

THE ASHRIDGE (BONAR LAW MEMORIAL) TRUST

England & Wales · Charity number 311096

Details

Other names ASHRIDGE, ASHRIDGE MANAGEMENT COLLEGE

Status Registered

Legal form Other

Registered 1962-11-13

Register [View on the Charity Commission register](#)

Contact

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Activities

Objects: (A) TO CARRY ON AT ASHRIDGE A COLLEGE FOR THE EDUCATION OF PERSONS IN MANAGEMENT AND RELATED SUBJECTS, IN ECONOMICS, POLITICAL AND SOCIAL SCIENCE AND SUCH OTHER SUBJECTS AS THE GOVERNORS MAY FROM TIME TO TIME DETERMINE FOR THE PURPOSE OF ENABLING SUCH PERSONS TO CONTRIBUTE TO THE ECONOMIC OR SOCIAL WELL-BEING OR DEVELOPMENT OF ANY NATION OR COMMUNITY OF NATIONS IN ANY PART OF THE WORLD AND IN PARTICULAR THE COMMONWEALTH OF NATIONS. (B) TO FOUND AND CARRY ON ANOTHER OR OTHER SUCH COLLEGES OR SIMILAR INSTITUTIONS FOR SUCH EDUCATION AS AFORESAID IN ANY PART OF THE WORLD. (BB) TO UNDERTAKE RESEARCH RELATED TO SUCH EDUCATION AS AFORESAID AND TO DISSEMINATE TO THE PUBLIC THE RESULTS OF ANY SUCH RESEARCH. (C) TO PRESERVE ASHRIDGE FOR THE BENEFIT OF THE NATION.

Activities: ASHRIDGE UNDERTAKES 3 PRINCIPAL ACTIVITIES. PRAGMATIC RESEARCH RELEVANT TO ALL BUSINESS SECTORS IS WIDELY DISSEMINATED THROUGH PROGRAMMES, PUBLICATIONS AND THE INTERNET. THE HISTORIC ESTATE IS WELL MAINTAINED AND REGULARLY OPEN TO THE PUBLIC. EXECUTIVE EDUCATION COMPRISES MANAGEMENT AND ORGANISATION DEVELOPMENT

THROUGH PUBLIC AND CUSTOMISED PROGRAMMES, WITH THE OPTION OF ACADEMIC QUALIFICATIONS.

Classification

- **How:** Provides Buildings/facilities/open Space, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- Throughout England And Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£11,897,000	£14,221,000	£14,048,000	61
2023-12-31	£12,798,590	£11,161,391	£17,429,379	58
2022-12-31	£11,578,000	£13,955,000	£16,167,000	64
2021-12-31	£11,628,000	£11,053,000	£24,776,000	62
2020-12-31	£9,433,000	£9,346,000	£16,579,000	64

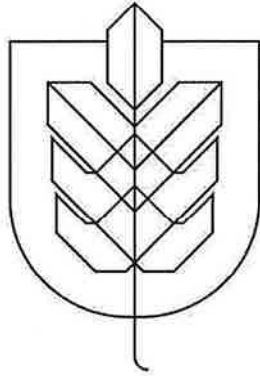
Trustees

Name	Role	Appointed
Ashridge CT Ltd		2015-02-02

THE ASHRIDGE (BONAR LAW MEMORIAL) TRUST

England & Wales - Charity number 311096

Accounts



ASHRIDGE (BONAR LAW MEMORIAL) TRUST

ANNUAL REPORT FOR THE YEAR ENDED

31 December 2024

Charity Registration Number: 311096

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**CONTENTS**

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ASHRIDGE (BONAR LAW MEMORIAL) TRUST**LEGAL AND ADMINISTRATIVE DETAILS****Trustees**

The governance of Ashridge (Bonar Law Memorial) Trust is managed by Ashridge CT Limited, a Corporate Trustee.

Ashridge CT Limited directors
Mr Jeffrey Allen
Mr Reine Beltzer
Mr Ravindra Goonesena

Charity number 311096

Registered office
Ashridge
Berkhamsted
Hertfordshire
HP4 1NS

Actuary
Mercer
Tower Place West
Tower Place
London
EC3R 5BU

Independent auditors
Knox Cropper LLP
65 Leadenhall Street
London
EC3A 2AD

Bankers
Lloyds Banking Group plc
Progression Centre
42 Mark Road
Hemel Hempstead
Hertfordshire
HP2 7DW

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2024

The Corporate Trustee is pleased to present the audited annual report together with the consolidated financial statements of Ashridge (Bonar Law Memorial) Trust (the Trust) for the year ended 31 December 2024.

The Corporate Trustee's report and the financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities 2019', Financial Reporting Standards 102 and Charities Act 2022. Office for Students regulations have also been complied with since registering during May 2021.

The aims of Ashridge

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014 (the Act).

The principal activities of the Trust are defined by the Act:

- Provide education at Ashridge
- Undertake research and disseminate the results to the public
- Establish and continue similar institutions overseas

These activities are undertaken by the Trust using the name of Ashridge or Hult at Ashridge. The Trust also had a wholly owned subsidiary during the year - see notes 3 and 8 of the financial statements for details. The trading subsidiary undertook specialist activities closely related to management education, more specifically the provision of executive and organisation education to corporate clients.

In 2015, Ashridge entered into a Strategic Alliance with Hult International Business School. This alliance has enabled the institutions to leverage the expertise of Hult in degree programs and that of Ashridge in executive education, which in turn has made both institutions more sustainable and robust.

The Corporate Trustee referred to the guidance contained in the Charity Commission's publications on public benefit when reviewing aims and objectives. They then considered how to maximise the contribution of planned activities to those aims and objectives as follows:

Provision of education

As a leading centre for management and organisation learning, the Ashridge vision is to make a substantial contribution to the development of managers, their organisations and society at large.

The activities undertaken to assist this development deliver public benefit in a variety of ways. Ashridge's clients include organisations in the public sector, corporate entities, and individual private students in pursuit of a UK degree.

Research

The purpose of research at Ashridge is to make a wider intellectual contribution to business practices overall, and a deeper contribution to certain academic and professional fields, as well as to continuously improve education for students and executives. Co-creating knowledge with leaders, managers and policymakers in private, public, and volunteer organizations is a hallmark of this strategy. So is the aspiration to catalyse innovation and be a partner in life-long learning. Ashridge has its roots in management practice, applied scholarship and social responsibility, and the research is designed to leverage these roots and its vast network of connections with private, public and volunteer organizations. The public benefits from Ashridge research as it is widely distributed and freely available.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2024 (continued)

Establishment of similar institutions overseas

Ashridge delivers a proportion of its services outside the UK through its corporate clients. Some contracted faculty are based abroad.

Achievements and performance

In performing its activities Ashridge has run educational programs for 911 (2023: 1,119) students with 294 (2023: 256) students graduating during the calendar year 2024.

In addition, research at Ashridge has contributed to the academic debate through publishing 19 books, articles, reports and conference papers during 2024.

Financial review

The result for the year ended 31 December 2024 was a net loss of £2.3 m (2023: surplus of £1.6m) for Ashridge (Bonar Law Memorial) Trust. The main driver for the variation between years is related to the release of the USS Pension Scheme deficit provision in 2023 which resulted in a ~£2.8 m saving in that year.

The net movement in funds was -£3.4 m and the total reserves of the Trust on 31 December 2024 were £14.0m (2023: £17.4m). The total reserves include a designated Research Fund of £6.2m (2023: £8.1m), a restricted Restoration Fund £82k (2023: £82k) and unrestricted free reserves of £7.8m (2023: £9.2m).

During the year, the Trust has used £1,942k of the designated research fund in line with the funds intended purpose.

Principal risks and uncertainties

The Corporate Trustee has examined the major risks that the Trust faces and has documented these in a risk register, which is updated on a periodic basis. The Trust has developed systems to monitor and control these risks to mitigate any impact that they may have on the Trust in the future.

OFSTED (the UK Education regulator) conducted a full, four day inspection of the company's Apprenticeship provision during November 2024. The Trust received a judgement of 'Good' in all areas in the Ofsted report published in January 2025. A judgement of 'Good' will lead to a better attractiveness of Ashridge on the Apprenticeship market and should have a positive impact on future student intakes.

There has been a focus over the last few years to review the compliance of the apprenticeship department: a dedicated compliance team was put in place, a new specialized system was implemented and a thorough review of the apprentices' onboarding and support processes was performed. As part of this review, inaccuracies were identified in historical funding submissions to the ESFA, which creates a risk of clawback of part of the funding received / to be received. The Trust actively reached out to the ESFA to let them know about these inaccuracies and is in discussion with their team about the regularization of its position. A provision of £185,600 has been accounted in the 2024 accounts to reflect this risk. In the meantime, Ashridge continues to invest in its programmes to continuously improve its Apprenticeship provision and its compliance.

In regards to the other qualification degrees provided by The Trust, there is a risk of collection delays from tuition of independent students. Collections are being monitored closely and graduation will only take place once all fees are settled.

Plans for future periods

Profitability for future periods is due to improve further due to the growth in apprenticeship and degree programmes.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2024 (continued)

Going concern

The Trust has a strong liquidity position at 31 December 2024 with £5.7m cash available. Consequently, the Trustee has continued to prepare the financial statements on a going concern basis.

Strategic objectives

Ashridge has identified the following strategic aspirations in relation to its core objects, to be:

- Being known as the place that knows about coaching
- Leading specialist in strategic organisational change and development
- Compact, differentiated, highly regarded apprenticeships and qualifications portfolio that makes an impact that matters
- Having a faculty noted for practical yet rigorous research that is widely available

Ashridge is one of few business schools worldwide to achieve the 'triple crown' of accreditation from the Association to Advance Collegiate Schools of Business (AACSB), the European Quality Improvement System (EQUIS) and the Association of MBAs (AMBA) and the objective is to retain these accreditations going forward.

Governance

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014, and is governed by this act.

Ashridge CT Limited acts as the governing body of the Trust through its own board of directors which meets regularly.

The day-to-day management of Ashridge is undertaken by the President who is appointed by Ashridge CT Ltd. The President has delegated authority for finance, employment, and other operational matters.

Related parties

None of the directors of Ashridge CT Limited nor any persons connected with them, had at any time had any beneficial interest in dealings with the Trust and received no remuneration from the Trust.

Ashridge has subsidiaries and other related parties during the year ended 31 December 2024 as per below:

Ashridge CT Limited

Ashridge CT Limited was incorporated in 2015 and appointed as Corporate Trustee of the Trust with the objective to comply with the Act. The directors of Ashridge CT Limited are independent of the Trust in order to ensure there are no conflicts of interest.

Ashridge Historical Trust

The member of Ashridge CT Limited is the Ashridge Historical Trust. The trustees of the Ashridge Historical Trust are independent of the Trust and Ashridge CT Limited in order to ensure there are no conflicts of interest.

Ashridge Educational Services Ltd

Ashridge Educational Services Ltd is controlled through share ownership by the Trust and was incorporated on 16 December 2019.

The Ashridge Pension Scheme

The Ashridge Pension Scheme is a post-employment benefit plan for the benefit of employees of the Trust. Until 2002 the Trust offered final salary pension entitlement to all Ashridge staff through membership of the Ashridge Pension Scheme.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2024 (continued)

Pay policy for senior staff

The pay of the senior staff is reviewed annually. In view of the nature of the charity salaries are benchmarked against pay levels in other comparable educational institutions.

Key management personnel

President	Dr Matt Lilley
Chief Finance Officer	Mr Joakim Banestig
Chief Operating Officer	Mr Mark Coleman
Dean of Faculty	Dr Dina Dommett (to 31/08/2024) Harinder Mann (from 01/09/2024)
Senior Director of Research	Ms Nadine Page

Disclosure of information to Auditors

The Corporate Trustee confirms that:

- there is no relevant audit information of which the Trust's auditors are unaware; and
- it has taken all the steps that ought to be taken in order to make himself/herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The report of the Corporate Trustee was approved by the board of directors of Ashridge CT Limited and signed on their behalf by:



Mr Ravindra Goonesena
Director
Ashridge CT Limited

30 April 2025

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control for the year ended 31 December 2024

This Statement of Corporate Governance and Internal Control covers the period for the year ended 31 December 2024 and up to the date of approval of the financial statements.

Governance

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014, and is governed by this act.

Ashridge CT Limited acts as the governing body of the Trust through its own board of directors. Appointment to the board are matters for consideration by the board of directors as a whole and are based on the expertise and skills brought by the individuals involved. The directors receive further training in trustee meetings as required. No induction training was required as there were no new directors during the year.

The members of the board of directors are listed within Legal and Administrative Details. The constitution of the board ensures that no individual dominates the decision-making process and that it can exercise its responsibilities free from management.

The boards regulatory and stewardship responsibilities centre on its role as the ultimate legal authority and for safeguarding the Trust's assets, its financial sustainability, and receiving assurance that its systems comply with the legal and regulatory obligations, including as a Charity, the Office for Students and OFSTED.

The board of directors schedule to meet a few times a year. Formal agenda, papers and reports are supplied to the board in a timely manner prior to the board meetings. Briefings are also provided on an ad-hoc basis. Reports include overall financial performance of the Trust together with other relevant information such as performance against targets. The board review and approve the financial statements and receive and consider reports from regulators such as OFSTED and Office for Students, and monitors adherence with the regulatory requirements.

Minutes of board meetings are recorded and approved at the following meeting.

The day-to-day management of Ashridge is undertaken by the President who is appointed by Ashridge CT Limited. The President has delegated authority for finance, employment, and other operational matters.

Corporate Trustee's responsibilities

The Corporate Trustee is responsible for the preparation of annual financial statements that provide a true and fair view of the state of affairs of Ashridge as at the end of the financial year and of the financial activities during the year.

In preparing the financial statements the Corporate Trustee is required to:

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

The Corporate Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy of the financial position of Ashridge at any time and to ensure that the financial statements comply with relevant statutes.

It is also responsible for safeguarding the assets of Ashridge taking reasonable steps to prevention and detection of fraud and other irregularities.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control (continued)

Internal Control

The Corporate Trustee is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives through corruption, fraud, bribery and other irregularities. It can therefore only provide reasonable, but not absolute, assurance against material misstatement or loss.

The system of internal control is based on a continuous process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively, and economically. This process accords with the Office for Students guidance.

The system uses a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. It includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the board of directors
- Regular reviews by the board of directors of periodic and annual financial reports which indicate financial performance against forecast
- Setting targets to measure financial and operational performance

The Trust's internal control system is supported by a number of policies. These include a Risk Register, an Anti-Bribery and Corruption Policy, a Modern Slavery Act statement, comprehensive internal financial policies and regulations which detail financial controls and procedures.

The Corporate Trustee has the responsibility for reviewing the effectiveness of the system of internal control and ensuring that there is a sound approach to confirm that this framework is adopted and embedded consistently and effectively across each activity.

The review of effectiveness of the system is informed by:

- The work of external auditors;
- The work of senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework;
- Comments made by the organisation's financial statements and regulatory inspections in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The board of directors has delegated its day-to-day responsibility to the President, as Accounting Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the board any material weaknesses or breakdowns in internal control. The day-to-day responsibility for risk management and monitoring is assigned to the Chief Finance Officer and Chief Operating Officer.

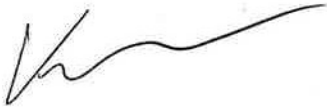
The Trust has considered its responsibility to notify the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with Education Skills Funding Agency terms and conditions of funding.

The board of directors and the Accounting Officer confirm that after due enquiry and to the best of their knowledge, it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisation's financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date, if any instances are identified after the date of this statement these will be notified to the Education and Skills Funding Agency.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control (continued)

Approved by the Corporate Trustee and the President and signed on their behalf by:



Mr Ravindra Goonesena
Director
Ashridge CT Limited



Mr Matt Lilley
President
Ashridge (Bonar Law Memorial) Trust

30 Apr 2025

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE OF ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Opinion

We have audited the financial statements of Ashridge (Bonar Law Memorial) Trust ("the Parent Charity") and its subsidiary ("the Group") for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2024 and of the Group's incoming resources and application of resources 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 Charities Act 2011.
- where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- meet the requirements of the Office for Student's Accounts Direction.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction requires us to report to you if, in our opinion:

- the Group's grant and fee income, as disclosed in note 4 to these Financial Statements has been materially misstated.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements 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 related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Corporate Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Report of the Corporate Trustee; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the Corporate Trustee's responsibilities statement, the Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the Group's and the Parent Charity'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 Corporate Trustee either intends to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act[s] and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Group and the Parent Charity are required to comply with charity law and certain conditions of OfS registration including compliance with the OFS' latest Accounts Direction and, based on our knowledge of their activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

- We gained an understanding of how the Group and Parent Charity complied with their legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the Group and Parent Charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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

Use of our report

This report is made solely to the Charity's Corporate Trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Knox Cropper LLP

2025-05-09

Knox Cropper LLP, Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD

Knox Cropper LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Consolidated Statement of Financial Activities for the year ended 31 December 2024

	Note	Unrestricted Funds £'000	Designated Funds £'000	2024 Total Funds £'000	2023 Total & Unrestricted Funds £'000
Income:					
<i>Income from charitable activities:</i>					
Fees from educational programmes		3,703	-	3,703	4,076
<i>Income from other trading activities:</i>					
Commercial trading operations		7,941	-	7,941	8,479
Investment income		253	-	253	243
Total income		11,897	-	11,897	12,798
Expenditure:					
Expenditure on charitable activities	5	(5,280)	(1,942)	(7,222)	(3,795)
<i>Of which Pension Scheme Credit/(Expenditure)</i>	12	176	-	176	3,066
Expenditure on other trading activities	5	(6,999)	-	(6,999)	(7,366)
Total expenditure		(12,279)	(1,942)	(14,221)	(11,161)
Net income/(expenditure)	2	(382)	(1,942)	(2,324)	1,637
<i>Other recognised gains/(losses):</i>					
Actuarial gains/(losses) on APS pension	12	(1,034)	-	(1,034)	(312)
Foreign exchange gains/(losses)		(23)	-	(23)	(64)
Net movement in funds		(1,439)	(1,942)	(3,381)	1,261

There was no restricted income, expenditure or other movements in funds in the two financial periods.

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
<i>Reconciliation of funds:</i>				
Total funds at 1 January 2023	6,670	9,416	82	16,168
Net movement in funds	2,568	(1,307)	-	1,261
Total funds at 31 December 2023	9,238	8,109	82	17,429
Net movement in funds	(1,439)	(1,942)	-	(3,381)
Total funds at 31 December 2024	7,799	6,167	82	14,048

All income and expenditure has arisen from continuing activities.

The notes on pages 17 to 30 form part of these financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Balance Sheets as at 31 December 2024**

	Note	Group		Trust	
		2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets:					
Investments in subsidiaries	8	-	-	-	-
Total fixed assets		-	-	-	-
Current assets:					
Debtors	9	4,856	6,400	4,676	6,012
Cash at bank and in hand		5,724	8,737	5,724	8,737
Total current assets		10,580	15,137	10,400	14,749
Creditors: amounts falling due within one year	10,11	(3,939)	(5,630)	(3,759)	(5,242)
Net current assets		6,641	9,507	6,641	9,507
Total assets less current liabilities		6,641	9,507	6,641	9,507
APS defined benefit pension scheme asset	12	7,407	7,922	7,407	7,922
Net assets		14,048	17,429	14,048	17,429
The funds of the charity:					
Unrestricted funds	General	7,799	9,238	7,799	9,238
Designated funds	Research	6,167	8,109	6,167	8,109
Restricted funds	Restoration	82	82	82	82
Total charity funds	13	14,048	17,429	14,048	17,429

The notes on pages 17 to 30 form part of these financial statements.

