this risk. However, 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 2022

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 979 pupils being educated in the Foundation's schools which is an increase over 2021, which was impacted by COVID and parent's reticence in sending their children into nursery.

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 2021/22 the Foundation awarded means-tested awards based on a sliding scale according to financial circumstances totalling £694k to 58 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 began to resume, post COVID-19 and are detailed below:

- 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.
- Free use of St Hilda's hall for use for a local mother and toddler group will be resumed in January 2023.

GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2022

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 but will resume as soon as practically possible.
- Across the Foundation and prior to lock-down a total of £22k was raised for several different Charities, including the DEC for Ukraine.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The School year 2021-2022 saw a return to relative normality after two years of stop-start schooling during the Covid pandemic.

We started the year with caution as the expectation was still that pupils undertake regular lateral flow testing and a level of social distancing would be maintained. This meant that the school continued to 'bubble' by year group, large indoor gatherings were restricted, social distancing was maintained as far as practicable and plenty of fresh air was the order of the day. The result was Chapel services and assemblies were delivered to half the school in chapel and the other half via a live stream in their tutor rooms.

We were delighted however that we could put on more events than in the previous year and House Music in October was the first example of a live whole school event. Once again all pupils took part in this significant feature in the school calendar. With limited capacity for suitably separated audience members, and all participants performing wearing masks, it lost none of its excitement and was nonetheless a real feel good spectacle and a celebration of House unity. For the first time the event was live streamed into parents' homes so they could watch it in comfort and safety.

In order to comply with Covid guidelines, the decision was taken to hold the Remembrance Service on the 11th of November outside the library, in itself a War Memorial for those OAs who fell during the First World War. This entirely fitting location resulted in a moving and evocative service which will no doubt be outside from now, another example of Covid causing us to rethink our traditions.

Technologically Covid was requiring us to make progress and we were determined not to lose this momentum as the year progressed. In response to this we started the process of digitising the pupil body in readiness for the provision of giving Surface Pro devices to all pupils from September 2022. Initially we created the post of Head of Digital Learning, and we were delighted to appoint a very successful internal candidate. In addition, further changes to the SLT were long overdue and internal and external appointments were made to strengthen the SLT in preparation for the coming years.

Creativity was a driving force this year and pupils were keen to embrace the opportunity for performance again. The senior production of 'The Visit' in Feb 2022 was a triumph and took the stage despite much adversity as the leading role was struck down with Covid just a week before the opening night. Despite covid sweeping through several key cast members, stage crew and technicians, who were all sent home to isolate, the play 'must go on' and it did, even drafting in an OA from University to learn a vital role with half an hour to spare.

In terms of infra structure developments the fitness suit was refurbished with state-of-the-art equipment and now provides a superb facility for the whole community. The initial groundwork for the laying of a second ATP was completed and we look forward to this complementing the existing all-weather facilities for hockey, football and tennis and for serving the sporting needs of the growing number of girls.

The School keeps a keen eye on its carbon footprint and this year boilers have been replaced in Paull's and McGill's, with the installation of CHP boilers resulting in a much more efficient use of energy and reduction in cost has been seen almost overnight.

In terms of admissions, we welcomed the largest number of pupils ever to sit the entrance exams in January 2022 with in excess of 400 pupils seeking places at 11+ and 13+. This resulted in the largest cohort ever joining Year 7 in September 2022 as 105 pupils started their Aldenham career across the five form groups. This brings the total number of pupils in the school to around 700 which is highest number of pupils educated on this site since the school's foundation in 1597. This is a wonderful reflection on the current popularity of the school within the local area and resounding endorsement of the quality of leadership, teaching, administration and facilities which the school has developed over recent years. During Covid the number of overseas boarders fell to single figures, therefore, it is good news to report that thanks to the hard work, focus and commitment of the admissions team, the number of overseas boarders will increase nearer to pre pandemic numbers for Sept 2022.

ACHIEVEMENTS AND PERFORMANCE – Continued

Due to some continuing global restrictions, unfortunately no overseas trips could run for the duration of the year and other external commitments were curtailed such as charity work with PHAB and with local primary schools. We did however manage to run one of our most successful fund-raising campaigns ever and the whole school came together to organise activities, competitions and cake sales to raise money for the DEC Ukraine fund. In total we raised over £20K in 3 very busy weeks and one colleague was inspired to drive a second ambulance, fully equipped and roadworthy to the border between Ukraine and Poland.

Aldenham is synonymous with providing an excellent all-round education and fortunately we were able to run a comprehensive programme of sporting fixtures which by the summer term was looking like a normal year of matches and competitions. Once again, we took home numerous trophies in football, netball, hockey, tennis and cricket.