The financial statements were approved by the corporate trustee, Ashridge CT Limited, and the President on 30 April 2025, and signed on their behalf by:


Mr Ravindra Goonesena
 Director
 Ashridge CT Limited


Mr Matt Lilley
 President
 Ashridge (Bonar Law Memorial) Trust

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Consolidated Statement of Cash Flows for the year ended 31 December 2024

	Note	2024 £'000	2023 £'000
<u>Cash flows from operating activities:</u>			
Net cash provided by/(used in) operating activities	A	(3,266)	(1,826)
<u>Cash flows from investing activities:</u>			
Investment income received in year		253	243
Net cash provided by/(used in) from investing activities		253	243
Change in cash in the reporting period		(3,013)	(1,583)
Cash at the beginning of the reporting period		8,737	10,320
Cash at the end of the reporting period	B	5,724	8,737

Note A: Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net incoming/(outgoing) resources from educational and related activities		(2,324)	1,637
Adjustments for:			
Investment income received in year		(253)	(243)
Decrease/(increase) in debtors		1,544	(1,523)
Increase/(decrease) in creditors		(1,691)	1,813
Additional pension contributions		(343)	(380)
Pension costs relating to defined benefit plans:			
	APS administration costs	207	195
	APS finance (gain)/cost	(383)	(391)
	Movement in US\$	-	(2,870)
Foreign exchange gains		(23)	(64)
Net cash provided by/(used in) operating activities		(3,266)	(1,826)

Note B: Analysis of cash and cash equivalents

	At 01/01/24 £'000	Cash Flow £'000	At 31/12/24 £'000
Cash at bank and in hand	8,737	(3,013)	5,724

The notes on pages 17 to 30 form part of these financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended
31 December 2024****1. Statement of Accounting Policies****Basis of accounting**

These financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (2019), Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), and the Charities Act 2011.

The Trust registered with the Office for Students in May 2021, and as a result are required to follow the latest Office for Students' Accounts Direction.

The Group financial statements incorporate a line by line consolidation of the financial statements of the Trust and its subsidiaries. There are uniform accounting policies across the Group. All intra-group transactions and balances between group entities are eliminated on consolidation.

Ashridge (Bonar Law Memorial) Trust, a public benefit entity, has taken advantage of the provision not to include its own Statement of Financial Activities and related notes in the consolidated financial statements.

These financial statements are presented in GBP Sterling which is also the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest thousand.

Going Concern

The Corporate Trustee, after making enquiries, has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the next 12 months and will continue to operate for the primary purpose of the Trust.

The main risks have been assessed by the Corporate Trustee, reviewing the Trust's ongoing forecasts and projections to ensure that the organisation remains financially viable. The board acknowledges the risk but does not consider it as significant going forward. The Trust has a strong liquidity position at 31 December 2024 with £5.7m cash available and management is closely monitoring the profitability and performance of the Trust's business divisions. The Corporate Trustee does not believe there are any material uncertainties relating to its ability to continue as a going concern and have therefore prepared the financial statements on that basis.

Income

Income represents revenue for programmes, consultancy, research and conference activities undertaken during the year. Revenue is recognised when the programme is delivered. Deferred income represents fees invoiced in advance.

Donations

Donations are credited to revenue on a receivable basis.

Expenditure

Costs relating to the provision of core education, research and consulting services are included within the Statement of Financial Activities.

Expenditure charged against Restricted Funds falls within the purposes outlined in note 13. All other expenses are borne out of the Unrestricted Fund. Costs are allocated to specific departments on a project basis as necessary.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

1. Statement of Accounting Policies (continued)**Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Gains and losses are recognised in the Statement of Financial Activities.

Financial instruments

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. The impairment loss is recognised in the profit or loss.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

The Ashridge Pension Scheme is a historical single-employer defined benefit scheme. Recognised in the Balance Sheet is the value of the scheme's assets less the present value of the scheme's liabilities. The pension cost for the scheme is analysed between current service cost, past service cost and net return on pension scheme assets. Current service cost is the actuarially calculated present value of the benefits earned by the active employees in each period. Past service costs, relating to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits, are recognised in the Statement of Financial Activities on a straight line basis over the period in which the increase in benefits vest. The net expected return on the pension assets comprises the expected return on the pension scheme assets less interest on scheme liabilities. The actuarial gains and losses which arise from updating the latest actuarial valuation to reflect conditions at the balance sheet date are shown in the Statement of Financial Activities.

The Trust participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Trust is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Trust accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Where the Trust has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund a scheme deficit, the Trust recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Financial Activities.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Corporate Trustee is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under any recovery plan in existence at the balance sheet date.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****1. Statement of Accounting Policies (continued)****Taxation**

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Judgements and key sources of estimation uncertainty

In the application on the group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(i) Impairment of debtors

The Trust makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment, management considers factors including the ageing profile of debtors and historical experience.

(ii) Provisions

Provisions are measured at the best estimate of the amount required to settle the obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where it is no longer probable that an outflow of economic benefits will be required to settle the obligation, the provision is reversed.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

2. Consolidated Group Income and Expenditure Account

The principal differences between the Income and Expenditure Account below and the Statement of Financial Activities are the classification of the income and expenditure together with the exclusion of unrealised gains and losses. The figures below reflect only movement of the unrestricted funds.

In the course of normal business, some costs are not directly attributable. These costs are apportioned based on the most relevant factor.

	2024	2023
	£'000	£'000
Income		
Educational programmes	3,703	4,076
Custom and consulting	7,941	8,479
Investment income	253	243
	11,897	12,798
Expenditure		
Staff costs, including pension	(5,557)	(5,912)
Associates and agency staff	(6,358)	(6,113)
Other direct costs	(83)	(350)
Marketing and business development	(114)	(198)
Property and other overhead costs	(343)	(347)
APS pension administration and finance	176	196
USS pension provision movement	-	2,870
	(12,279)	(9,854)
	(382)	2,944
Net income per Statement of Financial Activities		

3. Net Income from Trading Subsidiary

The Trust had one wholly owned trading subsidiary (note 8) which was incorporated in the UK and donated its trading profits to the Trust under the gift aid rules. .

	AES Ltd	
	2024	2023
	£'000	£'000
Income from commercial trading operations	7,941	8,479
Investment Income	43	18
Expenditure	(6,999)	(7,366)
Foreign Exchange Gains	(21)	(11)
Surplus	964	1,120
Donation under the gift aid rules	(964)	(1,120)
Profit on ordinary activities	-	-

All transactions between Ashridge and its subsidiary are conducted on an arm's length basis.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

4. Details of grant and fee income

	Group		Trust	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Grant income from other funding bodies	1,425	2,136	1,425	2,136
Fee income for taught awards	1,961	1,715	1,961	1,715
Total grant and fee income	3,386	3,851	3,386	3,851

5. Analysis of Total Resources Expended

Expenditure includes:

	Group		Trust	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Impairment of trade receivables	144	122	144	122
Fees payable to Group auditors - audit services	23	22	23	22
Fees payable to Group auditors - non audit services	1	1	1	1
	168	145	168	145

	Direct costs £'000	Support costs £'000	Support cost recharges £'000	Total 2024 £'000	Total 2023 £'000
Expenditure on charitable activities					
Qualification & Apprenticeships Programmes	1,432	2,422	-	3,854	3,556
Faculty	3	2,373	(2,016)	360	1,132
Research	-	1,942	-	1,942	1,307
Overheads & Facilities	1	1,241	-	1,242	866
APS & USS Pension P&L charge	-	(176)	-	(176)	(3,066)
	1,436	7,802	(2,016)	7,222	3,795
Expenditure on other trading activities					
Custom & Open Programmes	4,983	-	-	4,983	4,745
Teaching costs	-	-	2,016	2,016	2,621
Overheads	-	-	-	-	-
	4,983	-	2,016	6,999	7,366

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

6. Staff Costs (Group and Trust)

Salaries, wages and related payroll costs, including subsidiary undertakings, amounted to:

	2024	2023
	£'000	£'000
Salaries and wages	4,783	4,838
Social security costs	535	526
Pension costs	536	796
Termination payments	66	19
Defined benefit scheme administration costs	207	195
	<u>6,127</u>	<u>6,374</u>

The Group has given regard to the 'Guidance on decisions taken about severance payments in HEI's' published by the Committee of University Chairs when determining severance pay. Compensation for loss of office has been paid to three (2023: one) members of staff during the year ended 31 December 2024 amounting to £66k (2023: £19k).

The majority of staff were employed by the Trust on behalf of the Group. For the year ended 31 December 2024 the average number of staff employed by the Trust was 61 (2023: 58).

Ashridge CT Limited, the corporate trustee, received no remuneration for its service to the Trust (2023: nil) and was reimbursed travel expenses of £2k during the year (2023: £nil).

The remuneration (salary including staff benefits and termination payments but excluding pension contributions) paid to high paid members of staff falls into the following bands:

	2024	2023
£60,001 - £70,000	4	2
£70,001 - £80,000	4	1
£80,001 - £90,000	4	1
£90,001 - £100,000	0	4
£100,001 - £110,000	1	7
£110,001 - £120,000	5	1
£120,001 - £130,000	5	3
£130,001 - £140,000	2	5
£140,001 - £150,000	1	2
£150,001 - £160,000	3	1
£210,001 - £220,000	1	1
	<u>30</u>	<u>28</u>

Ashridge has given regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs when determining senior staff remuneration.

The number of senior staff expressed on a full-time equivalent basis who received basic annual salaries in the following ranges at 31 December 2024 were:

Basic salary per annum	Number of staff (2024)	Number of staff (2023)
£100,000 - £104,999	4	5
£105,000 - £109,999	1	-
£110,000 - £114,999	2	3
£115,000 - £119,999	4	2
£120,000 - £124,999	1	-
£125,000 - £129,999	1	-
£130,000 - £134,999	1	-
£145,000 - £149,999	1	1
£205,000 - £209,999	1	1
	<u>16</u>	<u>12</u>

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

The President Matt Lilley's total annual remuneration was £306,000 (FY2023: £203,000) for the 12 months of his employment during the year. This represents the total annual remuneration paid by Ashridge (Bonar Law Memorial) Trust and Hult International Business School Ltd for his role as President for these Office for Students registered providers. Ashridge (Bonar Law Memorial) Trust was responsible for funding £153,000 for the year ended 31 December 2024. Hult International Business School Ltd was responsible for funding £153,000.

- From Ashridge (Bonar Law Memorial) Trust:
 - Base salary of £103,000 (FY2023: £103,000)
 - Performance-related pay of £50,000
 - No payments have been paid in lieu of pension contributions.
 - No payments of dividends have been made.
 - No payment made by the provider in pension contributions on behalf of the head of provider during the year.
 - No payment made by the provider in pension contributions as part of National Insurance savings.
 - No other type of benefits and remuneration have been paid to the head provider.
 - Ashridge (Bonar Law Memorial) Trust does not provide to the President private healthcare benefit.
- From Hult International Business School Ltd:
 - Base salary of £100,000 (FY2023: £100,000)
 - Performance-related pay of £50,000
 - A total amount of £0 has been paid by the provider in pension contributions on behalf of the head of provider during the year.
 - No payments of dividends have been made.
 - Pension contributions of £3,000.
 - No payment made by the provider in pension contributions as part of National Insurance savings.
 - No other type of benefits and remuneration have been paid to the head provider.
 - Hult International Business School Ltd does not provide to the President private healthcare benefit

The appointed presidents voluntarily withdrew from the Ashridge USS pension scheme on the date of their appointment, no payments have been paid in lieu of pension contributions. Ashridge provides to the President private healthcare benefits that flow from being an employee of Ashridge and which is available to all employees.

The Presidents salary is set by Ashridge CT Limited, the Corporate Trustee.

Process for judging performance

The President has an annual performance review meeting with the Ashridge CT Limited board of directors to review and assess performance against objectives and to discuss objectives for the next year.

Approach and justification to the Presidents remuneration

The Presidents salary is reviewed annually and reflects the following:

- Market rate by size and complexity of institution
- The scale and complexity of the job
- Comparisons with benchmarks
- Performance as measured against objectives set by the board of directors

Pay multiple

The relationship between the Presidents Ashridge remuneration and that for all other staff employed by Ashridge, expressed as a pay multiple is as follows:

- The head of the provider's basic salary is 3.64 times the median pay of staff (2023: 4.61), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- The head of the provider's total remuneration is 5.77 (2023: 4.28) times the median total remuneration of staff.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

The pay multiple represents the President's pay divided by the median pay for all other staff at the trust, on a full-time equivalent basis. The median pay for all other staff is calculated using pay data for all staff who are required to be included in Real Time Information (RTI) reporting to HMRC. All other staff is capturing staff employed by the Trust.

7. Remuneration of key management personnel

Staff costs includes remuneration provided to key management personnel as follows:

	2024 £'000	2023 £'000
Salaries and wages	643	578
Social security costs	82	74
Pension costs	34	35
	759	687

8. Investments in Subsidiaries

The following company, which is registered in England, was a wholly owned subsidiary of the Trust during the year:

Company	Share Capital	Holding
Ashridge Educational Services Ltd	100 £1 ordinary shares	100%
Company number: 12363817		
Registered address: Ashridge, Berkhamsted, Hertfordshire, HP41NS		

9. Debtors

	Group		Trust	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade debtors	3,268	3,829	2,000	2,145
Amounts due from group undertakings	-	-	1,088	1,296
Other debtors	133	377	133	377
Prepayments and accrued income	205	319	205	319
Other financial instruments	1,250	1,875	1,250	1,875
	4,856	6,400	4,676	6,012

Trade debtors are stated after provisions for impairment - Group: £144k (2023: £122k), Trust £144k (2023: 122k).

10. Creditors: amounts falling due within one year

	Group		Trust	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Trade creditors	691	1,405	511	1,017
Amounts owed to group undertakings	-	-	-	-
Payments received on account for contracts	80	75	80	75
Taxation and social security	494	636	494	636
Other creditors	-	-	-	-
Provision for funding clawback	186	164	186	164
Accruals and deferred income	2,488	3,350	2,488	3,350
	3,939	5,630	3,759	5,242

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

11. Deferred Revenue Movement

	Group		Trust	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Opening balance	2,793	2,254	2,793	2,254
Amounts released from prior year	(1,441)	(873)	(1,441)	(873)
Income deferred in current year	677	1,412	677	1,412
	2,029	2,793	2,029	2,783

12. Pension Commitments

(i) Universities Superannuation Scheme (USS)

Ashridge is a member of the Universities Superannuation Scheme (USS), a national defined benefits scheme for university academic and academic-related staff.

Pension benefits for 47 members of staff at 31 December 2024 (2023: 51) are provided under the USS.

The Actuarial valuation of the USS scheme as at 31 March 2024 was published on 29 July 2024. The valuation showed that the scheme is in surplus and so no deficit recovery plan is required. Therefore all the provision was released in 2023 and no new provision was accounted in 2024. The release of the provision resulted in a gain of 2,870k in the 2023 fiscal year.

Since the Trust cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those assets and liabilities as a whole:

	31 March 2024 £ billions	31 March 2023 £ billions
Scheme assets	74.8	73.1
Total scheme liabilities	(65.6)	(65.7)
FRS 102 total scheme surplus /(deficit)	9.2	7.4
FRS 102 total funding level	114%	111%

The key financial assumptions used in the 2024 valuation are described below. More detail is set out in the Statement of Funding Principles, which can be found on the USS's website

Pension increases (CPI)	Set consistently with market-based pricing for the relevant minimums and maximums	
Discount Rate (forward rates)	Pensioners	4.3% pa
	Non-pensioners	3.4% pa

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

(i) Universities Superannuation Scheme (USS)

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality - base table	<u>Males:</u> 101% of S2PMA_L . <u>Females:</u> 95% of S3PFA.
Mortality - future improvements	CMI_2021 with a smoothing parameter of 7.5. Additionally it has an initial addition of 0.4% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	31 December 2024
Males currently aged 65 (years)	22.7
Females currently aged 65 (years)	24.9
Males currently aged 45 (years)	23.0
Females currently aged 45 (years)	25.5

Key assumptions used are:

	2024	2023
Discount rate	5.50%	4.80%
RPI inflation rate	3.15%	3.05%
CPI inflation rate	2.85%	2.70%

(ii) Ashridge Pension Scheme (APS)

The Ashridge Pension Scheme is a funded defined benefit pension scheme, with the assets held in a separate trustee administered funds. It was open to full and part-time employees together with those subject to fixed term contracts until May 2002. With effect from January 2004 an accrual for future service for Senior Staff was transferred to the USS although General Staff at that time continued to accrue future service within the APS. Accrual for future service for the great majority of those remaining transferred to USS at the end of 2008. The final active member retired in 2012. Ashridge Pension Scheme is closed to new members.

Costs relating to APS are assessed in accordance with the advice of an independent qualified actuary, from Mercer, using the Projected Unit Method.

The most recent Scheme Funding Report of the Actuarial Valuation for the Ashridge Pension Scheme was undertaken as at 31 December 2022. At the date of the valuation, the value of the scheme's assets were 80.7 million, which represented 102% of the actuarial value of the benefits that had accrued to members.

The most recent FRS 102 Actuarial Valuation Report for Ashridge Pension Scheme was undertaken as at 31 December 2024.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended 31 December 2024 (continued)****(ii) Ashridge Pension Scheme (APS)****Principal actuarial assumptions**

The financial assumptions used to calculate scheme liabilities are:

	2024	2023
Discount rate for scheme liabilities	5.50%	4.80%
Pensions in payment increase rate	2.75%	2.65%
Price inflation rate: CPI	2.85%	2.70%
Assumed life expectancy on retirement at age 65:		
Retiring today (male member age 65)	22.7	22.7
Retiring in 20 years (male member age 45 today)	23.0	22.9
Retiring today (female member age 65)	24.9	24.8
Retiring in 20 years (female member age 45 today)	25.5	25.4

Contributions paid to the Scheme by the Trust in relation to past service were £343k (2023: £380k). Contributions being paid by the Trust are in accordance with actuarial recommendation.

The Trust is committed to contribute £340k to Ashridge Pension Scheme in 2025.

Amounts recognised in the Balance Sheet:

	2024	2023
	£'000	£'000
Defined benefit obligations at 31 December 2024	(68,385)	(73,878)
Fair value of plan assets at 31 December 2024	75,792	81,800
Net pension obligations at 31 December 2024	7,407	7,922

Changes in the present value of defined benefit obligations

	2024	2023
	£'000	£'000
Defined benefit obligations at 31 December 2023	73,878	73,379
<u>Movement in the year:</u>		
Benefit payments from plan assets	(3,859)	(4,008)
Effect of changes in assumptions	(5,042)	6
Effect of experience adjustments	(46)	897
Interest on pension liabilities	3,454	3,604
Cost - gain on curtailments/changes	-	-
Defined benefit obligations at 31 December 2024	68,385	73,878

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

(ii) Ashridge Pension Scheme (APS)**Changes in the fair value of plan assets**

	2024	2023
	£'000	£'000
Fair value of plan assets at 31 December 2023	81,800	81,037
<u>Movement in the year:</u>		
Employer contributions	343	380
Benefit payments from plan assets	(3,859)	(4,008)
Administrative costs paid from plan assets	(207)	(195)
Return on plan assets	(6,122)	591
Interest on pension assets	<u>3,837</u>	<u>3,995</u>
Fair value of plan assets at 31 December 2024	<u><u>75,792</u></u>	<u><u>81,800</u></u>

Plan assets comprise:

	2024	2023
	£'000	£'000
Bonds / Fixed Income	41,911	40,037
Equity / Hedge Funds	32,452	35,730
Insured Annuities	2,298	3,260
Property	2,302	2,375
Cash	1,041	1,989
Derivatives	(5,525)	(2,824)
Others	613	1233
	<u><u>75,792</u></u>	<u><u>81,800</u></u>

Amount recognised in the Statement of Financial Activities

	2024	2023
	£'000	£'000
Interest expense on pension liabilities	3,454	3,604
Interest income on pension assets	(3,837)	(3,995)
Administrative costs paid from plan assets	207	195
Gain on curtailments/changes	-	-
Pension charge/(income) for the year	<u>(176)</u>	<u>(196)</u>
Effect of changes in assumptions	(5,042)	6
Return on plan assets	6,122	(591)
Effect of experience adjustments	<u>(46)</u>	<u>897</u>
Actuarial (gain)/loss on defined benefit pension scheme	<u><u>1,034</u></u>	<u><u>312</u></u>
(Gain)/loss recognised in the SOFA	<u><u>858</u></u>	<u><u>116</u></u>

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

13. Funds

	Unrestricted General £'000	Designated Research £'000	Restricted Restoration £'000	Total £'000
Total funds at 1 January 2023	6,670	9,416	82	16,168
Net income	2,944	-	-	2,944
Actuarial losses on APS pension	(312)	-	-	(312)
Foreign exchange gains	(64)	-	-	(64)
Designated Research	-	(1,307)	-	(1,307)
Total funds at 31 December 2023	9,238	8,109	82	17,429
Net income	(382)	-	-	(382)
Actuarial losses on APS pension	(1,034)	-	-	(1,034)
Foreign exchange gains	(23)	-	-	(23)
Designated Research	-	(1,942)	-	(1,942)
Total funds at 31 December 2024	7,799	6,167	82	14,048
<i>Memo</i>				
APS scheme (surplus)/deficit (note 12)	(7,407)	-	-	(7,407)
USS pension provision (note 12)	-	-	-	-
Total funds excluding pension scheme surplus	392	6,167	82	6,641

The unrestricted General Funds represent the cumulative total of past results generated by the Trust. The 1954 Act, as amended in 1983, stipulates that the Funds may be used solely to further the objects of the Trust.