In the lent term we were visited by the ISI inspection team who carried out a routine compliance inspection. I am delighted that Aldenham Senior School and Prep School passed and are deemed fully compliant. This is the fifth inspection in the last 12 years, all of which have been fully compliant or have achieved the highest possible grade.

Years 11 and 13 sat national exams for the first time since 2018. Year 13 did not sit GCSEs but were awarded TAGs so for all involved this was their first taste of a complete programme of external exams. The results were extremely pleasing with 61% of A level exams achieving A*-B grades and 100% of the top half of the cohort achieving A* - C grades. The overall pass rate of 98% ensured that over 90% of students secured places at their first or second choice university and a significant number of these were at the prestigious Russell Group universities. One notable continuing success story was the EPQ qualification which achieved 79% A*/A grades.

The senior school once again achieved very strong GCSEs. Notable outcomes include 62% of results for the top half of the cohort being graded 7+. The overall figure of 37% of grades at 7+ (rising to 41% for girls) compares very favourably against the national picture of 27%.

It was a fitting end of their school career that the Years 13 were able to enjoy an informal leavers' day and a formal summer ball. We wish all our school leavers well as they head off to higher education or the world of work and await the next cohort to arrive in a school which grows more and more confident with each passing year.

St Hilda's has been able to return to pre pandemic routines and procedures which has meant a return to our wider provision of opportunities, both in and out of the classroom, and experiences for the girls – including our residential trip offerings of wilderness camping to our Form 3 and Form 4 girls and a week of outward bound activities for our Form 5 and Form 6 girls on the Isle of Wight. All girls in Form 6 achieved a place at their first choice of senior schools with seven scholarships being awarded across the year group to Aldenham School, Haberdashers', Royal Masonic School, St Helen's and St Margaret's: 1 Academic, 3 Drama and 3 Music. Particular highlights of this academic year have been Form 6 representing the school at The Commonwealth Day Service at Westminster Abbey in the presence of members of the Royal Family, our Upper School choir representing the school at the Young Voices Concert at The O2 in London where they sang as part of the largest children's choir in the world and the whole school participating in a week of learning and activities about the Platinum Jubilee culminating in a whole school 'Garden Party Afternoon Tea' and maypole dancing. Sport also continues to be a real strength with girls representing the school at the Under 10 and 11 East Anglian Southern Area Athletics Championships, the Under 12 East Area Prep Schools Athletics Championships and the IAPS Individual Swimming National Finals at the Olympic pool in the London Aquatic Centre.

Aldenham Prep School continues to thrive. Eighteen out of twenty-three Year 6 pupils moved to the Senior School. Two scholarships were offered, one for Music and one for Academic at Aldenham however after careful consideration the children did not take up the offers. One child went to an all-girls' school and the other to a state grammar school. All children achieved a place at their first choice of Senior School apart from one child. A highlight of the year was the official opening of Vincent House. The Year 6s were the tour guides and showed visitors around the school who included OAs, donors and members of the Aldenham Prep School Parents' Association. This was followed by a ceremony attended by our visitors and the whole school in Barton Hall where Lord Vincent's portrait and storyboard were unveiled. The Queen's Jubilee was also celebrated with a whole school Street Party in the

ACHIEVEMENTS AND PERFORMANCE – Continued

courtyard. School day trips and residential resumed including the Year 5/6 three-day trip to France; the Year 4 three-day trip to York and the Year 5 2-day trip to Bushcraft. The Year 6s went to the Lake District for the first time for their 5-day outdoor activity residential. Sport continued to flourish with fixtures being fully resumed. It was the first year of girls' cricket for Years 3-6. The girls dressed in their whites and participated in several matches with other schools. Boys were also invited to join the netball team and play in matches for the first time. In June the swimming squad reached the IAPS National Swimming Finals at the London Aquatic Centre. Once again Drama continued to be an area of success with numerous trophies being awarded at the Watford Festival and excellent LAMDA results. The latest ISI inspection report found the School to be compliant in all areas.

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 first Prep School was opened in August 2022 in Riyadh and interest in the School and brand is increasing. This is positive progress in the overall strategic plan of increasing non fee income for the Foundation and development of overseas schools.

The Governors are actively involved in many aspects of the Foundation's activities during the year as well as their usual functions of overseeing the strategy of the Foundation and the implementation of the Foundation's aims. The relationship between the Governors and the Foundation's senior executive team continues to be very positive and constructive.

James Fowler, CEO, retired from his post after 16 years in Summer 2022 and Mrs Alexandra Hems, previously Head of St George's School in Edinburgh replaces him as Head of Foundation. 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 the year and are very confident of the future under the leadership of Mrs Hems.

Fundraising

Fundraising for the School is carried out by Aldenham Foundation General Charitable Trust (AFGCT), who raise money from the Old Aldenhamians to benefit the pupils of the schools. AFGCT donated £170,434 to the Foundation in the year ending August 22. This included £112,710 that was raised in the previous year for Vincent House (new Prep School). This will fund a new Pavilion in the Prep School grounds and other resources and bursaries.

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 £22k was raised for several different Charities including an appeal for the DEC in aid of Ukraine. There are no professional fundraising organisations used and so no monitoring processes are required. AFGCT subscribes to the Fundraising Regulator and adheres to the Fundraising Promise when undertaking fundraising activity. This promise outlines to commitment made to donors to ensure any fundraising is legal, open, honest and respectful. 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 2022

FINANCIAL REVIEW

Results for the year

The total net income for the year was £20.2m (2021: £17m including COVID credits) and expenditure of £19.3m (2021: £17.4m), resulting in an operating surplus, before investment gains, of £930,277 (2021: deficit £403,727), which translates into a decrease in operating cash outflow of £257,809 and an increase in fund balances of £709,761 (2021: decrease £129,169) at the year end. This deficit in the previous year 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.

The Foundation's funding came from cash generated from fee income and the fees in advance scheme that the Foundation operates. Of the cash flow generated, £366,572 repaid bank loans, £790,669 funded capital items and £1m was transferred into our investment funds.

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 £16,121,604 at the year-end included £1,995,895 restricted funds and £14,125,709 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.

SECTION 172 STATEMENT

The Directors, who are the Trustees of the Foundation, confirm that in accordance with Section 172 of the Companies Act they act in a way that they would consider be most likely to achieve the purposes of the School. In making this assessment the Directors have considered the following:

1) The likely consequences of any decision in the long term

The long-term position of the Foundation is considered by the Directors as set out in the Going Concern section. The Directors review annual budgets and termly management accounts at the F&GP Committee meeting and Full Governors meeting.

2) The Interests of the Foundation's employees

The Foundation values its staff highly and recognises that it can only be successful with the support and loyalty of its staff members. The educational outcomes and experience of the pupils is dependent upon the stability and quality of the staff body. The Heads of the Schools are responsible for communicating and support their respective staff body, and in turn they are supported by the Head/Ceo, Bursar and Director of Finance and HR, along with a centralised HR Department that monitors staff wellbeing and engagement. The HR Department will be responsible for carrying out regular staff surveys.

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 (Gender Pay Gap Information) Regulations that came into effect in April 2017, and the report is available on the website.

3) The need to foster the Foundation's relationships with suppliers, customers and others

Fostering a successful and positive relationship with the pupils and parents of the Foundation is key to the success of the Foundation. Parental engagement is maintained via weekly newsletters and during the year there are several parent events where they have the opportunity to meet staff both socially and to discuss pupil progress. This culminates in an annual Prizegiving/Visitation Day at the end of term where parents have the opportunity to reflect on the year's successes and academic achievements.

All suppliers are treated fairly and promptly with their business terms being adhered to.

4) The impact of the Foundation's operations on the community and environment

See page 8 and 9 for partnership links.

The Foundation is complying with the Streamlined Energy and Carbon Reporting (SECR) requirements and the details are on page 15 below.

5) The desirability of the Foundation maintaining a reputation for high standards of business conduct

The Foundation's bribery and whistleblowing policies, as approved by the Governing Body, sets out the responsibilities for staff to report any incidents or suspicion of fraud, bribery or corruption arising in the course of their work to cooperate fully with any such investigations.

6) The need to act fairly as between members of the company

All Governors and senior staff complete an annual Conflicts of Interest and Related Party form. There have been no incidents reported of inappropriate relationships.

GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2022

Streamlined Energy and Carbon Report

With regards to the energy and carbon usage, during the year the total energy use by the Foundation for the period Oct 21 to Oct 22 was for gas 4,218,320 kwh and for electricity 1,465,039 kwh, which equates to 1,049 CO₂e.

The Foundation is committed to reduce the Foundation's carbon footprint and during the year the investment was made on the following items:

- Replacing circa 60 single pane windows with DG
- Changing lights for LED options
- Lagging circa 150m pipes in boarding Houses
- Replacing boilers in a boarding house with DACHS GEN2 CHP, which are highly efficient and feed electricity back to the grid
- New heat/cool air system in Sports hall to replace less efficient heaters

Some future projects include, subject to budget;

- Further boilers have been secured for improvements to two other boarding houses.
- Thermal imaging planned to direct insulation placement in buildings.

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. The progress to date is as follows:

Objective 4: the Senior School Science block was completely refurbished last summer and the plans are to rebuild the Art/DT block in the coming years, as well as development plans for the Drama and Music Facilities. During summer 22 a new 4G hockey pitch commenced and will be completed for us in November 2022.