The designated Research Fund exists to assist Ashridge to undertake research related to the roles of corporate headquarters and division levels in multi-business companies and to find ways of improving the strategic management process with the results of such research being disseminated to the public. The funds are intended for building research capability and capacity at Ashridge.

The restricted Restoration Fund represents house and garden tour receipts as well as donations received to maintain and restore the historic fabric of the estate.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2024 (continued)

14. Analysis of Net Assets Between Funds

	Unrestricted Funds £'000	Designated Research Fund £'000	Restricted Restoration Fund £'000	Total £'000
<u>Total Funds at 31 December 2024:</u>				
Group				
Net Current Assets	5,857	8,109	82	14,048
Designated Research	1,942	(1,942)	-	-
Total	7,799	6,167	82	14,048
Trust				
Net Current Assets	5,857	8,109	82	14,048
Designated Research	1,942	(1,942)	-	-
Total	7,799	6,167	82	14,048
	Unrestricted Funds £'000	Designated Research Fund £'000	Restricted Restoration Fund £'000	Total £'000
<u>Total Funds at 31 December 2023:</u>				
Group				
Net Current Assets	9	9,416	82	9,507
Pension Deficit - APS	7,922	-	-	7,922
Pension Provision - USS	-	-	-	-
Designated Research	1,307	(1,307)	-	-
Total	9,238	8,109	82	17,429
Trust				
Net Current Assets	9	9,416	82	9,507
Pension Asset - APS	7,922	-	-	7,922
Pension Provision - USS	-	-	-	-
Designated Research	1,307	(1,307)	-	-
Total	9,238	8,109	82	17,429

15. Donations

Donations of £nil (2023: £nil) were received.

16. Related Parties

Details of the balances outstanding with subsidiaries owned during the year are as follows:

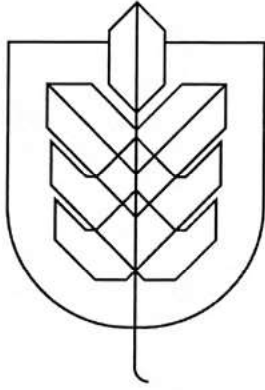
	2024 £'000	2023 £'000
<u>Debtors</u>		
Ashridge Educational Services Limited	1,088	1,295

Ashridge Educational Services Limited donated its profits of £964k to the Trust (2023: £1,120k).

THE ASHRIDGE (BONAR LAW MEMORIAL) TRUST

England & Wales - Charity number 311096

Accounts



ASHRIDGE (BONAR LAW MEMORIAL) TRUST

ANNUAL REPORT FOR THE YEAR ENDED

31 December 2023

Charity Registration Number: 311096

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

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ASHRIDGE (BONAR LAW MEMORIAL) TRUST

LEGAL AND ADMINISTRATIVE DETAILS

Trustees

The governance of Ashridge (Bonar Law Memorial) Trust is managed by Ashridge CT Limited, a Corporate Trustee.

Ashridge CT Limited directors	Mr Ulf Sandberg - Resigned on 17 th of April 2023 Mr Ajay Gundecha - Resigned on 19 th of December 2023 Mr Jeffrey Allen Mr Reine Beltzer – Appointed on 17 th of April 2023 Mr Ravindra Goonesena – Appointed on 17 th of April 2023
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Charity number	311096
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Registered office	Ashridge Berkhamsted Hertfordshire HP4 1NS
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Actuary	Mercer Tower Place West Tower Place London EC3R 5BU
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Independent auditors	Knox Cropper LLP 65 Leadenhall Street London EC3A 2AD
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Bankers	Lloyds Banking Group plc Progression Centre 42 Mark Road Hemel Hempstead Hertfordshire HP2 7DW
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ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2023

The Corporate Trustee is pleased to present the audited annual report together with the consolidated financial statements of Ashridge (Bonar Law Memorial) Trust (the Trust) for the year ended 31 December 2023.

The Corporate Trustee's report and the financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities 2019', Financial Reporting Standards 102 and Charities Act 2022. Office for Students regulations have also been complied with since registering during May 2021.

The aims of Ashridge

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014 (the Act).

The principal activities of the Trust are defined by the Act:

- Provide education at Ashridge
- Undertake research and disseminate the results to the public
- Establish and continue similar institutions overseas

These activities are undertaken by the Trust using the name of Ashridge. The Trust also had a wholly owned subsidiary during the year - see notes 3 and 8 of the financial statements for details. The trading subsidiary undertook specialist activities closely related to management education, more specifically the provision of executive and organisation education to corporate clients.

In 2015, Ashridge entered into a Strategic Alliance with Hult International Business School. This alliance has enabled the institutions to leverage the expertise of Hult in degree programs and that of Ashridge in executive education, which in turn has made both institutions more sustainable and robust. In 2023, Ashridge promoted its programs under the brand Hult Ashridge.

The Corporate Trustee referred to the guidance contained in the Charity Commission's publications on public benefit when reviewing aims and objectives. They then considered how to maximise the contribution of planned activities to those aims and objectives as follows:

Provision of education

As a leading centre for management and organisation learning, the Ashridge vision is to make a substantial contribution to the development of managers, their organisations and society at large.

The activities undertaken to assist this development deliver public benefit in a variety of ways. Ashridge's clients include organisations in the public sector, corporate entities, and individual private students in pursuit of a UK degree.

Research

The purpose of research at Ashridge is to make a wider intellectual contribution to business practices overall, and a deeper contribution to certain academic and professional fields, as well as to continuously improve education for students and executives. Co-creating knowledge with leaders, managers and policymakers in private, public, and volunteer organizations is a hallmark of this strategy. So is the aspiration to catalyse innovation and be a partner in life-long learning. Ashridge has its roots in management practice, applied scholarship and social responsibility, and the research is designed to leverage these roots and its vast network of connections with private, public and volunteer organizations. The public benefits from Ashridge research as it is widely distributed and freely available.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2023 (continued)

Establishment of similar institutions overseas

Ashridge delivers a proportion of its services outside the UK through its corporate clients. Some contracted faculty are based abroad.

Achievements and performance

In performing its activities Ashridge has run educational programs for 1,119 students with 256 students graduating during the calendar year 2023.

In addition, research at Ashridge has contributed to the academic debate through publishing 49 books, articles, reports and conference papers during 2023.

Financial review

The result for the year ended 31 December 2023 was a net surplus of £1.6 m (2022: loss of £2.4m) for Ashridge (Bonar Law Memorial) Trust. This change is mainly driven by the savings following the end of the contribution plan for the USS Pension Scheme deficit, as well the increased investment in research.

The net movement in funds was £1,260k and the total reserves of the Trust on 31 December 2023 were £17.4m (2022: £16.2m). The total reserves include a designated Research Fund of £8.1m (2022: £9.4m), a restricted Restoration Fund £81k (2022: £81k) and unrestricted free reserves of £9.2m (2022: £6.7m).

During the year, the Trust has used £1,307k of the designated research fund in line with the funds intended purpose.

Principal risks and uncertainties

The Corporate Trustee has examined the major risks that the Trust faces and has documented these in a risk register, which is updated on a periodic basis. The Trust has developed systems to monitor and control these risks to mitigate any impact that they may have on the Trust in the future.

Ashridge received an Ofsted monitoring visit in March 2023 for its apprenticeship programmes. The inspection report concluded that reasonable progress had been achieved, which enabled Ashridge to respond to key RFPs and be more attractive to new clients and participants. The next full inspection is planned to happen between April 2024 and March 2025.

While preparing for the next OFSTED inspection, there has also been a focus in 2023 to improving the overall compliance of the apprenticeship department: a dedicated compliance team was put in place, a new specialized system was implemented and a thorough review of the apprentices' onboarding and support processes was performed. As part of this review, inaccuracies were identified in historical funding submissions to the ESFA, which creates a risk of clawback of part of the funding received / to be received. The Trust actively reached out to the ESFA to let them know about these inaccuracies and is in discussion with their team about the regularization of its position. A provision of £163,500 has been accounted in the 2023 accounts to reflect this risk. In the meantime, Ashridge continues to invest in its programmes to continuously improve its Apprenticeship provision and its compliance.

In regards to the other qualification degrees provided by The Trust, there is a risk of collection delays from tuition of independent students. Collections are being monitored closely and graduation will only take place once all fees are settled.

The conflict between Russia and Ukraine is considered to be a potential risk since February 2022, this is being monitored closely but so far has not had an impact on the Trust.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2023 (continued)

Plans for future periods

Profitability for future periods is due to improve further due to the growth in apprenticeship and degree programmes.

Going concern

The Trust has an excellent liquidity position at 31 December 2023 with £8.7m cash available. Consequently, the Trustee has continued to prepare the financial statements on a going concern basis.

Strategic objectives

Ashridge has identified the following strategic aspirations in relation to its core objects, to be:

- Being known as the place that knows about coaching
- Leading specialist in strategic organisational change and development
- Compact, differentiated, highly regarded apprenticeships and qualifications portfolio that makes an impact that matters
- Having a faculty noted for practical yet rigorous research that is widely available

Ashridge is one of few business schools worldwide to achieve the 'triple crown' of accreditation from the Association to Advance Collegiate Schools of Business (AACSB), the European Quality Improvement System (EQUIS) and the Association of MBAs (AMBA) and the objective is to retain these accreditations going forward.

Governance

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014, and is governed by this act.

Ashridge CT Limited acts as the governing body of the Trust through its own board of directors which meets regularly.

The day-to-day management of Ashridge is undertaken by the President who is appointed by Ashridge CT Ltd. The President has delegated authority for finance, employment, and other operational matters.

Related parties

None of the directors of Ashridge CT Limited nor any persons connected with them, had at any time had any beneficial interest in dealings with the Trust and received no remuneration from the Trust.

Ashridge has subsidiaries and other related parties during the year ended 31 December 2023 as per below:

Ashridge CT Limited

Ashridge CT Limited was incorporated in 2015 and appointed as Corporate Trustee of the Trust with the objective to comply with the Act. The directors of Ashridge CT Limited are independent of the Trust in order to ensure there are no conflicts of interest.

Ashridge Historical Trust

The member of Ashridge CT Limited is the Ashridge Historical Trust. The trustees of the Ashridge Historical Trust are independent of the Trust and Ashridge CT Limited in order to ensure there are no conflicts of interest.

Ashridge Educational Services Ltd

Ashridge Educational Services Ltd is controlled through share ownership by the Trust and was incorporated on 16 December 2019.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2023 (continued)

The Ashridge Pension Scheme

The Ashridge Pension Scheme is a post-employment benefit plan for the benefit of employees of the Trust. Until 2002 the Trust offered final salary pension entitlement to all Ashridge staff through membership of the Ashridge Pension Scheme.

Pay policy for senior staff

The pay of the senior staff is reviewed annually. In view of the nature of the charity salaries are benchmarked against pay levels in other comparable educational institutions.

Key management personnel

President	Dr Matt Lilley
Chief Finance Officer	Ms Emilie McCarthy (to 19/12/23) Mr Joakim Banestig (from 19/12/23)
Chief Operating Officer	Mr Mark Coleman
Dean of Faculty	Dr Dina Dommett
Senior Director of Research	Ms Nadine Page

Disclosure of information to Auditors

The Corporate Trustee confirms that:

- there is no relevant audit information of which the Trust's auditors are unaware; and
- it has taken all the steps that ought to be taken in order to make himself/herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The report of the Corporate Trustee was approved by the board of directors of Ashridge CT Limited and signed on their behalf by:



Mr Ravindra Goonesena
Director

Ashridge CT Limited

28 May
25 April 2024

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control for the year ended 31 December 2023

This Statement of Corporate Governance and Internal Control covers the period for the year ended 31 December 2023 and up to the date of approval of the financial statements.

Governance

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014, and is governed by this act.

Ashridge CT Limited acts as the governing body of the Trust through its own board of directors. Appointment to the board are matters for consideration by the board of directors as a whole and are based on the expertise and skills brought by the individuals involved. The directors receive further training in trustee meetings as required. No induction training was required as there were no new directors during the year.

The members of the board of directors are listed within Legal and Administrative Details. The constitution of the board ensures that no individual dominates the decision-making process and that it can exercise its responsibilities free from management.

The boards regulatory and stewardship responsibilities centre on its role as the ultimate legal authority and for safeguarding the Trust's assets, its financial sustainability, and receiving assurance that its systems comply with the legal and regulatory obligations, including as a Charity, the Office for Students and OFSTED.

The board of directors schedule to meet a few times a year. Formal agenda, papers and reports are supplied to the board in a timely manner prior to the board meetings. Briefings are also provided on an ad-hoc basis. Reports include overall financial performance of the Trust together with other relevant information such as performance against targets. The board review and approve the financial statements and receive and consider reports from regulators such as OFSTED and Office for Students, and monitors adherence with the regulatory requirements.

Minutes of board meetings are recorded and approved at the following meeting.

The day-to-day management of Ashridge is undertaken by the President who is appointed by Ashridge CT Limited. The President has delegated authority for finance, employment, and other operational matters.

Corporate Trustee's responsibilities

The Corporate Trustee is responsible for the preparation of annual financial statements that provide a true and fair view of the state of affairs of Ashridge as at the end of the financial year and of the financial activities during the year.

In preparing the financial statements the Corporate Trustee is required to:

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

The Corporate Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy of the financial position of Ashridge at any time and to ensure that the financial statements comply with relevant statutes.

It is also responsible for safeguarding the assets of Ashridge taking reasonable steps to prevention and detection of fraud and other irregularities.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control (continued)

Internal Control

The Corporate Trustee is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives through corruption, fraud, bribery and other irregularities. It can therefore only provide reasonable, but not absolute, assurance against material misstatement or loss.

The system of internal control is based on a continuous process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively, and economically. This process accords with the Office for Students guidance.

The system uses a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. It includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the board of directors
- Regular reviews by the board of directors of periodic and annual financial reports which indicate financial performance against forecast
- Setting targets to measure financial and operational performance

The Trust's internal control system is supported by a number of policies. These include a Risk Register, an Anti-Bribery and Corruption Policy, a Modern Slavery Act statement, comprehensive internal financial policies and regulations which detail financial controls and procedures.

The Corporate Trustee has the responsibility for reviewing the effectiveness of the system of internal control and ensuring that there is a sound approach to confirm that this framework is adopted and embedded consistently and effectively across each activity.

The review of effectiveness of the system is informed by:

- The work of external auditors;
- The work of senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework;
- Comments made by the organisation's financial statements and regulatory inspections in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The board of directors has delegated its day-to-day responsibility to the President, as Accounting Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the board any material weaknesses or breakdowns in internal control. The day-to-day responsibility for risk management and monitoring is assigned to the Chief Finance Officer and Chief Operating Officer.

The Trust has considered its responsibility to notify the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with Education Skills Funding Agency terms and conditions of funding.

The board of directors and the Accounting Officer confirm that after due enquiry and to the best of their knowledge, it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisations financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date, if any instances are identified after the date of this statement these will be notified to the Education and Skills Funding Agency.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control (continued)

Approved by the Corporate Trustee and the President and signed on their behalf by:



Mr Ravindra Goonesena

Director

Ashridge CT Limited

28 May

25-Apr 2024

Matthew Lilley

Mr Matt Lilley

President

Ashridge (Bonar Law Memorial) Trust

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE OF ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Opinion

We have audited the financial statements of Ashridge (Bonar Law Memorial) Trust ("the Parent Charity") and its subsidiary ("the Group") for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2023 and of the Group's incoming resources and application of resources 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 Charities Act 2011.
- where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- meet the requirements of the Office for Student's Accounts Direction.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction requires us to report to you if, in our opinion:

- the Group's grant and fee income, as disclosed in note 4 to these Financial Statements has been materially misstated.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements 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 related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Corporate Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Report of the Corporate Trustee; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the Corporate Trustee's responsibilities statement, the Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the Group's and the Parent Charity'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 Corporate Trustee either intends to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act[s] and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Group and the Parent Charity are required to comply with charity law and certain conditions of OfS registration including compliance with the OFS' latest Accounts Direction and, based on our knowledge of their activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

- We gained an understanding of how the Group and Parent Charity complied with their legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the Group and Parent Charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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

Use of our report

This report is made solely to the Charity's Corporate Trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

29 May 2024

Knox Cropper LLP

Knox Cropper LLP, Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD

Knox Cropper LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Consolidated Statement of Financial Activities for the year ended 31 December 2023

	Note	Unrestricted Funds £'000	Designated Funds £'000	2023 Total Funds £'000	2022 Total & Unrestricted Funds £'000
Income:					
<i>Income from charitable activities:</i>					
Fees from educational programmes		4,076	-	4,076	4,325
<i>Income from other trading activities:</i>					
Commercial trading operations		8,479	-	8,479	7,253
Investment income		243	-	243	-
Total income		12,798	-	12,798	11,578
Expenditure:					
Expenditure on charitable activities	5	(2,489)	(1,307)	(3,796)	(7,290)
<i>Of which Pension Scheme Expenditure</i>	13	3,066	-	3,066	(1,638)
Expenditure on other trading activities	5	(7,366)	-	(7,366)	(6,665)
Total expenditure		(9,855)	(1,307)	(11,162)	(13,955)
Net income	2	2,943	(1,307)	1,636	(2,377)
<i>Other recognised gains/(losses):</i>					
Actuarial gains/(losses) on APS pension	14	(312)	-	(312)	(6,374)
Foreign exchange gains/(losses)		(64)	-	(64)	142
Net movement in funds		2,567	(1,307)	1,260	(8,609)

There was no restricted income, expenditure or other movements in funds in the two financial periods.

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
<i>Reconciliation of funds:</i>				
Total funds at 1 January 2022	14,695	10,000	81	24,776
Net movement in funds	(8,025)	(584)	-	(8,609)
Total funds at 31 December 2022	6,670	9,416	81	16,167
Net movement in funds	2,567	(1,307)	-	1,260
Total funds at 31 December 2023	9,237	8,109	81	17,427

All income and expenditure has arisen from continuing activities.

The notes on pages 17 to 30 form part of these financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Balance Sheets as at 31 December 2023**

	Note	Group		Trust	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets:					
Investments in subsidiaries	8	-	-	-	-
Total fixed assets		-	-	-	-
Current assets:					
Debtors	9	6,399	4,877	6,011	4,624
Cash at bank and in hand		8,737	10,320	8,737	10,320
Total current assets		15,136	15,197	14,748	14,944
Creditors: amounts falling due within one year	10,11	(5,631)	(3,818)	(5,243)	(3,565)
Net current assets		9,505	11,379	9,505	11,379
Total assets less current liabilities		9,505	11,379	9,505	11,379
USS defined benefit pension scheme provision	12	-	(2,870)	-	(2,870)
APS defined benefit pension scheme asset	13	7,922	7,658	7,922	7,658
Net assets		17,427	16,167	17,427	16,167
The funds of the charity:					
Unrestricted funds	General	9,237	6,670	9,237	6,670
Designated funds	Research	8,109	9,416	8,109	9,416
Restricted funds	Restoration	81	81	81	81
Total charity funds	14	17,427	16,167	17,427	16,167

The notes on pages 17 to 30 form part of these financial statements.