Objective 5: 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.

GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2022

FUTURE PLANS (Continued)

Objective 8: Following the pandemic this will be a focus for the coming year following the appointment of an Assistant Head, responsible for Operation and External Affairs.

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. The first overseas school was opened in August 2022 with a three form entry prep school, in Riyadh, Saudi and the plan is for a senior school to follow.

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 the retirement of James Fowler after 16 years' service and the appointment of Mrs Alexandra Hems as the Head of Foundation, the 2027 strategy will be fully reviewed, revised and expanded in the coming year.

Going Concern

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.

The various committees meet on a termly basis and routinely discuss pupil numbers. In addition, a group of Governors from Audit committees and, Finance & General Purposes meet prior to the final Audit meeting to consider any issues that might affect the Foundation in the foreseeable future.

The Foundation came through the COVID19 pandemic well and this year was the first full year of return, after two disrupted years.

The biggest risk to the Foundation is a reduction in pupil numbers and to date the pupil numbers are strong. As we move into the academic year 2022-23 our opening numbers are in excess of that of 2021-22 and the schools on the Aldenham site are full.

The impact of the energy crisis will have an impact on the future planning of the Foundation, as the fixed price arrangement that is currently in place, comes to end in March 2023. Current estimates are that costs will increase up to four-fold compared to what the Foundation currently pays. This will have an impact on investment surplus and may delay the capital development plans but we have planned well and are confident that this will be a temporary financial hit that we are well positioned to cope with.

GOVERNORS' REPORT (Continued)
FOR THE YEAR ENDED 31 AUGUST 2022

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: 28th March 2023

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 2022 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 2022 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.



Dipesh Chhatralia
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date: 17 April 2023

THE ALDENHAM FOUNDATION

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2022
(Including Income and Expenditure account)

	Notes	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
INCOME:					
School fees		18,498,442		18,498,442	15,944,233
Ancillary income		1,140,207		1,140,207	752,802
	3	19,638,649		19,638,649	16,697,035
Income from:					
Donations and legacies	2	47,488	192,913	240,401	97,276
Investments		10		10	128
Rents and lettings		68,513		68,513	9,643
Other activities	4	86,085		86,085	123,521
Other trading activities	21	192,508		192,508	60,771
		394,604	192,913	587,517	291,339
TOTAL INCOME		20,033,253	192,913	20,226,166	16,988,374
EXPENDITURE:					
Raising funds					
Costs of financing and raising funds		213,755		213,755	159,431
Trading expenditure	5/21	102,432		102,432	38,369
Charitable Activities					
Expenditure on education		18,832,261	147,441	18,979,702	17,194,302
TOTAL EXPENDITURE	5	19,148,448	147,441	19,295,889	17,392,102
Operating surplus/(deficit)		884,805	45,472	930,277	(403,728)
Net gains/(losses) on investments	10	(203,842)	(16,674)	(220,516)	274,558
Net Income/(deficit)		680,963	28,798	709,761	(129,170)
Net movement in funds		680,963	28,798	709,761	(129,170)
Fund balances at 1 September 2021		13,446,516	1,965,327	15,411,843	15,541,013
FUND BALANCES AT 31 AUGUST 2022		14,127,479	1,994,125	16,121,604	15,411,843

Operations throughout both periods were from continuing activities.

Aldenham uses the exemption conferred by section 408 of the Companies Act 2006 in not preparing a separate Income and Expenditure account for the separate entities.

Included within the balance brought forward on restricted funds is a permanent endowment of £1,695,739 (Note 15)

The notes on pages 24 to 40 form part of these financial statements.

THE ALDENHAM FOUNDATION

CONSOLIDATED BALANCE SHEET AS AT 31 AUGUST 2022

	Notes	GROUP 2022 £	GROUP 2021 £	FOUNDATION 2022 £	FOUNDATION 2021 £
Fixed assets					
Tangible assets	9	21,649,508	22,321,077	21,649,508	22,321,077
Investment Assets	10	3,960,737	2,831,253	3,610,937	2,831,453
		<u>25,610,245</u>	<u>25,152,330</u>	<u>25,260,445</u>	<u>25,152,530</u>
Current assets					
Debtors	11	905,628	1,054,914	1,292,313	1,083,235
Cash at bank and in hand		2,709,232	2,967,041	2,605,543	2,934,261
		<u>3,614,860</u>	<u>4,021,955</u>	<u>3,897,856</u>	<u>4,017,496</u>
Creditors: amounts falling due within one year	12	(5,633,937)	(5,662,990)	(5,561,597)	(5,658,101)
Net current liabilities		<u>(2,019,077)</u>	<u>(1,641,035)</u>	<u>(1,663,741)</u>	<u>(1,640,605)</u>
Total assets less current liabilities		<u>23,591,168</u>	<u>23,511,295</u>	<u>23,596,705</u>	<u>23,511,925</u>
Creditors: amounts falling due after more than one year	13	(7,469,564)	(8,099,452)	(7,469,564)	(8,099,452)
NET ASSETS		<u>16,121,604</u>	<u>15,411,843</u>	<u>16,127,141</u>	<u>15,412,473</u>
Endowment funds	15	1,695,739	1,695,739	1,695,739	1,695,739
Restricted funds	16	298,386	269,588	298,386	269,588
Total restricted funds		<u>1,994,125</u>	<u>1,965,327</u>	<u>1,994,125</u>	<u>1,965,327</u>
Unrestricted funds					
General funds	17	14,127,479	13,446,516	14,133,016	13,447,146
Total unrestricted funds		<u>14,127,479</u>	<u>13,446,516</u>	<u>14,133,016</u>	<u>13,447,146</u>
TOTAL FUNDS	17	<u>16,121,604</u>	<u>15,411,843</u>	<u>16,127,141</u>	<u>15,412,473</u>

The notes on pages 24 to 40 form part of these financial statements.

The result of the Group for the year ended 31 August 22 was a surplus of £709,761 (2021: £129,170 deficit).

The accounts were approved by the Board of Governors on the 28th March 2023





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 2022

	Notes	2022 £	2021 £
Net cash inflow from operating activities	18	2,405,942	1,441,038
Cash flows from investing activities:			
Investment income		10	128
Payments to acquire tangible fixed assets		(790,669)	(5,515,956)
Payments to acquire investments		(1,350,000)	(1,000,000)
Financing costs		(156,520)	(81,536)
Net cash used in investing activities		(2,297,179)	(6,597,364)
Cash flows from financing activities:			
Repayment of long-term bank loan		(366,572)	(42,848)
New bank loan for Prep School		-	4,088,168
Net cash used in financing activities		(366,572)	4,045,320
Change in cash and cash equivalents in the reporting period		(257,809)	(1,111,006)
Cash and cash equivalents at the beginning of reporting period		2,967,041	4,078,047
Cash and cash equivalents at the end of reporting period		2,709,232	2,967,041

The notes on pages 24 to 40 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.

The Governors have reviewed the forecasts upto August 2024, taking into account cost pressures in terms of higher interest rates, increased cost of living and the impact of the energy crisis, and are satisfied that the revised budget and cashflows produced are realistic and ensure that the Foundation has adequate resources to continue in operational existence for the foreseeable future. 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 £20,158,147 (2021: £17,610,630). The movement in funds (net income) of the Foundation was £709,761 (2021: minus £129,169).

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

Investments are stated at market value and 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 £3,610,737 (2021 £2,831,253).

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.

2 Donations and Legacies

Name of donor	Unrestricted	Restricted	Total £ 2022	Total £ 2021
Whitbread Fund	-	12,000	12,000	12,000
Richard Platt Foundation	-	15,967	15,967	11,983
ASWMEF	-	9,000	9,000	12,000
Martineau's Trust	-	8,500	8,500	11,680
Brewers Company	-	18,000	18,000	18,000
GCT	47,488	129,446	176,934	30,613
Other donations and gifts	-	-	-	1,000
	<u>47,488</u>	<u>192,913</u>	<u>240,401</u>	<u>97,276</u>

3 School Fees and Ancillary Income

	2022 £	2021 £
The Foundation's fee income comprised the following:		
Gross fees	20,065,419	17,487,982
Less: Bursaries and scholarships	<u>(1,659,705)</u>	<u>(1,666,397)</u>
	18,405,714	15,821,585
Add back: Bursaries paid for by Restricted funds	<u>92,728</u>	<u>122,648</u>
	<u>18,498,442</u>	<u>15,944,233</u>

The ancillary income of £1,140,207 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 2022	Average 2021
Aldenham Nursery	18	18
Aldenham Prep	133	147
Aldenham Senior	<u>673</u>	<u>636</u>
Total Aldenham pupils	824	801
St Hilda's Nursery	42	37
St Hilda's Prep	<u>113</u>	<u>116</u>
	155	153
TOTAL FOUNDATION	979	954

4 Other Activities

The income in 2021 from other activities related to furlough income received of £123,521. In 2022 the income of £86,085 relates to sales of assets and an insurance claim for storm damage.