The financial statements were approved by the corporate trustee, Ashridge CT Limited, and the President on 25 April 2024, and signed on their behalf by:



Mr Ravindra GOONESENA
Director
Ashridge CT Limited



Mr Matt Lilley
President
Ashridge (Bonar Law Memorial) Trust

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Consolidated Statement of Cash Flows for the year ended 31 December 2023

	Note	2023 £'000	2022 £'000
<u>Cash flows from operating activities:</u>			
Net cash provided by (used in) operating activities	A	(1,826)	(1,317)
<u>Cash flows from investing activities:</u>			
Investment income received in year		243	-
Net cash provided by (used in) from investing activities		243	-
Change in cash in the reporting period		(1,583)	(1,317)
Cash at the beginning of the reporting period		10,320	11,637
Cash at the end of the reporting period	B	8,737	10,320

Note A: Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net incoming resources from educational and related activities		1,636	(2,377)
Adjustments for:			
Investment income received in year		(243)	-
Decrease in debtors		(1,522)	418
Increase/(decrease) in creditors		1,813	(138)
Additional pension contributions		(380)	(1,000)
Pension costs relating to defined benefit plans:	APS administration costs	195	377
	APS finance (gain)/cost	(391)	(248)
	Movement in USS	(2,870)	1,509
Foreign exchange gains		(64)	142
Net cash provided by (used in) operating activities		(1,826)	(1,317)

Note B: Analysis of cash and cash equivalents

	At 01/01/23 £'000	Cash Flow £'000	At 31/12/23 £'000
Cash at bank and in hand	10,320	(1,583)	8,737

The notes on pages 17 to 30 form part of these financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended
31 December 2023****1. Statement of Accounting Policies****Basis of accounting**

These financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (2019), Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), and the Charities Act 2011.

The Trust registered with the Office for Students in May 2021, and as a result are required to follow the latest Office for Students' Accounts Direction.

The Group financial statements incorporate a line by line consolidation of the financial statements of the Trust and its subsidiaries. There are uniform accounting policies across the Group. All intra-group transactions and balances between group entities are eliminated on consolidation.

Ashridge (Bonar Law Memorial) Trust, a public benefit entity, has taken advantage of the provision not to include its own Statement of Financial Activities and related notes in the consolidated financial statements.

These financial statements are presented in GBP Sterling which is also the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest thousand.

Going Concern

The Corporate Trustee, after making enquiries, has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the next 12 months and will continue to operate for the primary purpose of the Trust.

The main risks have been assessed by the Corporate Trustee, reviewing the Trust's ongoing forecasts and projections to ensure that the organisation remains financially viable. The board acknowledges the risk but does not consider it as significant going forward. The Trust has an excellent liquidity position at 31 December 2023 with £8.7 m cash available. The Corporate Trustee does not believe there are any material uncertainties relating to its ability to continue as a going concern and have therefore prepared the financial statements on that basis.

Income

Income represents revenue for programmes, consultancy, research and conference activities undertaken during the year. Revenue is recognised when the programme is delivered. Deferred income represents fees invoiced in advance.

Donations

Donations are credited to revenue on a receivable basis.

Expenditure

Costs relating to the provision of core education, research and consulting services are included within the Statement of Financial Activities.

Expenditure charged against Restricted Funds falls within the purposes outlined in note 14. All other expenses are borne out of the Unrestricted Fund. Costs are allocated to specific departments on a project basis as necessary.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

1. Statement of Accounting Policies (continued)**Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Gains and losses are recognised in the Statement of Financial Activities

Financial instruments

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. The impairment loss is recognised in the profit or loss.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

The Ashridge Pension Scheme is a historical single-employer defined benefit scheme. Recognised in the Balance Sheet is the value of the scheme's assets less the present value of the scheme's liabilities. The pension cost for the scheme is analysed between current service cost, past service cost and net return on pension scheme assets. Current service cost is the actuarially calculated present value of the benefits earned by the active employees in each period. Past service costs, relating to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits, are recognised in the Statement of Financial Activities on a straight line basis over the period in which the increase in benefits vest. The net expected return on the pension assets comprises the expected return on the pension scheme assets less interest on scheme liabilities. The actuarial gains and losses which arise from updating the latest actuarial valuation to reflect conditions at the balance sheet date are shown in the Statement of Financial Activities.

The Trust participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Trust is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Trust accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Where the Trust has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund a scheme deficit, the Trust recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Financial Activities.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Corporate Trustee is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under any recovery plan in existence at the balance sheet date.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

1. Statement of Accounting Policies (continued)**Taxation**

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Judgements and key sources of estimation uncertainty

In the application on the group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(i) Treatment of the USS pension scheme

A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (the recovery plan). The Trust is satisfied that USS meets the definition of a multi-employer scheme. The latest actuarial valuation of the USS dated 20 December 2023 has shown the scheme was in surplus as at 31 March 2023, which means a deficit recovery plan is not required and the provision under the previous recovery plan can be released.

In 2022, the Trust had applied an accounting model developed by the British Universities Finance Director's Group (BUFDG) in conjunction with the USS to determine the appropriate values for the USS pension recovery plan. The use of this model enabled the Trust to reduce the level of uncertainty regarding the amount of the liability and is a model which is used by Universities across the board.

(ii) Impairment of debtors

The Trust makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment, management considers factors including the ageing profile of debtors and historical experience.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

2. Consolidated Group Income and Expenditure Account

The principal differences between the Income and Expenditure Account below and the Statement of Financial Activities are the classification of the income and expenditure together with the exclusion of unrealised gains and losses. The figures below reflect only movement of the unrestricted funds.

In the course of normal business, some costs are not directly attributable. These costs are apportioned based on the most relevant factor.

	2023 £'000	2022 £'000
Income		
Qualification programmes	4,076	4,325
Custom and consulting	8,479	7,253
Investment income	243	-
	12,798	11,578
Expenditure		
Staff costs, including pension	(5,912)	(6,053)
Associates and agency staff	(6,113)	(4,715)
Other direct costs	(351)	(165)
Marketing and business development	(198)	(240)
Property and other overhead costs	(347)	(560)
APS pension administration and finance	196	(129)
USS pension provision movement	2,870	(1,509)
	(9,855)	(13,371)
Net income per Statement of Financial Activities	2,943	(1,793)

3. Net Income from Trading Subsidiary

The Trust had one wholly owned trading subsidiary (note 8) which was incorporated in the UK and donated its trading profits to the Trust subject to Gift Aid.

	AES Ltd	
	2023 £'000	2022 £'000
Income from commercial trading operations	8,479	7,253
Investment Income	18	-
Expenditure	(7,366)	(6,665)
Foreign Exchange Gains	(11)	21
Surplus	1,120	609
Donation subject to gift aid	(1,120)	(609)
Profit on ordinary activities	-	-

All transactions between Ashridge and its subsidiary are conducted on an arm's length basis.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

4. Details of grant and fee income

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Grant income from other funding bodies	2,136	2,720	2,136	2,720
Fee income for taught awards	1,715	1,605	1,715	1,605
Total grant and fee income	3,851	4,325	3,851	4,325

5. Analysis of Total Resources Expended

Expenditure includes:

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Impairment of trade receivables	122	61	122	61
Fees payable to Group auditors - audit services	22	21	22	21
Fees payable to Group auditors - non audit services	1	1	1	1
	145	83	145	83

	Direct costs £'000	Support costs £'000	Support cost recharges £'000	Total 2023 £'000	Total 2022 £'000
Expenditure on charitable activities					
Qualification & Apprenticeships Programmes	1,452	2,367	(262)	3,557	2,834
Faculty	1	3,228	(2,097)	1,132	1,159
Research	-	1,307	-	1,307	584
Overheads & Facilities	16	1,112	(262)	866	1,076
APS & USS Pension P&L charge	-	(3,066)	-	(3,066)	1,637
	1,469	4,948	(2,621)	3,796	7,290
Expenditure on other trading activities					
Custom & Open Programmes	4,745	-	-	4,745	3,644
Teaching costs	-	-	2,621	2,621	3,000
Overheads	-	-	-	-	21
	4,745	-	2,621	7,366	6,665

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

6. Staff Costs (Group and Trust)

Salaries, wages and related payroll costs, including subsidiary undertakings, amounted to:

	2023	2022
	£'000	£'000
Salaries and wages	4,838	5,103
Social security costs	526	576
Pension costs	796	786
Termination payments	19	2
Defined benefit scheme administration costs	195	377
	6,374	6,844

The Group has given regard to the 'Guidance on decisions taken about severance payments in HEI's' published by the Committee of University Chairs when determining severance pay. Compensation for loss of office has been paid to one member of staff during the year ended 31 December 2023 amounting to £19 (2022: £2k).

The majority of staff were employed by the Trust on behalf of the Group. For the year ended 31 December 2023 the average number of staff employed by the Trust was 58 (2022: 64).

Ashridge CT Limited, the corporate trustee, received no remuneration for its service to the Trust (2022: nil) and was reimbursed travel expenses of £nil during the year (2022: £nil).

The remuneration (salary including staff benefits and termination payments but excluding pension contributions) paid to high paid members of staff falls into the following bands:

	2023	2022
£60,001 - £70,000	2	2
£70,001 - £80,000	1	3
£80,001 - £90,000	1	2
£90,001 - £100,000	4	3
£100,001 - £110,000	7	5
£110,001 - £120,000	1	5
£120,001 - £130,000	3	4
£130,001 - £140,000	5	1
£140,001 - £150,000	2	4
£160,001 - £170,000	1	-
£210,001 - £220,000	1	1
	28	30

Ashridge has given regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs when determining senior staff remuneration.

The number of senior staff expressed on a full-time equivalent basis who received basic annual salaries in the following ranges at 31 December 2023 were:

Basic salary per annum	Number of staff (2023)	Number of staff (2022)
£100,000 - £104,999	5	2
£105,000 - £109,999	-	1
£110,000 - £114,999	3	2
£115,000 - £119,999	2	4
£120,000 - £124,999	-	1
£125,000 - £129,999	-	-
£130,000 - £134,999	-	1
£145,000 - £149,999	1	-
£155,000 - £159,999	-	1
£200,000 - £204,999	-	1
£205,000 - £209,999	1	-
	12	13

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

The President Matt Lilley's total annual remuneration was £203,000 for the 12 months of his employment during the year. This represents the total annual remuneration paid by Ashridge (Bonar Law Memorial) Trust and Hult International Business School Ltd for his role as President for these Office for Students registered providers. Ashridge (Bonar Law Memorial) Trust was responsible for funding £103,000 for the year ended 31 December 2023. Hult International Business School Ltd was responsible for funding £100,000.

- From Ashridge (Bonar Law Memorial) Trust:
 - Base salary of £103,000.
 - No payments have been paid in lieu of pension contributions.
 - No payments of dividends have been made.
 - No Performance-related pay and other bonuses have been awarded.
 - No payment made by the provider in pension contributions on behalf of the head of provider during the year.
 - No payment made by the provider in pension contributions as part of National Insurance savings.
 - No other type of benefits and remuneration have been paid to the head provider.
 - Ashridge (Bonar Law Memorial) Trust provided private healthcare benefit to the President for a value of £450.
- From Hult International Business School Ltd:
 - Base salary of £100,000.
 - A total amount of £0 has been paid by the provider in pension contributions on behalf of the head of provider during the year.
 - No payments of dividends have been made.
 - No Performance-related pay and other bonuses have been awarded.
 - No payment made by the provider in pension contributions on behalf of the head of provider during the year.
 - No payment made by the provider in pension contributions as part of National Insurance savings
 - No other type of benefits and remuneration have been paid to the head provider.
 - Hult International Business School Ltd does not provide to the President private healthcare benefit

The appointed presidents voluntarily withdrew from the Ashridge USS pension scheme on the date of their appointment, no payments have been paid in lieu of pension contributions. Ashridge provides to the President private healthcare benefits that flow from being an employee of Ashridge and which is available to all employees.

The Presidents salary is set by Ashridge CT Limited, the Corporate Trustee.

Process for judging performance

The President has an annual performance review meeting with the Ashridge CT Limited board of directors to review and assess performance against objectives and to discuss objectives for the next year.

Approach and justification to the Presidents remuneration

The Presidents salary is reviewed annually and reflects the following:

- Market rate by size and complexity of institution
- The scale and complexity of the job
- Comparisons with benchmarks
- Performance as measured against objectives set by the board of directors

Pay multiple

The relationship between the Presidents Ashridge remuneration and that for all other staff employed by Ashridge, expressed as a pay multiple is as follows:

- The head of the provider's basic salary is 4.61 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- The head of the provider's total remuneration is 4.28 times the median total remuneration of staff.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

The pay multiple represents the President's pay divided by the median pay for all other staff at the trust, on a full-time equivalent basis. The median pay for all other staff is calculated using pay data for all staff who are required to be included in Real Time Information (RTI) reporting to HMRC. All other staff is capturing staff employed by the Trust.

7. Remuneration of key management personnel

Staff costs includes remuneration provided to key management personnel as follows:

	2023 £'000	2022 £'000
Salaries and wages	578	747
Social security costs	74	98
Pension costs	35	51
	<u>687</u>	<u>896</u>

8. Investments in Subsidiaries

The following company, which is registered in England, was a wholly owned subsidiary of the Trust during the year:

Company	Share Capital	Holding
Ashridge Educational Services Ltd	100 £1 ordinary shares	100%
Company number: 12363817		
Registered address: Ashridge, Berkhamsted, Hertfordshire, HP41NS		

9. Debtors

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade debtors	3,829	1,779	2,145	1,406
Amounts due from group undertakings	-	-	1,295	120
Other debtors	376	198	377	198
Prepayments and accrued income	319	400	319	400
Other financial instruments	1,875	2,500	1,875	2,500
	<u>6,399</u>	<u>4,877</u>	<u>6,011</u>	<u>4,624</u>

Trade debtors are stated after provisions for impairment - Group: £122k (2022: £61k), Trust £122k (2022: £61k).

10. Creditors: amounts falling due within one year

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	1,406	396	1,018	143
Amounts owed to group undertakings	-	-	-	-
Payments received on account for contracts	75	59	75	59
Taxation and social security	636	579	636	579
Other creditors	-	1	-	1
Provision for funding clawback	164	-	164	-
Accruals and deferred income	3,350	2,783	3,350	2,783
	<u>5,631</u>	<u>3,818</u>	<u>5,243</u>	<u>3,565</u>

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

11. Deferred Revenue Movement

	Group		Trust	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Opening balance	2,254	2,233	2,254	2,233
Amounts released from prior year	(873)	(876)	(873)	(876)
Income deferred in current year	1,412	897	1,412	897
	2,793	2,254	2,793	2,254

12. Provisions for liabilities - Group and Trust

Obligation to fund deficit on USS Pension:

	£'000
At 1 January 2023	2,870
Change in expected contributions	<u>(2,870)</u>
At 31 December 2023	<u>-</u>

The change in expected contributions arose as the USS Pension scheme is now in a surplus, hence no provision for future contribution to the deficit is needed, based on the scheme's on the latest valuation - see note 13.

13. Pension Commitments

(i) Universities Superannuation Scheme (USS)

Ashridge is a member of the Universities Superannuation Scheme (USS), a national defined benefits scheme for university academic and academic-related staff.

Pension benefits for 51 members of staff at 31 December 2023 (2022: 55) are provided under the USS.

Amounts recognised in the Balance Sheet:

	2023 £'000	2022 £'000
USS Provision	-	<u>2,870</u>

The Actuarial valuation of the USS scheme as at 31 March 2023 was published on 20 December 2023. The valuation showed that the scheme is in surplus and so no deficit recovery plan is required. Therefore the provision under the previous recovery plan has been released.

Since the Trust cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those assets and liabilities as a whole:

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

(i) Universities Superannuation Scheme (USS) (continued)

	31 March 2023 £ billions	31 March 2020 £ billions
Scheme assets	73.1	66.5
Total scheme liabilities	(65.7)	(80.6)
FRS 102 total scheme surplus /(deficit)	7.4	(14.1)
FRS 102 total funding level	111%	83%

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles, which can be found on the USS's website

Pension increases (CPI)	Set consistently with market-based pricing for the relevant minimums and maximums	
Discount Rate (forward rates)	Pensioners	4.3% pa
	Non-pensioners	3.4% pa

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality - base table	<p><u>Males:</u> 103% of S2PMA_L .</p> <p><u>Females:</u> 97% of S3PFA.</p>
Mortality - future improvements	CMI_2021 with a smoothing parameter of 7.5. Additionally it has an initial addition of 0.4% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	31 December 2023
Males currently aged 65 (years)	22.7
Females currently aged 65 (years)	24.8
Males currently aged 45 (years)	22.9
Females currently aged 45 (years)	25.4

Key assumptions used are:

	2023	2022
Discount rate	4.80%	5.05%
RPI inflation rate	3.05%	3.15%
CPI inflation rate	2.70%	2.75%

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

13. Pension Commitments

(ii) Ashridge Pension Scheme (APS)

The Ashridge Pension Scheme is a funded defined benefit pension scheme, with the assets held in a separate trustee administered funds. It was open to full and part-time employees together with those subject to fixed term contracts until May 2002. With effect from January 2004 an accrual for future service for Senior Staff was transferred to the USS although General Staff at that time continued to accrue future service within the APS. Accrual for future service for the great majority of those remaining transferred to USS at the end of 2008. The final active member retired in 2012. Ashridge Pension Scheme is closed to new members.

Costs relating to APS are assessed in accordance with the advice of an independent qualified actuary, from Mercer, using the Projected Unit Method.

The most recent Scheme Funding Report of the Actuarial Valuation for the Ashridge Pension Scheme was undertaken as at 31 December 2022. At the date of the valuation, the value of the scheme's assets were 80.7 million, which represented 102% of the actuarial value of the benefits that had accrued to members.

The most recent FRS 102 Actuarial Valuation Report for Ashridge Pension Scheme was undertaken as at 31 December 2023.

Principal actuarial assumptions

The financial assumptions used to calculate scheme liabilities are:

	2023	2022
Discount rate for scheme liabilities	4.80%	5.05%
Pensions in payment increase rate	2.65%	2.65%
Price inflation rate: CPI	2.70%	2.75%
Assumed life expectancy on retirement at age 65:		
Retiring today (male member age 65)	22.7	23.3
Retiring in 20 years (male member age 45 today)	22.9	24.1
Retiring today (female member age 65)	24.8	25.2
Retiring in 20 years (female member age 45 today)	25.4	26.3

Contributions paid to the Scheme by the Trust in relation to past service were £380k (2022: £1 million). Contributions being paid by the Trust are in accordance with actuarial recommendation.

The Trust is committed to contribute £343k to Ashridge Pension Scheme in 2024.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

13. Pension Commitments

(ii) Ashridge Pension Scheme (APS) (continued)

Amounts recognised in the Balance Sheet:

	2023	2022
	£'000	£'000
Defined benefit obligations at 31 December 2023	(73,878)	(73,379)
Fair value of plan assets at 31 December 2023	81,800	81,037
Net pension obligations at 31 December 2023	7,922	7,658

Changes in the present value of defined benefit obligations

	2023	2022
	£'000	£'000
Defined benefit obligations at 31 December 2023	73,379	113,816
<u>Movement in the year:</u>		
Benefit payments from plan assets	(4,008)	(3,704)
Effect of changes in assumptions	6	(41,725)
Effect of experience adjustments	897	2,921
Interest on pension liabilities	3,604	2,071
Cost - gain on curtailments/changes	-	-
Defined benefit obligations at 31 December 2023	73,878	73,379

Changes in the fair value of plan assets

	2023	2022
	£'000	£'000
Fair value of plan assets at 31 December 2022	81,037	126,977
<u>Movement in the year:</u>		
Employer contributions	380	1,000
Benefit payments from plan assets	(4,008)	(3,704)
Administrative costs paid from plan assets	(195)	(377)
Return on plan assets	591	(45,178)
Interest on pension assets	3,995	2,319
Fair value of plan assets at 31 December 2023	81,800	81,037

Plan assets comprise:

	2023	2022
	£'000	£'000
Bonds / Fixed Income	40,037	27,527
Equity / Hedge Funds	35,730	37,177
Insured Annuities	3,260	3,435
Property	2,375	3,785
Cash	1,989	18,603
Derivatives	(2,824)	(9,490)
Others	1,233	0
	81,800	81,037

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

13. Pension Commitments

(iii) Ashridge Pension Scheme (APS) (continued)

Amount recognised in the Statement of Financial Activities

	2023 £'000	2022 £'000
Interest expense on pension liabilities	3,604	2,071
Interest income on pension assets	(3,995)	(2,319)
Administrative costs paid from plan assets	195	377
Gain on curtailments/changes	-	-
Pension charge/(income) for the year	(196)	129
Effect of changes in assumptions	6	(41,725)
Return on plan assets	(591)	45,178
Effect of experience adjustments	897	2,921
Actuarial (gain)/loss on defined benefit pension scheme	312	6,374
(Gain)/loss recognised in the SOFA	116	6,503

14. Funds

	Unrestricted General £'000	Designated Research £'000	Restricted Restoration £'000	Total £'000
Total funds at 1 January 2022	14,695	10,000	81	24,776
Net income	(1,793)	-	-	(1,793)
Actuarial losses on APS pension	(6,374)	-	-	(6,374)
Foreign exchange gains	142	-	-	142
Designated Research	-	(584)	-	(584)
Total funds at 31 December 2022	6,670	9,416	81	16,167
Net income	2,943	-	-	2,943
Actuarial losses on APS pension	(312)	-	-	(312)
Foreign exchange gains	(64)	-	-	(64)
Designated Research	-	(1,307)	-	(1,307)
Total funds at 31 December 2023	9,237	8,109	81	17,427
<i>Memo</i>				
APS scheme (surplus)/deficit (note 13)	(7,922)	-	-	(7,922)
USS pension provision (note 13)	-	-	-	-
Total funds excluding pension scheme surplus	1,315	8,109	81	9,505

The unrestricted General Funds represent the cumulative total of past results generated by the Trust. The 1954 Act, as amended in 1983, stipulates that the Funds may be used solely to further the objects of the Trust.

The designated Research Fund exists to assist Ashridge to undertake research related to the roles of corporate headquarters and division levels in multi-business companies and to find ways of improving the strategic management process with the results of such research being disseminated to the public. The funds are intended for building research capability and capacity at Ashridge.

The restricted Restoration Fund represents house and garden tour receipts as well as donations received to maintain and restore the historic fabric of the estate.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2023 (continued)

15. Analysis of Net Assets Between Funds

	Unrestricted Funds £'000	Designated Research Fund £'000	Restricted Restoration Fund £'000	Total £'000
Total Funds at 31 December 2023:				
Group				
Net Current Assets	8	9,416	81	9,505
Pension Deficit - APS	7,922	-	-	7,922
Pension Provision - USS	-	-	-	-
Designated Research	1,307	(1,307)	-	-
Total	9,237	8,109	81	17,427
Trust				
Net Current Assets	8	9,416	81	9,505
Pension Deficit - APS	7,922	-	-	7,922
Pension Provision - USS	-	-	-	-
Designated Research	1,307	(1,307)	-	-
Total	9,237	8,109	81	17,427
	Unrestricted Funds £'000	Designated Research Fund £'000	Restricted Restoration Fund £'000	Total £'000
Total Funds at 31 December 2022:				
Group				
Net Current Assets	1,298	10,000	81	11,379
Pension Deficit - APS	7,658	-	-	7,658
Pension Provision - USS	(2,870)	-	-	(2,870)
Designated Research	584	(584)	-	-
Total	6,670	9,416	81	16,167
Trust				
Net Current Assets	1,298	10,000	81	11,379
Pension Deficit - APS	7,658	-	-	7,658
Pension Provision - USS	(2,870)	-	-	(2,870)
Designated Research	584	(584)	-	-
Total	6,670	9,416	81	16,167

16. Donations

Donations of £nil (2022: £nil) were received.

17. Related Parties

Details of the balances outstanding with subsidiaries owned during the year are as follows:

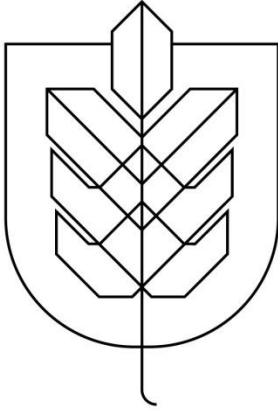
	2023 £'000	2022 £'000
<u>Debtors</u>		
Ashridge Educational Services Limited	1,295	120

Ashridge Educational Services Limited donated its profits of £1,120k to the Trust (2022: £609k).

THE ASHRIDGE (BONAR LAW MEMORIAL) TRUST

England & Wales - Charity number 311096

Accounts



ASHRIDGE (BONAR LAW MEMORIAL) TRUST

ANNUAL REPORT FOR THE YEAR ENDED

31 December 2022

Charity Registration Number: 311096

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

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ASHRIDGE (BONAR LAW MEMORIAL) TRUST**LEGAL AND ADMINISTRATIVE DETAILS****Trustees**

The governance of Ashridge (Bonar Law Memorial) Trust is managed by Ashridge CT Limited, a Corporate Trustee.

Ashridge CT Limited directors

Mr Ulf Sandberg
Mr Ajay Gundecha
Mr Jeffrey Allen

Charity number

311096

Registered office

Ashridge
Berkhamsted
Hertfordshire
HP4 1NS

Actuary

Mercer
Tower Place West
Tower Place
London
EC3R 5BU

Independent auditors

Knox Cropper LLP
65 Leadenhall Street
London
EC3A 2AD

Bankers

Lloyds Banking Group plc
Progression Centre
42 Mark Road
Hemel Hempstead
Hertfordshire
HP2 7DW

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2022

The Corporate Trustee is pleased to present the audited annual report together with the consolidated financial statements of Ashridge (Bonar Law Memorial) Trust (the Trust) for the year ended 31 December 2022.

The Corporate Trustee's report and the financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities 2019', Financial Reporting Standards 102 and Charities Act 2011. Office for Students regulations have also been complied with since registering during May 2021.

The aims of Ashridge

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014 (the Act).

The principal activities of the Trust are defined by the Act:

- Provide education at Ashridge
- Undertake research and disseminate the results to the public
- Establish and continue similar institutions overseas

These activities are undertaken by the Trust using the name of Ashridge. The Trust also had a wholly owned subsidiary during the year - see notes 3 and 8 of the financial statements for details. The trading subsidiary undertook specialist activities closely related to management education as follows:

- Ashridge Educational Services Ltd provided executive and organisation education to corporate clients.

The Corporate Trustee referred to the guidance contained in the Charity Commission's publications on public benefit when reviewing aims and objectives. They then considered how to maximise the contribution of planned activities to those aims and objectives as follows:

Provision of education

As a leading centre for management and organisation learning, the Ashridge vision is to make a substantial contribution to the development of managers, their organisations and society at large.

The activities undertaken to assist this development deliver public benefit in a variety of ways. Ashridge's clients include organisations in the public sector, corporate entities, and individual private students in pursuit of a UK degree.

Research

The purpose of research at Ashridge is to make a wider intellectual contribution to business practices overall, and a deeper contribution to certain academic and professional fields, as well as to continuously improve education for students and executives. Co-creating knowledge with leaders, managers and policymakers in private, public, and volunteer organizations is a hallmark of this strategy. So is the aspiration to catalyse innovation and be a partner in life-long learning. Ashridge has its roots in management practice, applied scholarship and social responsibility, and the research is designed to leverage these roots and its vast network of connections with private, public and volunteer organizations. The public benefits from Ashridge research as it is widely distributed and freely available.

Establishment of similar institutions overseas

Ashridge delivers a proportion of its services outside the UK through its corporate clients. Some contracted faculty are based abroad.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2022 (continued)

Achievements and performance

In performing its activities Ashridge has run educational programs for more than 180 clients and 1127 students with 97 students graduating during the calendar year 2022.

In addition, research at Ashridge has contributed to the academic debate through publishing 118 books, articles, reports and conference papers during 2022.

Financial review

The result for the year ended 31 December 2022 was a net loss of £2.4 m (2021: income of £575k) for Ashridge (Bonar Law Memorial) Trust. This change is mainly driven by the updated deficit contribution plan for the USS Pension Scheme, and also the delay in enrolling new apprentices following OFSTED inspection in July 2022.

The net movement in funds was (£8,025k) which is driven by the updated actuarial assumptions for the Ashridge pension scheme. The total reserves of the Trust on 31 December 2022 was £16.2m (2021: £24.8m). The total reserves include a designated Research Fund £9.4m (2021: £10m), a restricted Restoration Fund £81k (2021: £81k) and unrestricted free reserves of £6.7m (2021: £14.7m).

During the year the trust has used £584k of the designated research fund in line with the funds intended purpose.

Principal risks and uncertainties

The Corporate Trustee has examined the major risks that the Trust faces and have documented these in a risk register, which is updated on a periodic basis. The Trust has developed systems to monitor and control these risks to mitigate any impact that they may have on the Trust in the future.

Ashridge received a full Ofsted inspection in July 2022 for its apprenticeship programmes. The inspection report was published in August 2022 and the outcome enables Ashridge to enrol new apprentices from September 2022. In response to feedback from the Ofsted inspection, Ashridge ran a small, controlled cohort in November 2022, to test the effectiveness of revised procedures and process before commencing with further intakes in 2023. Ashridge continues to invest in its programmes to continuously improve its Apprenticeship provision. Ashridge is due a further monitoring visit from Ofsted in 2023 to assess the progress Ashridge has made.

Most of the qualifications revenue relates to apprenticeships which is funded through the government's Education & Skills Funding Agency, as a government agency we deem the collection of this revenue to be low risk. The Trust may experience collection delays from tuition of independent students, collections are being monitored closely and graduation will only take place once all fees are settled.

The conflict between Russia and Ukraine is considered to be a potential risk since February 2022, this is being monitored closely but so far has not had an impact on the Trust.

The Corporate Trustee and executive team no longer perceive COVID-19 as a prominent risk. The operational disruption during 2021 was limited as education was maintained and carried out online, however it will continue to be monitored and UK Government advice will be followed.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2022 (continued)

Plans for future periods

Profitability for future periods is due to improve further due to the growth in apprenticeship and degree programmes.

The transition to a virtual learning environment during COVID-19 lockdowns has enabled the Trust to offer this as a flexible learning option to students and in March 2022 the Trust launched its first exclusively online programme for a new AMEC intake.

Investment in new limitless learning classrooms at the beginning of 2022 also enables our programmes to be taught onsite and virtually. This is increasingly popular for the existing apprenticeship students as it offers more flexibility.

Going concern

The effect of COVID-19 has been assessed by the Corporate Trustee, reviewing the Trust's ongoing forecasts and projections to ensure that the organisation remains financially viable. There are no material uncertainties that the Trust would not be able to meet its liabilities as they fall due for the foreseeable future.

The Trust has an excellent liquidity position at 31 December 2022 with £10.3m cash available. Consequently, the Trustee has continued to prepare the financial statements on a going concern basis.

Strategic objectives

Ashridge has identified the following strategic aspirations in relation to its core objects, to be:

- One of the top five global providers of customised executive education
- Being known as the place that knows about coaching
- Leading specialist in strategic organisational change and development
- Compact, differentiated, highly regarded qualifications portfolio
- All business streams integrated with facilitated learning over the web.
- Having a faculty noted for practical yet rigorous research that is widely available

Ashridge is one of few business schools worldwide to achieve the 'triple crown' of accreditation from the Association to Advance Collegiate Schools of Business (AACSB), the European Quality Improvement System (EQUIS) and the Association of MBAs (AMBA) and the objective is to retain these accreditations going forward.

Governance

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014, and is governed by this act.

Ashridge CT Limited acts as the governing body of the Trust through its own board of directors which meets regularly.

The day-to-day management of Ashridge is undertaken by the President who is appointed by Ashridge CT Ltd. The President has delegated authority for finance, employment, and other operational matters.

Related parties

None of the directors of Ashridge CT Limited nor any persons connected with them, had at any time had any beneficial interest in dealings with the Trust and received no remuneration from the Trust.

Ashridge has subsidiaries and other related parties during the year ended 31 December 2022 as per below:

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2022 (continued)

Ashridge CT Limited

Ashridge CT Limited was incorporated in 2015 and appointed as Corporate Trustee of the Trust with the objective to comply with the Act. The directors of Ashridge CT Limited are independent of the Trust in order to ensure there are no conflicts of interest.

Ashridge Historical Trust

The member of Ashridge CT Limited is the Ashridge Historical Trust. The trustees of the Ashridge Historical Trust are independent of the Trust and Ashridge CT Limited in order to ensure there are no conflicts of interest.

Ashridge Educational Services Ltd

Ashridge Educational Services Ltd is controlled through share ownership by the Trust and was incorporated on 16 December 2019.

The Ashridge Pension Scheme

The Ashridge Pension Scheme is a post-employment benefit plan for the benefit of employees of the Trust. Until 2002 the Trust offered final salary pension entitlement to all Ashridge staff through membership of the Ashridge Pension Scheme.

Pay policy for senior staff

The pay of the senior staff is reviewed annually. In view of the nature of the charity salaries are benchmarked against pay levels in other comparable educational institutions.

Key management personnel

President	Dr Matt Lilley
President (Resigned)	Dr Stephen Hodges
Chief Finance Officer	Mrs Emilie McCarthy
Chief Operating Officer	Mr Mark Coleman
Chief Academic Officer	Dr Johan Roos
Dean of Faculty	Dr Dina Dommett
Senior Director of Research	Miss Nadine Page

Disclosure of information to Auditors

The Corporate Trustee confirms that:

- there is no relevant audit information of which the Trust's auditors are unaware; and
- it has taken all the steps that ought to be taken in order to make himself/herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The report of the Corporate Trustee was approved by the board of directors of Ashridge CT Limited and signed on their behalf by:

Jeffrey P Allen

Mr Jeffrey Allen
Director
Ashridge CT Limited

17 April 2023

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control for the year ended 31 December 2022

This Statement of Corporate Governance and Internal Control covers the period for the year ended 31 December 2022 and up to the date of approval of the financial statements.

Governance

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014, and is governed by this act.

Ashridge CT Limited acts as the governing body of the Trust through its own board of directors. Appointment to the board are matters for consideration by the board of directors as a whole and are based on the expertise and skills brought by the individuals involved. The directors receive further training in trustee meetings as required. No induction training was required as there were no new directors during the year.

The members of the board of directors are listed within Legal and Administrative Details. The constitution of the board ensures that no individual dominates the decision-making process and that it can exercise its responsibilities free from management.

The boards regulatory and stewardship responsibilities centre on its role as the ultimate legal authority and for safeguarding the Trust's assets, its financial sustainability, and receiving assurance that its systems comply with the legal and regulatory obligations, including as a Charity, the Office for Students and OFSTED.

The board of directors schedule to meet a few times a year. Formal agenda, papers and reports are supplied to the board in a timely manner prior to the board meetings. Briefings are also provided on an ad-hoc basis. Reports include overall financial performance of the Trust together with other relevant information such as performance against targets. The board review and approve the financial statements and receive and consider reports from regulators such as OFSTED and Office for Students, and monitors adherence with the regulatory requirements.

Minutes of board meetings are recorded and approved at the following meeting.

The day-to-day management of Ashridge is undertaken by the President who is appointed by Ashridge CT Limited. The President has delegated authority for finance, employment, and other operational matters.

Corporate Trustee's responsibilities

The Corporate Trustee is responsible for the preparation of annual financial statements that provide a true and fair view of the state of affairs of Ashridge as at the end of the financial year and of the financial activities during the year.

In preparing the financial statements the Corporate Trustee is required to:

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

The Corporate Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy of the financial position of Ashridge at any time and to ensure that the financial statements comply with relevant statutes.

It is also responsible for safeguarding the assets of Ashridge taking reasonable steps to prevention and detection of fraud and other irregularities.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control (continued)

Internal Control

The Corporate Trustee is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives through corruption, fraud, bribery and other irregularities. It can therefore only provide reasonable, but not absolute, assurance against material misstatement or loss.

The system of internal control is based on a continuous process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively, and economically. This process accords with the Office for Students guidance.

The system uses a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. It includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the board of directors
- Regular reviews by the board of directors of periodic and annual financial reports which indicate financial performance against forecast
- Setting targets to measure financial and operational performance

The Trust's internal control system is supported by a number of policies. These include a Risk Register, an Anti-Bribery and Corruption Policy, a Modern Slavery Act statement, comprehensive internal financial policies and regulations which detail financial controls and procedures.

The Corporate Trustee has the responsibility for reviewing the effectiveness of the system of internal control and ensuring that there is a sound approach to confirm that this framework is adopted and embedded consistently and effectively across each activity.

The review of effectiveness of the system is informed by:

- The work of external auditors;
- The work of senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework;
- Comments made by the organisation's financial statements and regulatory inspections in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The board of directors has delegated its day-to-day responsibility to the President, as Accounting Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the board any material weaknesses or breakdowns in internal control. The day-to-day responsibility for risk management and monitoring is assigned to the Chief Finance Officer and Chief Operating Officer.

The Trust has considered its responsibility to notify the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with Education Skills Funding Agency terms and conditions of funding.

The board of directors and the Accounting Officer confirm that after due enquiry and to the best of their knowledge, it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisation's financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date, if any instances are identified after the date of this statement these will be notified to the Education and Skills Funding Agency.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control (continued)

Approved by the Corporate Trustee and the President and signed on their behalf by:

Jeffrey P Allen

**Mr Jeffrey Allen
Director
Ashridge CT Limited**

M/Lilly

**Mr Matt Lilley
President
Ashridge (Bonar Law Memorial) Trust**

17 Apr 2023

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE OF ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Opinion

We have audited the financial statements of Ashridge (Bonar Law Memorial) Trust ("the Parent Charity") and its subsidiary ("the Group") for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2022 and of the Group's incoming resources and application of resources 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 Charities Act 2011.
- where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- meet the requirements of the Office for Student's Accounts Direction.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction requires us to report to you if, in our opinion:

- the Group's grant and fee income, as disclosed in note 4 to these Financial Statements has been materially misstated.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements 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 related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Corporate Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Report of the Corporate Trustee; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the Corporate Trustee's responsibilities statement, the Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the Group's and the Parent Charity'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 Corporate Trustee either intends to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act[s] and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Group and the Parent Charity are required to comply with charity law and certain conditions of OFS registration including compliance with the OFS' latest Accounts Direction and, based on our knowledge of their activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

- We gained an understanding of how the Group and Parent Charity complied with their legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the Group and Parent Charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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

Use of our report

This report is made solely to the Charity's Corporate Trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Knox Cropper LLP

Knox Cropper LLP

3 May 2023

Knox Cropper LLP, Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD

Knox Cropper LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Consolidated Statement of Financial Activities for the year ended 31 December 2022

	Note	Unrestricted Funds £'000	Designated Funds £'000	2022 Total Funds £'000	2021 Total & Unrestricted Funds £'000
Income:					
<i>Income from charitable activities:</i>					
Fees from educational programmes		4,325	-	4,325	5,366
<i>Income from other trading activities:</i>					
Commercial trading operations		7,253	-	7,253	6,262
Investment income		-	-	-	-
Total income		11,578	-	11,578	11,628
Expenditure:					
Expenditure on charitable activities	5	(6,706)	(584)	(7,290)	(5,258)
<i>Of which Pension Scheme Expenditure</i>	13	<i>(1,638)</i>	<i>-</i>	<i>(1,638)</i>	<i>(344)</i>
Expenditure on other trading activities	5	(6,665)	-	(6,665)	(5,795)
Total expenditure		(13,371)	(584)	(13,955)	(11,053)
Net income	2	(1,793)	(584)	(2,377)	575
<i>Other recognised gains/(losses):</i>					
Actuarial gains/losses on APS pension	14	(6,374)	-	(6,374)	7,619
Foreign exchange gains/(losses)		142	-	142	3
Net movement in funds		(8,025)	(584)	(8,609)	8,197

There was no restrictive income, expenditure or other movements in funds in the two financial periods.

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
<i>Reconciliation of funds:</i>				
Total funds at 1 January 2021	6,498	10,000	81	16,579
Net movement in funds	8,197	-	-	8,197
Total funds at 31 December 2021	14,695	10,000	81	24,776
Net movement in funds	(8,025)	(584)	-	(8,609)
Total funds at 31 December 2022	6,670	9,416	81	16,167

All income and expenditure has arisen from continuing activities.