5 Expenditure

5a	Staff costs	Other costs	Depreciation	Total 2022	Total 2021
	£	£	£	£	£
Charitable Activities					
Educational activities	8,813,426	2,049,345	396,368	11,259,139	10,314,421
Welfare (including catering)	310,787	1,587,509	-	1,898,296	1,519,204
Premises	813,666	1,729,709	1,034,420	3,577,795	3,194,022
Support costs of schooling	1,456,135	640,896	-	2,097,031	2,026,289
Grants, awards and funded resources (Note 5b)	-	147,441	-	147,441	140,366
	11,394,014	6,154,900	1,430,788	18,979,702	17,194,302
Trading expenditure	38,498	63,934	-	102,432	38,743
Development office	44,615	12,620	-	57,235	77,895
Bank loan interest and charges		156,520	-	156,520	81,536
	83,113	233,074	-	316,187	198,174
Total Expenditure	11,477,127	6,387,974	1,430,788	19,295,889	17,392,476

5b Grants, awards and funded resources	Total 2022	Total 2021
From Restricted resources:	£	£
Bursaries and scholarships	92,728	122,648
Prizes	275	405
Direct teaching resources (funded by Aldenham General Charitable Trust)	54,438	17,313
	147,441	140,366

6 Support Costs of Schooling	2022	2021
	£	£
Salaries	1,342,489	1,272,168
Staff recruitment, travel and training	18,128	21,294
Communications and network	56,178	36,223
Telephone, postage, printing, stationery	94,441	93,921
Miscellaneous administration costs	438,202	452,932
Governance costs	147,593	149,751
	2,097,031	2,026,289

7 Operating Profit

This is arrived at after charging the following:

	2022	2021
Depreciation	1,430,788	1,263,631
Operating lease expenses	126,909	70,971
Fees payable to the company's auditor for audit fees	43,080	40,200
Fees payable to the company's auditor for other services	5,730	12,485
Furlough income	-	(123,521)
	1,606,507	1,263,766

8 Employees**Number of employees**

The average monthly number of employees during the year was:

	2022	2021
	Number	Number
Teaching staff	178	158
Fundraising and publicity	4	3
Management and support staff	91	87
	273	248

At the beginning of 2022 we employed music staff on worker zero hours contracts, who had previously been self-employed. This has increased the staff numbers.

Employment costs

	2022	2021
	£	£
Wages and salaries	8,892,203	8,258,428
Social security costs	948,968	865,319
Other pension costs	1,472,594	1,394,298
	11,313,765	10,518,045
Payments made to peripatetic and temporary staff working at the school	103,046	196,586
Other staff costs	60,316	150,842
	11,477,127	10,865,473

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

	2022	2021
£60,000 - £70,000	12	8
£70,000- £80,000	5	3
£80,000- £90,000	2	2
£90,000- £100,000	0	0
£100,000- £110,000	1	1
£110,000- £120,000	0	1
£120,000-£130,000	1	0
£180,000-£190,000	0	1
£200,000-£210,000	1	0

The aggregate amount of total employee salary and benefits for the Key Management Personnel/Foundation's Leadership Group (FLG) was £1,004k (2021: £950k). The FLG do have other teaching and support responsibilities.

All but 2 (2021: 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 £10,973 (2021: £10,348) were made on their behalf.

During the year there were no redundancy and settlement payments made (2021 £58,982).

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 2021	28,342,005	-	882,167	25,000	4,438,384	219,616	33,907,172
Additions	4,932	334,975	37,925	-	352,863	59,974	790,669
Transfers	(26,789)	-	-	-	26,789	-	-
Disposals	(46,299)	-	(43,585)	-	(673,815)	(36,695)	(800,394)
At 31 August 2022	28,273,849	334,975	876,507	25,000	4,144,221	242,895	33,897,447
Depreciation							
At 1 September 2021	(6,902,224)		(852,236)		(3,648,319)	(183,317)	(11,586,095)
Eliminated on disposal	15,048		43,585		673,617	36,695	768,944
Charge for the year	(1,034,420)		(29,656)		(350,844)	(15,869)	(1,430,788)
At 31 August 2022	(7,921,596)		(838,306)		(3,325,546)	(162,491)	(12,247,939)
Net book value							
At 31 August 2021	21,439,781	-	29,932	25,000	790,065	36,299	22,321,077
At 31 August 2022	20,352,253	334,975	38,201	25,000	818,675	80,404	21,649,508

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 2021	28,342,004	-	882,167	25,000	4,397,612	219,616	33,866,400
Additions	4,932	334,975	37,925	-	352,863	59,974	790,669
Transfers	(26,789)	-	-	-	26,789	-	-
Disposals	(46,299)	-	(43,585)	-	(654,244)	(36,695)	(780,823)
At 31 August 2022	28,273,849	334,975	876,507	25,000	4,123,020	242,895	33,876,246
Depreciation							
At 1 September 2021	(6,902,224)		(852,235)		(3,607,547)	(183,317)	(11,545,323)
Eliminated on disposal	15,048		43,585		654,046	36,695	749,374
Charge for the year	(1,034,420)		(29,656)		(350,844)	(15,869)	(1,430,789)
At 31 August 2022	(7,921,596)		(838,306)		(3,304,345)	(162,491)	(12,226,738)
Net book value							
At 31 August 2021	21,439,780	-	29,931	25,000	790,065	36,301	22,321,077
At 31 August 2022	20,352,253	334,975	38,201	25,000	818,675	80,404	21,649,508