The notes on pages 17 to 31 form part of these financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Balance Sheets as at 31 December 2022

	Note	Group		Trust	
		2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets:					
Investments in subsidiaries	8	-	-	-	-
Total fixed assets		-	-	-	-
Current assets:					
Debtors	9	4,877	5,295	4,624	5,295
Cash at bank and in hand		10,320	11,637	10,320	11,637
Total current assets		15,197	16,932	14,944	16,932
	10,				
Creditors: amounts falling due within one year	11	(3,818)	(3,956)	(3,565)	(3,956)
Net current assets		11,379	12,976	11,379	12,976
Total assets less current liabilities		11,379	12,976	11,379	12,976
USS defined benefit pension scheme provision	12	(2,870)	(1,361)	(2,870)	(1,361)
APS defined benefit pension scheme asset	13	7,658	13,161	7,658	13,161
Net assets		16,167	24,776	16,167	24,776
The funds of the charity:					
Unrestricted funds		6,670	14,695	6,670	14,695
Designated funds		9,416	10,000	9,416	10,000
Restricted funds		81	81	81	81
Total charity funds	14	16,167	24,776	16,167	24,776

The notes on pages 17 to 31 form part of these financial statements.

The financial statements were approved by the corporate trustee, Ashridge CT Limited, and the President on 17 April 2023, and signed on their behalf by:

Jeffrey P Allen

Mr Jeffrey Allen
Director
Ashridge CT Limited

MML

Mr Matt Lilley
President
Ashridge (Bonar Law Memorial) Trust

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Consolidated Statement of Cash Flows for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
<u>Cash flows from operating activities:</u>			
Net cash provided by (used in) operating activities	A	(1,317)	1,610
<u>Cash flows from investing activities:</u>			
Investment income received in year		-	-
Net cash provided by (used in) from investing activities		-	-
Change in cash in the reporting period		(1,317)	1,610
Cash at the beginning of the reporting period		11,637	10,027
Cash at the end of the reporting period	B	10,320	11,637

Note A: Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net incoming resources from educational and related activities		(2,377)	575
Adjustments for:			
Investment income received in year		-	-
Decrease in debtors		418	1,676
Increase/(decrease) in creditors		(138)	12
Additional pension contributions		(1,000)	(1,000)
Pension costs relating to defined benefit plans:			
APS administration costs		377	474
APS finance (gain)/cost		(248)	(73)
Movement in USS		1,509	(57)
Foreign exchange gains		142	3
Net cash provided by (used in) operating activities		(1,317)	1,610

Note B: Analysis of cash and cash equivalents

	At 01/01/22 £'000	Cash Flow £'000	At 31/12/22 £'000
Cash at bank and in hand	11,637	(1,317)	10,320

The notes on pages 17 to 31 form part of these financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended
31 December 2022****1. Statement of Accounting Policies****Basis of accounting**

These financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (2019), Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), and the Charities Act 2011.

The Trust registered with the Office for Students in May 2021, and as a result are required to follow the latest Office for Students' Accounts Direction with effect from the financial statements for the year ended 31 December 2022. The Trust chose to adopt the Accounts Direction early for the year ended 31 December 2021 where the information was readily available.

The Group financial statements incorporate a line by line consolidation of the financial statements of the Trust and its subsidiaries. There are uniform accounting policies across the Group. All intra-group transactions and balances between group entities are eliminated on consolidation.

Ashridge (Bonar Law Memorial) Trust, a public benefit entity, has taken advantage of the provision not to include its own Statement of Financial Activities and related notes in the consolidated financial statements.

These financial statements are presented in GBP Sterling which is also the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest thousand.

Going Concern

The Corporate Trustee, after making enquiries, has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the next 12 months and will continue to operate for the primary purpose of the Trust.

The main risks have been assessed by the Corporate Trustee, reviewing the Trust's ongoing forecasts and projections to ensure that the organisation remains financially viable. The board acknowledges the risk but does not consider it as significant going forward. The Trust has an excellent liquidity position at 31 December 2022 with £10.3m cash available. The Corporate Trustee does not believe there are any material uncertainties relating to its ability to continue as a going concern and have therefore prepared the financial statements on that basis.

The conflict between Russia and Ukraine is considered to be a potential risk since February 2022, this is being monitored closely but so far has not had an impact on the Trust.

Income

Income represents revenue for programmes, consultancy, research and conference activities undertaken during the year. Revenue is recognised when the programme is delivered. Deferred income represents fees invoiced in advance.

Donations

Donations are credited to revenue on a receivable basis.

Expenditure

Costs relating to the provision of core education, research and consulting services are included within the Statement of Financial Activities.

Expenditure charged against Restricted Funds falls within the purposes outlined in note 14. All other expenses are borne out of the Unrestricted Fund. Costs are allocated to specific departments on a project basis as necessary.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended 31 December 2022 (continued)****1. Statement of Accounting Policies (continued)****Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Gains and losses are recognised in the Statement of Financial Activities

Financial instruments

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. The impairment loss is recognised in the profit or loss.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

The Ashridge Pension Scheme is a historical single-employer defined benefit scheme. Recognised in the Balance Sheet is the value of the scheme's assets less the present value of the scheme's liabilities. The pension cost for the scheme is analysed between current service cost, past service cost and net return on pension scheme assets. Current service cost is the actuarially calculated present value of the benefits earned by the active employees in each period. Past service costs, relating to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits, are recognised in the Statement of Financial Activities on a straight line basis over the period in which the increase in benefits vest. The net expected return on the pension assets comprises the expected return on the pension scheme assets less interest on scheme liabilities. The actuarial gains and losses which arise from updating the latest actuarial valuation to reflect conditions at the balance sheet date are shown in the Statement of Financial Activities.

The Trust participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Trust is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Trust accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since the Trust has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Trust recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Financial Activities.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Corporate Trustee is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended 31 December 2022 (continued)****1. Statement of Accounting Policies (continued)****Taxation**

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Judgements and key sources of estimation uncertainty

In the application on the group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(i) Treatment of the USS pension scheme

A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (the recovery plan). The Trust is satisfied that USS meets the definition of a multi-employer scheme and has therefore recognised the liability of the future deficit contribution based on the recovery plan.

To determine the appropriate values for the USS pension recovery plan the Trust has applied an accounting model developed by the British Universities Finance Director's Group (BUFDG) in conjunction with the USS. The use of this model enables the Trust to reduce the level of uncertainty regarding the amount of the liability and is a model which is used by Universities across the board.

(ii) Impairment of debtors

The Trust makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment, management considers factors including the ageing profile of debtors and historical experience.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

2. Consolidated Group Income and Expenditure Account

The principal differences between the Income and Expenditure Account below and the Statement of Financial Activities are the classification of the income and expenditure together with the exclusion of unrealised gains and losses. The figures below reflect only movement of the unrestricted funds.

In the course of normal business, some costs are not directly attributable. These costs are apportioned based on the most relevant factor.

	2022	2021
	£'000	£'000
Income		
Qualification programmes	4,325	5,366
Custom and consulting	7,253	6,262
Investment income	-	-
	11,578	11,628
Expenditure		
Staff costs, including pension	(6,053)	(5,858)
Associates and agency staff	(4,715)	(4,144)
Other direct costs	(165)	(144)
Marketing and business development	(240)	(240)
Property and other overhead costs	(560)	(323)
APS pension administration and finance costs	(129)	(401)
USS pension provision movement	(1,509)	57
	(13,371)	(11,053)
	(1,793)	575
Net income per Statement of Financial Activities	(1,793)	575

3. Net Income from Trading Subsidiary

The Trust had one wholly owned trading subsidiary (note 8) which was incorporated in the UK and donated its trading profits to the Trust subject to Gift Aid.

	AES Ltd	
	2022	2021
	£'000	£'000
Income	7,253	6,262
Expenditure	(6,665)	(5,804)
Foreign Exchange Gains	21	-
Surplus	609	458
Donation subject to gift aid	(609)	(458)
Profit on ordinary activities	-	-

All transactions between Ashridge and its subsidiary are conducted on an arm's length basis.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

4. Details of grant and fee income

	Group		Trust	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Grant income from other funding bodies	2,720	3,775	2,720	3,775
Fee income for taught awards	1,605	1,601	1,605	1,601
Total grant and fee income	4,325	5,376	4,325	5,376

5. Analysis of Total Resources Expended

Expenditure includes:

	Group		Trust	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Impairment of trade receivables	61	67	61	67
Fees payable to Group auditors - audit services	21	19	21	19
Fees payable to Group auditors - non audit services	1	1	1	1
	83	87	83	87

	Direct costs £'000	Support costs £'000	Support cost recharges £'000	Total 2022 £'000	Total 2021 £'000
Expenditure on charitable activities					
Qualification & Apprenticeships Programmes	1,085	2,349	(600)	2,834	2,842
Faculty	1	3,258	(2,100)	1,159	1,205
Research	-	584	-	584	225
Overheads & Facilities	2	1,374	(300)	1,076	640
Custom & Open Programmes	-	-	-	-	2
APS & USS Pension P&L charge	-	1,637	-	1,637	344
	1,088	9,202	(3,000)	7,290	5,258
Expenditure on other trading activities					
Custom & Open Programmes	3,644	-	-	3,644	2,790
Teaching costs	-	-	3,000	3,000	3,000
Overheads	-	21	-	21	5
	3,644	21	3,000	6,665	5,795

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

6. Staff Costs (Group and Trust)

Salaries, wages and related payroll costs, including subsidiary undertakings, amounted to:

	2022 £'000	2021 £'000
Salaries and wages	5,103	4,637
Social security costs	576	482
Pension costs	786	739
Termination payments	2	-
Defined benefit scheme administration costs	377	474
	6,844	6,332

The Group has given regard to the 'Guidance on decisions taken about severance payments in HEI's' published by the Committee of University Chairs when determining severance pay. Compensation for loss of office has been paid to one member of staff during the year ended 31 December 2022 amounting to £2k (2021: £0).

The majority of staff were employed by the Trust on behalf of the Group. For the year ended 31 December 2022 the average number of staff employed by the Trust was 64 (2021: 62).

Ashridge CT Limited, the corporate trustee, received no remuneration for its service to the Trust (2021: nil) and was reimbursed travel expenses of £nil during the year (2021: £nil).

The remuneration (salary including staff benefits and termination payments but excluding pension contributions) paid to high paid members of staff falls into the following bands:

	2022	2021
£60,001 - £70,000	2	1
£70,001 - £80,000	3	5
£80,001 - £90,000	2	7
£90,001 - £100,000	3	4
£100,001 - £110,000	5	6
£110,001 - £120,000	5	4
£120,001 - £130,000	4	2
£130,001 - £140,000	1	-
£140,001 - £150,000	4	2
£150,001 - £160,000	-	-
£210,001 - £220,000	1	-
	30	31

Ashridge has given regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs when determining senior staff remuneration.

The number of senior staff expressed on a full-time equivalent basis who received basic annual salaries in the following ranges at 31 December 2022 were:

	Number of staff (2022)	Number of staff (2021)
Basic salary per annum		
£100,000 - £104,999	2	2
£105,000 - £109,999	1	2
£110,000 - £114,999	2	4
£115,000 - £119,999	4	-
£120,000 - £124,999	1	1
£125,000 - £129,999	-	1
£130,000 - £134,999	1	-
£140,000 - £144,999	-	1
£155,000 - £159,999	1	1
£200,000 - £204,999	1	1
£315,000 - £319,999	-	1
	13	14

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

The President Stephen Hodges' total annual remuneration was £423,953 for the 5 months of his employment which terminated on 31 of May 2022. This represents the total annual remuneration paid by Ashridge (Bonar Law Memorial) Trust and Hult International Business School Ltd for his role as President for these Office for Students registered providers. Ashridge (Bonar Law Memorial) Trust was responsible for funding £141,988 for the year ended 31 December 2022. Hult International Business School Ltd was responsible for funding £281,965.

- From Ashridge (Bonar Law Memorial) Trust:
 - Base salary of £41,667.
 - No payments have been paid in lieu of pension contributions.
 - No payments of dividends have been made.
 - Performance-related pay and other bonuses of £100,000.
 - No payment made by the provider in pension contributions on behalf of the head of provider during the year.
 - No payment made by the provider in pension contributions as part of National Insurance savings.
 - No other type of benefits and remuneration have paid made to the head provider.
 - Ashridge (Bonar Law Memorial) Trust provided private healthcare benefit to the President for a value of £321
- From Hult International Business School Ltd:
 - Base salary of £83,333.
 - A total amount of £2,500 has been paid by the provider in pension contributions on behalf of the head of provider during the year.
 - No payments of dividends have been made.
 - Performance-related pay and other bonuses awarded of £200,000.
 - A total amount of £298 has been paid by the provider in pension contributions as part of National Insurance savings.
 - A total amount of £4,167 has been provided as Salary Sacrifice to pension contribution during the year.
 - Hult International Business School Ltd does not provide to the President private healthcare benefit.

The President Matt Lilley started on 1st of June 2022 and his total annual remuneration was £119,866 for the 7 months of his employment during the year. This represents the total annual remuneration paid by Ashridge (Bonar Law Memorial) Trust and Hult International Business School Ltd for his role as President for these Office for Students registered providers. Ashridge (Bonar Law Memorial) Trust was responsible for funding £60,533 for the year ended 31 December 2022. Hult International Business School Ltd was responsible for funding £59,333.

- From Ashridge (Bonar Law Memorial) Trust:
 - Base salary of £60,083.
 - No payments have been paid in lieu of pension contributions.
 - No payments of dividends have been made.
 - No Performance-related pay and other bonuses have been awarded.
 - No payment made by the provider in pension contributions on behalf of the head of provider during the year.
 - No payment made by the provider in pension contributions as part of National Insurance savings.
 - No other type of benefits and remuneration have been paid to the head provider.
 - Ashridge (Bonar Law Memorial) Trust provided private healthcare benefit to the President for a value of £450.
- From Hult International Business School Ltd:
 - Base salary of £58,333.
 - A total amount of £1000 has been paid by the provider in pension contributions on behalf of the head of provider during the year.
 - No payments of dividends have been made.
 - No Performance-related pay and other bonuses have been awarded.
 - No payment made by the provider in pension contributions on behalf of the head of provider during the year.
 - No payment made by the provider in pension contributions as part of National Insurance savings
 - No other type of benefits and remuneration have been paid to the head provider.
 - Hult International Business School Ltd does not provide to the President private healthcare benefit.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

Both appointed presidents voluntarily withdrew from the Ashridge USS pension scheme on the date of their appointment, no payments have been paid in lieu of pension contributions. Ashridge provides to the President private healthcare benefits that flow from being an employee of Ashridge and which is available to all employees.

The Presidents salary is set by Ashridge CT Limited, the Corporate Trustee.

Process for judging performance

The President has an annual performance review meeting with the Ashridge CT Limited board of directors to review and assess performance against objectives and to discuss objectives for the next year.

Approach and justification to the Presidents remuneration

The Presidents salary is reviewed annually and reflects the following:

- Market rate by size and complexity of institution
- The scale and complexity of the job
- Comparisons with benchmarks
- Performance as measured against objectives set by the board of directors

Pay multiple

The relationship between the Presidents Ashridge remuneration and that for all other staff employed by Ashridge, expressed as a pay multiple is as follows:

- The current head of the provider's basic salary is 3.4 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- The current head of the provider's total remuneration is 2.6 times the median total remuneration of staff.
- The outgoing head of the provider's basic salary is 3.0 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.
- The outgoing head of the provider's total remuneration is 5.3 times the median total remuneration of staff.

The pay multiple represents the President's pay divided by the median pay for all other staff at the trust, on a full-time equivalent basis. The median pay for all other staff is calculated using pay data for all staff who are required to be included in Real Time Information (RTI) reporting to HMRC (July 2022). All other staff is capturing staff employed by the trust.

7. Remuneration of key management personnel

Staff costs includes remuneration provided to key management personnel as follows:

	2022	2021
	£'000	£'000
Salaries and wages	747	592
Social security costs	98	71
Pension costs	51	61
	896	724

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022
(continued)

8. Investments in Subsidiaries

The following company, which is registered in England, was a wholly owned subsidiary of the Trust during the year:

Company	Share Capital	Holding
Ashridge Educational Services Ltd	100 £1 ordinary shares	100%
Company number: 12363817		
Registered address: Ashridge, Berkhamsted, Hertfordshire, HP41NS		

9. Debtors

	Group		Trust	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade debtors	1,779	1,596	1,406	1,596
Amounts due from group undertakings	-	-	120	-
Other debtors	198	6	198	6
Prepayments and accrued income	400	193	400	193
Other financial instruments	2,500	3,500	2,500	3,500
	4,877	5,295	4,624	5,295

Trade debtors are stated after provisions for impairment - Group: £61k (2021: £67k), Trust £61k (2021: £67k).

10. Creditors: amounts falling due within one year

	Group		Trust	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Trade creditors	396	527	143	271
Amounts owed to group undertakings	-	-	-	256
Payments received on account for contracts	59	14	59	14
Taxation and social security	579	490	579	490
Other creditors	1	1	1	1
Accruals and deferred income	2,783	2,924	2,783	2,924
	3,818	3,956	3,565	3,956

11. Deferred Revenue Movement

	Group		Trust	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Opening balance	2,233	2,305	2,233	2,305
Amounts released from prior year	(876)	(1,237)	(876)	(1,237)
Income deferred in current year	897	1,165	897	1,165
	2,254	2,233	2,254	2,233

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

12. Provisions for liabilities - Group and Trust

Obligation to fund deficit on USS Pension:

	£'000
At 1 January 2022	1,361
Unwinding of discount factor	25
Deficit contributions paid	(155)
Change in expected contributions	1,639
At 31 December 2022	<u>2,870</u>

The obligation to fund the past deficit on the USS arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan.

The change in expected contributions arose due to the scheme's deficit increasing based on the latest valuation - see note 13.

13. Pension Commitments

The total pension cost charged in the Income and Expenditure account was £1509k (2021: £57k).

(i) Universities Superannuation Scheme (USS)

Ashridge is a member of the Universities Superannuation Scheme (USS), a national defined benefits scheme for university academic and academic-related staff.

Pension benefits for 55 members of staff at 31 December 2022 (2021: 54) are provided under the USS.

An obligation to fund the past deficit on the USS arises from the contractual obligation with the USS for deficit payments in accordance with the deficit recovery plan. In calculating the provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation.

To fund the shortfall the deficit recovery plan requires Employers Deficit Contribution payments as a percentage of salaries:

- 2% with effect from 1 October 2019
- 6% with effect from 1 October 2021 to 31 March 2028

Amounts recognised in the Balance Sheet:

	2022	2021
	£'000	£'000
USS Provision	2,870	1,361

The provision has been calculated based upon the adoption of a deficit recovery plan based on the 2020 actuarial valuation, which was the only agreed valuation and deficit recovery plan as at the balance sheet date.

Since the Trust cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those assets and liabilities as a whole:

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

13. Pension Commitments

(i) Universities Superannuation Scheme (USS) (continued)

	31 March 2020 £ billions	31 March 2018 £ billions
Scheme assets	66.5	63.7
Total scheme liabilities	(80.6)	(67.3)
FRS 102 total scheme deficit	(14.1)	(3.6)
FRS 102 total funding level	83%	95%

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles, which can be found on the USS's website

Pension increases (CPI)	Set consistently with market-based pricing for the relevant minimums and maximums	
Discount Rate (forward rates)	Pensioners	1.4% pa
	Non-pensioners	0.7% pa

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality - base table	<u>Males:</u> 101% of S2PMA_L . <u>Females:</u> 95% of S3PFA.
Mortality - future improvements	CMI_2019 with a smoothing parameter of 7.5. Additionally it has an initial addition of 0.5% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	31 December 2022
Males currently aged 65 (years)	23.3
Females currently aged 65 (years)	25.2
Males currently aged 45 (years)	24.1
Females currently aged 45 (years)	26.3

Key assumptions used are:

	2022	2021
Discount rate	5.05%	1.85%
RPI inflation rate	3.15%	3.35%
CPI inflation rate	2.75%	2.90%

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

13. Pension Commitments

(ii) Ashridge Pension Scheme (APS)

The Ashridge Pension Scheme is a funded defined benefit pension scheme, with the assets held in a separate trustee administered funds. It was open to full and part-time employees together with those subject to fixed term contracts until May 2002. With effect from January 2004 an accrual for future service for Senior Staff was transferred to the USS although General Staff at that time continued to accrue future service within the APS. Accrual for future service for the great majority of those remaining transferred to USS at the end of 2008. The final active member retired in 2012. Ashridge Pension Scheme is closed to new members.

Costs relating to APS are assessed in accordance with the advice of an independent qualified actuary, from Mercer, using the Projected Unit Method.

The most recent Scheme Funding Report of the Actuarial Valuation for the Ashridge Pension Scheme was undertaken as at 31 December 2019. At the date of the valuation, the value of the scheme's assets were £113.9 million which represented 97% of the actuarial value of the benefits that had accrued to members.

The most recent FRS 102 Actuarial Valuation Report for Ashridge Pension Scheme was undertaken as at 31 December 2022.

Principal actuarial assumptions

The financial assumptions used to calculate scheme liabilities are:

	2022	2021
Discount rate for scheme liabilities	5.05%	1.85%
Pensions in payment increase rate	2.65%	2.85%
Price inflation rate: CPI	2.75%	2.90%
Assumed life expectancy on retirement at age 65:		
Retiring today (male member age 65)	23.3	23.3
Retiring in 20 years (male member age 45 today)	24.1	24.0
Retiring today (female member age 65)	25.2	25.2
Retiring in 20 years (female member age 45 today)	26.3	26.3

Contributions paid to the Scheme by the Trust in relation to past service were £1 million (2021: £1 million). Contributions being paid by the Trust are in accordance with actuarial recommendation.

The Trust is committed to contribute £380k to Ashridge Pension Scheme in 2023.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

13. Pension Commitments

(ii) Ashridge Pension Scheme (APS) (continued)

Amounts recognised in the Balance Sheet:

	2022	2021
	£'000	£'000
Defined benefit obligations at 31 December 2022	(73,379)	(113,816)
Fair value of plan assets at 31 December 2022	81,037	126,977
Net pension obligations at 31 December 2022	7,658	13,161

Changes in the present value of defined benefit obligations

	2022	2021
	£'000	£'000
Defined benefit obligations at 31 December 2021	113,816	119,532
<u>Movement in the year:</u>		
Benefit payments from plan assets	(3,704)	(3,873)
Effect of changes in assumptions	(41,725)	(3,489)
Effect of experience adjustments	2,921	-
Interest on pension liabilities	2,071	1,646
Cost - gain on curtailments/changes	-	-
Defined benefit obligations at 31 December 2022	73,379	113,816

Changes in the fair value of plan assets

	2022	2021
	£'000	£'000
Fair value of plan assets at 31 December 2021	126,977	124,475
<u>Movement in the year:</u>		
Employer contributions	1,000	1,000
Benefit payments from plan assets	(3,704)	(3,873)
Administrative costs paid from plan assets	(377)	(474)
Return on plan assets	(45,178)	4,130
Interest on pension assets	2,319	1,719
Fair value of plan assets at 31 December 2022	81,037	126,977

Plan assets comprise:

	2022	2021
	£'000	£'000
Alternatives/multi asset funds	37,177	71,347
Bonds	27,527	44,636
Cash	18,603	1,793
Derivatives	(9,490)	701
Property	3,785	3,540
Annuity policies	3,435	4,960
	81,037	126,977

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

13. Pension Commitments

(iii) Ashridge Pension Scheme (APS) (continued)

Amount recognised in the Statement of Financial Activities

	2022 £'000	2021 £'000
Interest expense on pension liabilities	2,071	1,646
Interest income on pension assets	(2,319)	(1,719)
Administrative costs paid from plan assets	377	474
Gain on curtailments/changes	-	-
Pension charge/(income) for the year	129	401
Effect of changes in assumptions	(41,725)	(3,489)
Return on plan assets	45,178	(4,130)
Effect of experience adjustments	2,921	-
Actuarial (gain)/loss on defined benefit pension scheme	6,374	(7,619)
(Gain)/loss recognised in the SOFA	6,503	(7,218)

14. Funds

	Unrestricted General £'000	Designated Research £'000	Restricted Restoration £'000	Total £'000
Total funds at 1 January 2021	6,498	10,000	81	16,579
Net income	575	-	-	575
Actuarial gains on APS pension	7,619	-	-	7,619
Foreign exchange losses	3	-	-	3
Total funds at 31 December 2021	14,695	10,000	81	24,776
Net income	(1,793)	-	-	(1,793)
Actuarial losses on APS pension	(6,374)	-	-	(6,374)
Foreign exchange gains	142	-	-	142
Designated Research	-	(584)	-	(584)
Total funds at 31 December 2022	6,670	9,416	81	16,167
<i>Memo</i>				
APS scheme (surplus)/deficit (note 13)	(7,658)	-	-	(7,658)
USS pension provision (note 13)	2,870	-	-	2,870
Total funds excluding pension scheme surplus	1,882	9,416	81	11,379

The unrestricted General Funds represent the cumulative total of past results generated by the Trust. The 1954 Act, as amended in 1983, stipulates that the Funds may be used solely to further the objects of the Trust.

The designated Research Fund exists to assist Ashridge to undertake research related to the roles of corporate headquarters and division levels in multi-business companies and to find ways of improving the strategic management process with the results of such research being disseminated to the public. The funds are intended for building research capability and capacity at Ashridge.

The restricted Restoration Fund represents house and garden tour receipts as well as donations received to maintain and restore the historic fabric of the estate.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2022 (continued)

15. Analysis of Net Assets Between Funds

	Unrestricted Funds £'000	Designated Research Fund £'000	Restricted Restoration Fund £'000	Total £'000
<u>Total Funds at 31 December 2022:</u>				
Group				
Net Current Assets	1,298	10,000	81	11,379
Pension Deficit - APS	7,658	-	-	7,658
Pension Provision - USS	(2,870)	-	-	(2,870)
Designated Research	584	(584)	-	-
Total	6,670	9,416	81	16,167
Trust				
Net Current Assets	1,298	10,000	81	11,379
Pension Deficit - APS	7,658	-	-	7,658
Pension Provision - USS	(2,870)	-	-	(2,870)
Designated Research	584	(584)	-	-
Total	6,670	9,416	81	16,167
	Unrestricted Funds £'000	Designated Research Fund £'000	Restricted Restoration Fund £'000	Total £'000
<u>Total Funds at 31 December 2021:</u>				
Group				
Net Current Assets	2,895	10,000	81	12,976
Pension Deficit - APS	13,161	-	-	13,161
Pension Provision - USS	(1,361)	-	-	(1,361)
Total	14,695	10,000	81	24,776
Trust				
Net Current Assets	2,895	10,000	81	12,976
Pension Deficit - APS	13,161	-	-	13,161
Pension Provision - USS	(1,361)	-	-	(1,361)
Total	14,695	10,000	81	24,776

16. Donations

Donations of £nil (2021: £nil) were received.

17. Related Parties

Details of the balances outstanding with subsidiaries owned during the year are as follows:

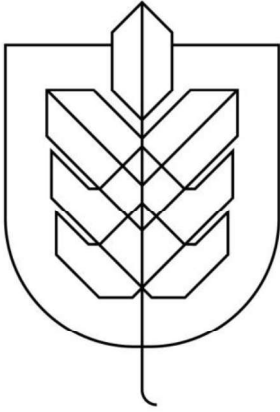
	2022 £'000	2021 £'000
<u>Debtors</u>		
Ashridge Educational Services Limited	120	-
<u>Creditors</u>		
Ashridge Educational Services Limited	-	256

Ashridge Educational Services Limited donated its profits of £609k to the Trust (2021: £458k).

THE ASHRIDGE (BONAR LAW MEMORIAL) TRUST

England & Wales - Charity number 311096

Accounts



ASHRIDGE (BONAR LAW MEMORIAL) TRUST

ANNUAL REPORT FOR THE YEAR ENDED

31 December 2021

Charity Registration Number: 311096

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

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ASHRIDGE (BONAR LAW MEMORIAL) TRUST

LEGAL AND ADMINISTRATIVE DETAILS

Trustees

The governance of Ashridge (Bonar Law Memorial) Trust is managed by Ashridge CT Limited, a Corporate Trustee.

Ashridge CT Limited directors

Mr Ulf Sandberg
Mr Ajay Gundecha
Mr Jeffrey Allen

Charity number

311096

Registered office

Ashridge
Berkhamsted
Hertfordshire
HP4 1NS

Actuary

Mercer
Tower Place West
Tower Place
London
EC3R 5BU

Independent auditors

Knox Cropper LLP
65 Leadenhall Street
London
EC3A 2AD

Bankers

Lloyds Banking Group plc
Progression Centre
42 Mark Road
Hemel Hempstead
Hertfordshire
HP2 7DW

Santander UK plc
2 Triton Square
Regent's Place
London
NW1 3AN

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2021

The Corporate Trustee is pleased to present the audited annual report together with the consolidated financial statements of Ashridge (Bonar Law Memorial) Trust (the Trust) for the year ended 31 December 2021.

The Corporate Trustee's report and the financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities 2019', Financial Reporting Standards 102 and Charities Act 2011. Office for Students regulations have also been complied with since registering during May 21.

The aims of Ashridge

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014 (the Act).

The principal activities of the Trust are defined by the Act:

- Provide education at Ashridge
- Undertake research and disseminate the results to the public
- Establish and continue similar institutions overseas

These activities are undertaken by the Trust using the name of Ashridge. The Trust also had a wholly owned subsidiary during the year - see notes 3 and 8 of the financial statements for details. The trading subsidiary undertook specialist activities closely related to management education as follows:

- Ashridge Educational Services Ltd provided executive and organisation education to corporate clients.

The Corporate Trustee referred to the guidance contained in the Charity Commission's publications on public benefit when reviewing aims and objectives. They then considered how to maximise the contribution of planned activities to those aims and objectives as follows:

Provision of education

As a leading centre for management and organisation learning, the Ashridge vision is to make a substantial contribution to the development of managers, their organisations and society at large.

The activities undertaken to assist this development deliver public benefit in a variety of ways. Ashridge's clients include organisations in the public sector, corporate entities, and individual private students in pursuit of a UK degree.

Research

The purpose of research at Ashridge is to make a wider intellectual contribution to business practices overall, and a deeper contribution to certain academic and professional fields, as well as to continuously improve education for students and executives. Co-creating knowledge with leaders, managers and policymakers in private, public, and volunteer organizations is a hallmark of this strategy. So is the aspiration to catalyse innovation and be a partner in life-long learning. Ashridge has its roots in management practice, applied scholarship and social responsibility, and the research is designed to leverage these roots and its vast network of connections with private, public and volunteer organizations. The public benefits from Ashridge research as it is widely distributed and freely available.

Establishment of similar institutions overseas

Ashridge delivers a proportion of its services outside the UK through its corporate clients. Some contracted faculty are based abroad.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2021 (continued)

Achievements and performance

In performing its activities Ashridge has run educational programs for more than 179 clients and 1,126 students with 64 students graduating during the calendar year 2021.

In addition, research at Ashridge has contributed to the academic debate through publishing 121 books, articles, reports and conference papers during 2021.

Financial review

The result for the year ended 31 December 2021 was a net income of £575k (2020: £87k) for Ashridge (Bonar Law Memorial) Trust. This surplus was slightly better than the forecast breakeven result.

The total reserves of the Trust on 31 December 2021 was £24.8m (2020: £16.6m). The total reserves include a designated Research Fund £10m (2020: £10m), a restricted Restoration Fund £81k (2020: £81k) and unrestricted free reserves of £14.7m (2020: £6.5m).

The main driver of the increase was the actuarial defined benefit pension scheme revaluation gain of £7.2m of Ashridge Pension Scheme vs. 31 December 2020.

The Trust's reserves policy requires 3 months of unrestricted reserves to enable it to meet its charitable objectives. At 31 December 2021 the Trust held unrestricted free reserves of £14.7m to comply with this policy.

Plans for future periods

Profitability for future periods is due to improve further due to the growth in apprenticeship and degree programmes.

The transition to a virtual learning environment during COVID-19 lockdowns has enabled the Trust to offer this as a flexible learning option to students and in March 2022 the Trust launched its first exclusively online programme for a new AMEC intake.

Investment in new limitless learning classrooms at the beginning of 2022 also enables our programmes to be taught onsite and virtually. This is increasingly popular for the existing apprenticeship students as it offers more flexibility.

Going concern

The effect of COVID-19 has been assessed by the Corporate Trustee, reviewing the Trust's ongoing forecasts and projections to ensure that the organisation remains financially viable. There are no material uncertainties that the Trust would not be able to meet its liabilities as they fall due for the foreseeable future.

The Trust has an excellent liquidity position at 31 December 2021 with £11.6m cash available. Consequently, the Trustee has continued to prepare the financial statements on a going concern basis.

Principal risks and uncertainties

The Corporate Trustee has examined the major risks that the Trust faces and have documented these in a risk register, which is updated on a periodic basis. The Trust has developed systems to monitor and control these risks to mitigate any impact that they may have on the Trust in the future.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2021 (continued)

Ashridge received an OFSTED monitoring visit in June 2021 for apprenticeships. The outcome of the report has impacted the ability for Ashridge to receive government funding for new apprenticeships until OFSTED is able to conduct a full inspection (expected mid 2022). Ashridge has not received funding for new apprentices from August 2021 but continues to receive funding for existing students. The deficiencies identified are the need for increased student support and safeguarding, and an efficient student information system. Ashridge is investing heavily to rectify these deficiencies before the full OFSTED inspection.

Most of the qualifications revenue relates to apprenticeships which is funded through the government's Education & Skills Funding Agency, as a government agency we deem the collection of this revenue to be low risk. The Trust may experience collection delays from tuition of independent students, collections are being monitored closely and graduation will only take place once all fees are settled.

The conflict between Russia and Ukraine is considered to be a potential risk since February 2022, this is being monitored closely but so far has not had an impact on the Trust.

The Corporate Trustee and executive team no longer perceive COVID-19 as a prominent risk. The operational disruption during 2021 was limited as education was maintained and carried out online, however it will continue to be monitored and UK Government advice will be followed.

Strategic objectives

Ashridge has identified the following strategic aspirations in relation to its core objects, to be:

- One of the top five global providers of customised executive education
- Being known as the place that knows about coaching
- Leading specialist in strategic organisational change and development
- Compact, differentiated, highly regarded qualifications portfolio
- All business streams integrated with facilitated learning over the web.
- Having a faculty noted for practical yet rigorous research that is widely available

Ashridge is one of few business schools worldwide to achieve the 'triple crown' of accreditation from the Association to Advance Collegiate Schools of Business (AACSB), the European Quality Improvement System (EQUIS) and the Association of MBAs (AMBA) and the objective is to retain these accreditations going forward.

Governance

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014, and is governed by this act.

Ashridge CT Limited acts as the governing body of the Trust through its own board of directors which meets regularly.

The day-to-day management of Ashridge is undertaken by the President who is appointed by Ashridge CT Ltd. The President has delegated authority for finance, employment, and other operational matters.

Related parties

None of the directors of Ashridge CT Limited nor any persons connected with them, had at any time had any beneficial interest in dealings with the Trust and received no remuneration from the Trust.

Ashridge has subsidiaries and other related parties during the year ended 31 December 2021 as per below:

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2021 (continued)

Ashridge CT Limited

Ashridge CT Limited was incorporated in 2015 and appointed as Corporate Trustee of the Trust with the objective to comply with the Act. The directors of Ashridge CT Limited are independent of the Trust in order to ensure there are no conflicts of interest.

Ashridge Historical Trust

The member of Ashridge CT Limited is the Ashridge Historical Trust. The trustees of the Ashridge Historical Trust are independent of the Trust and Ashridge CT Limited in order to ensure there are no conflicts of interest.

Ashridge Educational Services Ltd

Ashridge Educational Services Ltd is controlled through share ownership by the Trust and was incorporated on 16 December 2019.

The Ashridge Pension Scheme

The Ashridge Pension Scheme is a post-employment benefit plan for the benefit of employees of the Trust. Until 2002 the Trust offered final salary pension entitlement to all Ashridge staff through membership of the Ashridge Pension Scheme.

Pay policy for senior staff

The pay of the senior staff is reviewed annually. In view of the nature of the charity salaries are benchmarked against pay levels in other comparable educational institutions.

Key management personnel

President	Dr Stephen Hodges
Chief Finance Officer	Mrs Emilie McCarthy
Chief Operating Officer	Mr Mark Coleman
Chief Academic Officer	Dr Johan Roos
Dean of Faculty	Dr Dina Dommett
Associate Dean	Mr Andrew Hyams
Senior Director of Research	Miss Nadine Page

Disclosure of information to Auditors

The Corporate Trustee confirms that:

- there is no relevant audit information of which the Trust's auditors are unaware; and
- it has taken all the steps that ought to be taken in order to make himself/herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The report of the Corporate Trustee was approved by the board of directors of Ashridge CT Limited and signed on their behalf by:

Jeffrey P. Allen
Jeffrey P. Allen (May 17, 2022 12:08 EDT)

Mr Jeffrey Allen
Director
Ashridge CT Limited

17 May 2022

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control for the year ended 31 December 2021

This Statement of Corporate Governance and Internal Control covers the period for the year ended 31 December 2021 and up to the date of approval of the financial statements.

Governance

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014, and is governed by this act.

Ashridge CT Limited acts as the governing body of the Trust through its own board of directors. Appointment to the board are matters for consideration by the board of directors as a whole and are based on the expertise and skills brought by the individuals involved. The directors receive further training in trustee meetings as required. No induction training was required as there were no new directors during the year.

The members of the board of directors are listed within Legal and Administrative Details. The constitution of the board ensures that no individual dominates the decision-making process and that it can exercise its responsibilities free from management.

The boards regulatory and stewardship responsibilities centre on its role as the ultimate legal authority and for safeguarding the Trust's assets, its financial sustainability, and receiving assurance that its systems comply with the legal and regulatory obligations, including as a Charity, the Office for Students and OFSTED.

The board of directors schedule to meet a few times a year. Formal agenda, papers and reports are supplied to the board in a timely manner prior to the board meetings. Briefings are also provided on an ad-hoc basis. Reports include overall financial performance of the Trust together with other relevant information such as performance against targets. The board review and approve the financial statements and receive and consider reports from regulators such as OFSTED and Office for Students, and monitors adherence with the regulatory requirements.

Minutes of board meetings are recorded and approved at the following meeting.

The day-to-day management of Ashridge is undertaken by the President who is appointed by Ashridge CT Limited. The President has delegated authority for finance, employment, and other operational matters.

Corporate Trustee's responsibilities

The Corporate Trustee is responsible for the preparation of annual financial statements that provide a true and fair view of the state of affairs of Ashridge as at the end of the financial year and of the financial activities during the year.

In preparing the financial statements the Corporate Trustee is required to:

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

The Corporate Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy of the financial position of Ashridge at any time and to ensure that the financial statements comply with relevant statutes.

It is also responsible for safeguarding the assets of Ashridge taking reasonable steps to prevention and detection of fraud and other irregularities.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control (continued)

Internal Control

The Corporate Trustee is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives through corruption, fraud, bribery and other irregularities. It can therefore only provide reasonable, but not absolute, assurance against material misstatement or loss.

The system of internal control is based on a continuous process designed to identify the principal risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively, and economically. This process accords with the Office for Students guidance.

The system uses a framework of regular management information, administrative procedures including segregation of duties, and a system of delegation and accountability. It includes:

- Comprehensive budgeting systems with an annual budget which is reviewed and agreed by the board of directors
- Regular reviews by the board of directors of periodic and annual financial reports which indicate financial performance against forecast
- Setting targets to measure financial and operational performance

The Trust's internal control system is supported by a number of policies. These include a Risk Register, an Anti-Bribery and Corruption Policy, a Modern Slavery Act statement, comprehensive internal financial policies and regulations which detail financial controls and procedures.

The Corporate Trustee has the responsibility for reviewing the effectiveness of the system of internal control and ensuring that there is a sound approach to confirm that this framework is adopted and embedded consistently and effectively across each activity.

The review of effectiveness of the system is informed by:

- The work of external auditors;
- The work of senior managers within the organisation who have responsibility for the development and maintenance of the internal control framework;
- Comments made by the organisation's financial statements and regulatory inspections in their management letters and other reports.

There are no significant internal control weaknesses reported for the period.

The board of directors has delegated its day-to-day responsibility to the President, as Accounting Officer, for reviewing the adequacy of the system of internal control and making any appropriate amendments. He is also responsible for reporting to the board any material weaknesses or breakdowns in internal control. The day-to-day responsibility for risk management and monitoring is assigned to the Chief Finance Officer and Chief Operating Officer.

The Trust has considered its responsibility to notify the Education Skills Funding Agency of material irregularity, impropriety and non-compliance with Education Skills Funding Agency terms and conditions of funding.