THE ALDENHAM FOUNDATION

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

10 Fixed Asset Investments

	GROUP 2022 £	GROUP 2021 £	FOUNDATION 2022 £	FOUNDATION 2021 £
Investment in subsidiary – Aldenhams Enterprises Ltd	-	-	100	100
Aldenhams Schools Holdings (ASH)	-	-	100	100
Investment in AEG	350,000	-	-	-
Listed Investments:				
Market value at 1 September	2,831,253	1,556,695	2,831,253	1,556,695
Additions	1,000,000	1,000,000	1,000,000	1,000,000
Movement on valuation in year	(220,516)	274,558	(220,516)	274,558
Market value at 31 August	3,610,737	2,831,253	3,610,737	2,831,253
TOTAL	3,960,737	2,831,253	3,610,937	2,831,453
Historical cost of listed investments	2,927,644	1,927,644	2,927,644	1,927,644

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

The Foundation owns 100% of Aldenhams School Holdings who in turn have a 40% shareholding in Aldenhams Education DMCC, based in Dubai. The investment was moved from an Intercompany debtor to investments during the year.

11 Debtors

	GROUP 2022 £	GROUP 2021 £	FOUNDATION 2022 £	FOUNDATION 2021 £
Fee and trade debtors	299,312	245,752	203,625	206,822
Other debtors	109,867	427,701	93,055	62,876
Prepayments	496,449	381,461	496,449	381,461
Due from subsidiary	-	-	499,184	432,076
	905,628	1,054,914	1,292,313	1,083,235

12 Creditors: Amounts falling due within one year

	GROUP	GROUP	FOUNDATI ON	FOUNDATION
	2022	2021	2022	2021
	£	£	£	£
Bank loans	440,607	440,607	440,607	440,607
Taxes and social security costs	236,659	213,867	236,659	21,053
Other creditors and accruals	976,451	1,383,788	971,092	1,379,693
Trade creditors	510,378	242,815	443,396	241,835
Refundable deposits	1,334,677	1,226,734	1,334,677	1,226,734
Fees in advance	1,175,214	1,194,302	1,175,214	1,194,302
Advance fee scheme	959,951	960,877	959,951	960,877
	<u>5,633,937</u>	<u>5,662,990</u>	<u>5,561,596</u>	<u>5,658,101</u>

Bank Loans

The bank loan is the capital element due within one year.

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)

	2022	2021
	£	£
Balance at beginning of year	2,891,828	2,384,957
Monies deposited into scheme	762,603	1,492,942
Amounts utilised in payment of fees	(1,026,845)	(986,071)
Balance at the end of the year	<u>2,627,586</u>	<u>2,891,828</u>
Utilised within 1 year	959,951	960,877
Utilised within more than 1 year	<u>1,667,635</u>	<u>1,930,951</u>
	<u>2,627,586</u>	<u>2,891,828</u>

13 Creditors: Amounts falling due after more than one year

	GROUP	GROUP	FOUNDATION	FOUNDATION
	2022	2021	2022	2021
	£	£	£	£
Bank loans	5,801,929	6,168,501	5,801,929	6,168,501
Advance Fee Scheme	1,667,635	1,930,951	1,667,635	1,930,951
Other creditors and accruals		-		
	<u>7,469,564</u>	<u>8,099,452</u>	<u>7,469,564</u>	<u>8,099,452</u>
Bank loan maturity analysis				
Debt due in one year or less	440,607	440,607	440,607	440,667
In more than one year but not more than two years	440,607	440,607	440,607	440,667
In more than two years but not more than five years	1,321,821	1,321,821	1,321,821	1,321,821
In more than five years	4,039,501	4,406,073	4,039,501	4,406,073
	<u>6,242,536</u>	<u>6,609,108</u>	<u>6,242,536</u>	<u>6,609,108</u>

Bank loans

The bank loans are secured on the freehold land and buildings at the School. The loans outstanding at 31 August 2022 secured on Aldenham School represents 30.7% 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 September 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 £8,350,238 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 £1,330,639 (2021: £1,258,464) and at the year-end £157,444 (2021: £149,476) 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 the 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. The 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024. Until the 2020 valuation is 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 £143,650 (2021: £134,560) into the scheme and at the year-end there were no contributions remaining outstanding (2021: £19,314). These amounts include charges and liabilities relating to the Foundation's auto-enrolment arrangements that applied with effect from 1 April 2014.

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 2022 and 31 August 2021 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 2021 £	Income £	Expenditure £	Investment gains £	Balance at 31 August 2022 £
Rodney Fitzgerald Memorial	6,650	-	(6,561)		-
Jukes Fund	198,498	-	(17,973)	(16,674)	163,851
Aldenhams School General Charitable Trust	-	129,446	(63,412)		66,035
Sundry Donations Received	-	-	-		-
Brewers Company General Charitable Trust-Annual Fund	24,131	18,000	(18,765)		23,366
Whitbread Fund	6,199	12,000	(12,000)		6,199
Richard Platt Foundation	17,339	15,967	(11,834)		21,472
ASWMEF	-	9,000	(9,000)		-
Brewers Co. - Martineau's Trust for Prizes	-	275	(275)		-
Brewers Co. - Martineau's Trust for Scholarships	2,099	2,225	(3,595)		729
Brewers Co. - Martineau's-General	14,762	6,000	(4,027)		16,735
	269,588	192,913	(147,441)	(16,674)	298,386

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 Aldenhams 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 Aldenhams School is one. It is a restricted fund that must be used in the senior school.

The Aldenhams 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 2022 are represented by:

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total funds £
GROUP				
Tangible fixed assets	19,953,769	-	1,695,739	21,649,508
Investments	3,796,886	163,851	-	3,960,737
Other net current liabilities	(2,155,383)	136,305		(2,019,077)
Creditors: amounts falling due after more than one year	(7,469,564)			(7,469,564)
	<u>14,125,709</u>	<u>300,156</u>	<u>1,695,739</u>	<u>16,121,604</u>
FOUNDATION				
Tangible fixed assets	19,953,769		1,695,739	21,649,508
Investments	3,447,086	163,851	-	3,610,937
Other net current (liabilities)/ assets	(1,800,045)	136,305		(1,663,740)
Creditors: amounts falling due after more than one year	(7,469,564)			(7,469,564)
	<u>14,131,246</u>	<u>300,156</u>	<u>1,695,739</u>	<u>16,127,141</u>

18 Net cash inflow from operating activities

	2022 £	2021 £
Reconciliation to net incoming resources		
Operating Surplus	930,277	(403,728)
Investment income	(10)	(128)
Financing costs	156,520	81,536
Depreciation of tangible fixed assets	1,430,788	1,242,173
Loss on disposal of fixed assets	31,449	-
(Increase) / decrease in debtors	149,284	(19,675)
Increase in creditors	(292,366)	540,860
	<u>2,405,942</u>	<u>1,441,038</u>

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

19 Commitments

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

	2022	2021
	£	£
Expiry date:		
Within one year	90,815	84,475
Between two and five years	165,929	180,381
Over 5 years	-	-
	<u>256,744</u>	<u>264,856</u>

There is a capital commitments at the year end to complete the creating and development of the 4G Astro pitch at a cost of £160,000.

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 £176,934 (2021: £31,362) from the Trust which included the donations raised in the previous year for Vincent building (new Prep School).

Aldenham Enterprises Ltd

During the year there were intercompany transactions with Aldenham Enterprises Ltd amounting to £68,961 (2021 £26,750) for salary recharges and other intercompany items. In addition to this the annual profits of £82,915 have been accrued and included in the intercompany debtor balance at the year-end of £101,071 (2021 £79,172).

Aldenham Schools Holdings Ltd

During the year there were intercompany transactions of £5,732 and at year end the intercompany debtor balance was £358,112, which represents the initial loan to Aldenham Schools Holdings Ltd to fund their investment in the overseas Company Aldenham Education Group DMCC.

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 2022 is shown below.

	AEL		ASH	
	2022	2021	2022	2021
	£	£	£	£
Incoming resources	192,508	60,771	-	-
Operating expenditure	(108,950)	(47,761)	(5,232)	(2,358)
Gift aid donation to the Foundation	(83,235)	(13,124)		-
Result for year	323	(114)	(5,232)	(2,358)
Assets	214,065	86,363	350,622	350,272
Liabilities	(211,913)	(84,534)	(358,112)	(352,530)
	2,152	1,829	(7,490)	(2,258)
Called up Share Capital	100	100	100	100
Profit and Loss account	2,052	1,729	(7,590)	(2,358)
Total funds	2,152	1,829	(7,490)	(2,258)

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 the investment 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.

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

23. Consolidated Statement of Financial Activities for the year ending 31st August 2021

	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.

NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2022

24. Restricted funds 2021

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
Aldenhams 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

25. Analysis of net assets between funds 2021

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)
	13,446,515	269,588	1,695,739	15,411,843
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)
	13,447,144	269,588	1,695,739	15,412,473