The board of directors and the Accounting Officer confirm that after due enquiry and to the best of their knowledge, it is able to identify any material irregularity or improper use of funds by the organisation, or material non-compliance with terms and conditions of funding under the organisation's financial regulations. We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date, if any instances are identified after the date of this statement these will be notified to the Education Skills Funding Agency.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Statement of Corporate Governance and Internal Control (continued)

Approved by the Corporate Trustee and the President and signed on their behalf by:

Jeffrey P. Allen
Jeffrey P. Allen (May 17, 2022 12:08 EDT)

Mr Jeffrey Allen
Director
Ashridge CT Limited

17 May 2022

Stephen Hodges
Stephen Hodges (May 18, 2022 12:58 GMT+2)

Mr Stephen Hodges
President
Ashridge (Bonar Law Memorial) Trust

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE OF ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Opinion

We have audited the financial statements of Ashridge (Bonar Law Memorial) Trust ("the Parent Charity") and its subsidiary ("the Group") for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2021 and of the Group's incoming resources and application of resources 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 Charities Act 2011.
- where applicable, funds from whatever source administered by the provider for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- where applicable, funds provided by the OfS and by Research England have been applied in accordance with the relevant terms and conditions; and
- meet the requirements of the Office for Student's Accounts Direction.

We have nothing to report in respect of the following matter in relation to which the OfS Accounts Direction requires us to report to you if, in our opinion:

- the Group's grant and fee income, as disclosed in note 4 to these Financial Statements has been materially misstated.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements 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 related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Corporate Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Report of the Corporate Trustee; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the Corporate Trustee's responsibilities statement, the Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the Group's and the Parent Charity'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 Corporate Trustee either intends to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act[s] and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Group and the Parent Charity are required to comply with charity law and certain conditions of Ofs registration including compliance with the Ofs' latest Accounts Direction and, based on our knowledge of their activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

- We gained an understanding of how the Group and Parent Charity complied with their legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the Group and Parent Charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

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

Use of our report

This report is made solely to the Charity's Corporate Trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Knox Cropper LLP

May 19, 2022

Knox Cropper LLP, Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD

Knox Cropper LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Consolidated Statement of Financial Activities for the year ended 31 December 2021

	Note	Unrestricted Funds £'000	2021 Total Funds £'000	2020 Total & Unrestricted Funds £'000
Income:				
<i>Income from charitable activities:</i>				
Fees from educational programmes		5,366	5,366	4,038
<i>Income from other trading activities:</i>				
Commercial trading operations		6,262	6,262	5,383
Investment income		-	-	12
Total income		11,628	11,628	9,433
Expenditure:				
Expenditure on charitable activities	5	(5,258)	(5,258)	(4,731)
Expenditure on other trading activities	5	(5,795)	(5,795)	(4,615)
Total expenditure		(11,053)	(11,053)	(9,346)
Net income	2	575	575	87
<i>Other recognised gains/(losses):</i>				
Actuarial gains on APS pension	14	7,619	7,619	3,758
Foreign exchange gains/(losses)		3	3	(39)
Net movement in funds		8,197	8,197	3,806

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Total Funds £'000
<i>Reconciliation of funds:</i>				
Total funds at 1 January 2020	2,692	10,000	81	12,773
Net movement in funds	3,806	-	-	3,806
Total funds at 31 December 2020	6,498	10,000	81	16,579
Net movement in funds	8,197	-	-	8,197
Total funds at 31 December 2021	14,695	10,000	81	24,776

All income and expenditure has arisen from continuing activities.

The notes on pages 17 to 30 form part of these financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Balance Sheets as at 31 December 2021**

	Note	Group		Trust	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed assets:					
Investments in subsidiaries	8	-	-	-	-
Total fixed assets		-	-	-	-
Current assets:					
Debtors	9	5,295	6,971	5,295	6,777
Cash at bank and in hand		11,637	10,027	11,637	10,027
Total current assets		16,932	16,998	16,932	16,804
Creditors: amounts falling due within one year	10	(3,956)	(3,944)	(3,956)	(3,750)
Net current assets		12,976	13,054	12,976	13,054
Total assets less current liabilities		12,976	13,054	12,976	13,054
USS defined benefit pension scheme provision	12	(1,361)	(1,418)	(1,361)	(1,418)
APS defined benefit pension scheme asset	14	13,161	4,943	13,161	4,943
Net assets		24,776	16,579	24,776	16,579
The funds of the charity:					
Unrestricted funds		14,695	6,498	14,695	6,498
Designated funds		10,000	10,000	10,000	10,000
Restricted funds		81	81	81	81
Total charity funds	16	24,776	16,579	24,776	16,579

The notes on pages 17 to 30 form part of these financial statements.

The financial statements were approved by the corporate trustee, Ashridge CT Limited, and the President on 17 May 2022, and signed on their behalf by:

Jeffrey P. Allen
Jeffrey P. Allen (May 17, 2022 12:08 EDT)

Mr Jeffrey Allen
Director
Ashridge CT Limited

Stephen Hodges
Stephen Hodges (May 18, 2022 12:58 GMT+2)

Mr Stephen Hodges
President
Ashridge (Bonar Law Memorial) Trust

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Consolidated Statement of Cash Flows for the year ended 31 December 2021

	Note	2021 £'000	2020 £'000
<u>Cash flows from operating activities:</u>			
Net cash provided by (used in) operating activities	A	1,610	(1,380)
<u>Cash flows from investing activities:</u>			
Investment income received in year		-	12
Net cash provided by (used in) from investing activities		-	12
Change in cash in the reporting period		1,610	(1,368)
Cash at the beginning of the reporting period		10,027	11,395
Cash at the end of the reporting period	B	11,637	10,027

Note A: Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net incoming resources from educational and related activities		575	87
Adjustments for:			
Investment income received in year		-	(12)
Decrease in debtors		1,676	3,186
Increase/(decrease) in creditors		12	(3,270)
Additional pension contributions		(1,000)	(1,000)
Pension costs relating to defined benefit plans:			
APS administration costs		474	191
APS finance (gain)/cost		(73)	(339)
Movement in USS		(57)	(184)
Foreign exchange losses		3	(39)
Net cash provided by (used in) operating activities		1,610	(1,380)

Note B: Analysis of cash and cash equivalents

	At 01/01/21 £'000	Cash Flow £'000	At 31/12/21 £'000
Cash at bank and in hand	10,027	1,610	11,637

The notes on pages 17 to 30 form part of these financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended
31 December 2021****1. Statement of Accounting Policies****Basis of accounting**

These financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (2019), Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), and the Charities Act 2011.

The Trust registered with the Office for Students in May 2021, and as a result are required to follow the latest Office for Students' Accounts Direction with effect from the financial statements for the year ended 31 December 2022. The Trust has chosen to adopt the Accounts Direction early where the information is readily available.

The Group financial statements incorporate a line by line consolidation of the financial statements of the Trust and its subsidiaries. There are uniform accounting policies across the Group. All intra-group transactions and balances between group entities are eliminated on consolidation.

Ashridge (Bonar Law Memorial) Trust, a public benefit entity, has taken advantage of the provision not to include its own Statement of Financial Activities and related notes in the consolidated financial statements.

These financial statements are presented in GBP Sterling which is also the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest thousand.

Going Concern

The Corporate Trustee, after making enquiries, has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the next 12 months and will continue to operate for the primary purpose of the Trust.

The effect of COVID-19 has been assessed by the Corporate Trustee, reviewing the Trust's ongoing forecasts and projections to ensure that the organisation remains financially viable. The board acknowledges the risk but does not consider it as significant going forward. The Trust has an excellent liquidity position at 31 December 2021 with £11.6m cash available. The Corporate Trustee does not believe there are any material uncertainties relating to its ability to continue as a going concern and have therefore prepared the financial statements on that basis.

The conflict between Russia and Ukraine is considered to be a potential risk since February 2022, this is being monitored closely but so far has not had an impact on the Trust.

Income

Income represents revenue for programmes, consultancy, research and conference activities undertaken during the year. Revenue is recognised when the programme is delivered. Deferred income represents fees invoiced in advance.

Donations

Donations are credited to revenue on a receivable basis.

Expenditure

Costs relating to the provision of core education, research and consulting services are included within the Statement of Financial Activities.

Expenditure charged against Restricted Funds falls within the purposes outlined in note 15. All other expenses are borne out of the Unrestricted Fund. Costs are allocated to specific departments on a project basis as necessary.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Gains and losses are recognised in the Statement of Financial Activities.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended 31 December 2021 (continued)****1. Statement of Accounting Policies (continued)****Financial instruments**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. The impairment loss is recognised in the profit or loss.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

The Ashridge Pension Scheme is a historical single-employer defined benefit scheme. Recognised in the Balance Sheet is the value of the scheme's assets less the present value of the scheme's liabilities. The pension cost for the scheme is analysed between current service cost, past service cost and net return on pension scheme assets. Current service cost is the actuarially calculated present value of the benefits earned by the active employees in each period. Past service costs, relating to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits, are recognised in the Statement of Financial Activities on a straight line basis over the period in which the increase in benefits vest. The net expected return on the pension assets comprises the expected return on the pension scheme assets less interest on scheme liabilities. The actuarial gains and losses which arise from updating the latest actuarial valuation to reflect conditions at the balance sheet date are shown in the Statement of Financial Activities.

The Trust participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Trust is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Trust accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since the Trust has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Trust recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Financial Activities.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Corporate Trustee is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended 31 December 2021 (continued)****1. Statement of Accounting Policies (continued)****Taxation**

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Judgements and key sources of estimation uncertainty

In the application on the group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(i) Treatment of the USS pension scheme

A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (the recovery plan). The Trust is satisfied that USS meets the definition of a multi-employer scheme and has therefore recognised the liability of the future deficit contribution based on the recovery plan.

To determine the appropriate values for the USS pension recovery plan the Trust has applied an accounting model developed by the British Universities Finance Director's Group (BUFDG) in conjunction with the USS. The use of this model enables the Trust to reduce the level of uncertainty regarding the amount of the liability and is a model which is used by Universities across the board.

(ii) Impairment of debtors

The Trust makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment, management considers factors including the ageing profile of debtors and historical experience.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

2. Consolidated Group Income and Expenditure Account

The principal differences between the Income and Expenditure Account below and the Statement of Financial Activities are the classification of the income and expenditure together with the exclusion of unrealised gains and losses. The figures below reflect only movement of the unrestricted funds.

In the course of normal business, some costs are not directly attributable. These costs are apportioned based on the most relevant factor.

	2021 £'000	2020 £'000
Income		
Qualification programmes	5,366	4,038
Custom and consulting	6,262	5,383
Investment income	-	12
	11,628	9,433
Expenditure		
Staff costs, including pension	(5,858)	(6,057)
Associates and agency staff	(4,144)	(2,690)
Other direct costs	(144)	(454)
Marketing and business development	(240)	(125)
Property and other overhead costs	(323)	(352)
APS pension administration and finance costs	(401)	148
USS pension provision movement	57	184
	(11,053)	(9,346)
Net income per Statement of Financial Activities	575	87

3. Net Income from Trading Subsidiary

The Trust had one wholly owned trading subsidiary (note 8) which was incorporated in the UK and donated its trading profits to the Trust subject to Gift Aid.

	AES Ltd	
	2021 £'000	2020 £'000
Income	6,262	5,383
Expenditure	(5,804)	(4,615)
Surplus	458	768
Donation subject to gift aid	(458)	(768)
Profit on ordinary activities	-	-

All transactions between Ashridge and its subsidiary are conducted on an arm's length basis.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

4. Details of grant and fee income

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Grant income from other funding bodies	3,775	1,777	3,775	1,777
Fee income for taught awards	1,508	2,086	1,508	2,086
Total grant and fee income	5,283	3,863	5,283	3,863

5. Analysis of Total Resources Expended

Expenditure includes:

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Impairment of trade receivables	67	75	67	75
Fees payable to Group auditors - audit services	19	19	19	19
Fees payable to Group auditors - non audit services	1	1	1	1
	87	95	87	95

	Direct costs £'000	Support costs £'000	Support cost recharges	Total 2021 £'000	Total 2020 £'000
			£'000		
Expenditure on charitable activities					
Qualification & Apprenticeships Programmes	1,361	1,931	(450)	2,842	1,862
Faculty	-	3,305	(2,100)	1,205	2,052
Research	1	374	(150)	225	261
Overheads & Facilities	-	940	(300)	640	847
Custom & Open Programmes	2	-	-	2	41
APS & USS Pension P&L charge	-	344	-	344	(332)
	1,364	6,894	(3,000)	5,258	4,731

Expenditure on other trading activities

Custom & Open Programmes	2,790	-	-	2,790	1,615
Teaching costs	-	-	3,000	3,000	3,000
Overheads	-	5	-	5	-
	2,790	5	3,000	5,795	4,615

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

6. Staff Costs (Group and Trust)

Salaries, wages and related payroll costs, including subsidiary undertakings, amounted to:

	2021 £'000	2020 £'000
Salaries and wages	4,637	4,743
Social security costs	482	509
Pension costs	739	767
Termination payments	-	38
Defined benefit scheme administration costs	474	191
	<u>6,332</u>	<u>6,248</u>

The Group has given regard to the 'Guidance on decisions taken about severance payments in HEI's' published by the Committee of University Chairs when determining severance pay. No compensation for loss of office has been paid to any member of staff during the year ended 31 December 2021 (2020: £38k).

The majority of staff were employed by the Trust on behalf of the Group. For the year ended 31 December 2021 the average number of staff employed by the Trust was 62 (2020: 64).

Ashridge CT Limited, the corporate trustee, received no remuneration for its service to the Trust (2020: nil) and was reimbursed travel expenses of £nil during the year (2020: £nil).

The remuneration (salary including staff benefits and termination payments but excluding pension contributions) paid to high paid members of staff falls into the following bands:

	2021	2020
£60,001 - £70,000	1	4
£70,001 - £80,000	5	3
£80,001 - £90,000	7	7
£90,001 - £100,000	4	6
£100,001 - £110,000	6	8
£110,001 - £120,000	4	-
£120,001 - £130,000	2	1
£140,001 - £150,000	2	1
£150,001 - £160,000	-	2
	<u>31</u>	<u>32</u>

Ashridge has given regard to the 'Higher education senior staff remuneration code' published by the Committee of University Chairs when determining senior staff remuneration.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

5. Staff Costs (Group and Trust) (continued)

The number of senior staff expressed on a full-time equivalent basis who received basic annual salaries in the following ranges at 31 December 2021 were:

Basic salary per annum	Number of staff (2021)
£100,000 - £104,999	2
£105,000 - £109,999	2
£110,000 - £114,999	4
£120,000 - £124,999	1
£125,000 - £129,999	1
£140,000 - £144,999	1
£155,000 - £159,999	1
£200,000 - £204,999	1
£315,000 - £319,999	1
	14

The President Stephen Hodges' total annual remuneration was £306,690. This represents the total annual remuneration paid by Ashridge (Bonar Law Memorial) Trust and Hult International Business School Ltd for his role as President for these Office for Students registered providers. Ashridge (Bonar Law Memorial) Trust was responsible for funding £100,000 for the year ended 31 December 2021. Hult International Business School Ltd was responsible for funding £206,690. The President voluntarily withdrew from the Ashridge USS pension scheme on the date of his appointment, no payments have been paid in lieu of pension contributions. Ashridge provides to the President private healthcare benefits that flow from being an employee of Ashridge and which is available to all employees.

The Presidents salary is set by Ashridge CT Limited, the Corporate Trustee.

Process for judging performance

The President has an annual performance review meeting with the Ashridge CT Limited board of directors to review and assess performance against objectives and to discuss objectives for the next year.

Approach and justification to the Presidents remuneration

The Presidents salary is reviewed annually and reflects the following:

- Market rate by size and complexity of institution
- The scale and complexity of the job
- Comparisons with benchmarks
- Performance as measured against objectives set by the board of directors

Pay multiple

The relationship between the Presidents Ashridge remuneration and that for all other staff employed by Ashridge, expressed as a pay multiple is as follows:

- The head of the provider's basic salary is 3.5 times the median basic salary of staff.
- The head of the provider's total remuneration is 2.8 times the median total remuneration of staff.

The pay multiple represents the Presidents pay divided by the median pay for all other staff at the Trust, on a full-time equivalent basis.

The median pay for all other staff is calculated using pay data in the year for all staff who are required to be included in Real Time Information (RTI) reporting to HMRC.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

7. Remuneration of key management personnel

Staff costs includes remuneration provided to key management personnel as follows:

	2021 £'000	2020 £'000
Salaries and wages	592	518
Social security costs	71	64
Pension costs	61	69
	724	651

8. Investments in Subsidiaries

The following company, which is registered in England, was a wholly owned subsidiary of the Trust during the year:

Company	Share Capital	Holding
Ashridge Educational Services Ltd	100 £1 ordinary shares	100%
Company number: 12363817		
Registered address: Ashridge, Berkhamsted, Hertfordshire, HP4 1NS		

9. Debtors

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade debtors	1,596	2,157	1,596	1,738
Amounts due from group undertakings	-	-	-	225
Other debtors	6	128	6	128
Prepayments and accrued income	193	186	193	186
Other financial instruments	3,500	4,500	3,500	4,500
	5,295	6,971	5,295	6,777

Trade debtors are stated after provisions for impairment - Group: £67k (2020: £75k), Trust £67k (2020: £75k).

10. Creditors: amounts falling due within one year

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	527	468	271	274
Amounts owed to group undertakings	-	-	256	-
Payments received on account for contracts	14	7	14	7
Taxation and social security	490	643	490	643
Other creditors	1	1	1	1
Accruals and deferred income	2,924	2,825	2,924	2,825
	3,956	3,944	3,956	3,750

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

11. Deferred Revenue Movement

	Group		Trust	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Opening balance	2,305	2,441	2,305	2,441
Amounts released from prior year	(1,237)	(1,198)	(1,237)	(1,198)
Income deferred in current year	1,165	1,062	1,165	1,062
	2,233	2,305	2,233	2,305

12. Provisions for liabilities - Group and Trust

Obligation to fund deficit on USS Pension:

	£'000
At 1 January 2021	1,418
Unwinding of discount factor	20
Deficit contributions paid	(101)
Change in expected contributions	24
At 31 December 2021	1,361

The obligation to fund the past deficit on the USS arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan.

The change in expected contributions arose due to the scheme's deficit decreasing based on the latest valuation - see note 14.

13. Contingent liability

Ashridge conducted a VAT review during 2022 which highlighted the requirement for Ashridge to be partially exempt due to the exempt apprenticeship revenue received from the Education Skills Funding Agency.

Partial exemption calculations had not been performed since apprenticeships began in 2018 so a correction of VAT returns is required and for over claimed input tax to be declared and paid to HMRC during 2022.

At the date of signing these financial statements, discussions with HMRC are ongoing and calculations have not been finalised to disclose a reliable estimate of the VAT liability in these financial statements.

14. Pension Commitments

The total pension cost charged in the Income and Expenditure account was £739k (2020: £767k).

(i) Universities Superannuation Scheme (USS)

Ashridge is a member of the Universities Superannuation Scheme (USS), a national defined benefits scheme for university academic and academic-related staff.

Pension benefits for 54 members of staff at 31 December 2021 (2020: 52) are provided under the USS.

An obligation to fund the past deficit on the USS arises from the contractual obligation with the USS for deficit payments in accordance with the deficit recovery plan. In calculating the provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

14. Pension Commitments

(i) Universities Superannuation Scheme (USS) (continued)

To fund the shortfall the deficit recovery plan requires Employers Deficit Contribution payments as a percentage of salaries:

- 2% with effect from 1 October 2019
- 6% with effect from 1 October 2021 to 31 March 2028

Amounts recognised in the Balance Sheet:

	2021	2020
	£'000	£'000
USS Provision	1,361	1,418

The total gain charged to the SOFA is £57k (2020: £184k).

The provision has been calculated based upon the adoption of a deficit recovery plan based on the 2018 actuarial valuation, which was the only agreed valuation and deficit recovery plan as at the balance sheet date.

Since the Trust cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those assets and liabilities as a whole:

	31 March 2018	31 March 2017
	£ billions	£ billions
Scheme assets	63.7	60.0
Total scheme liabilities	(67.3)	(67.5)
FRS 102 total scheme deficit	(3.6)	(7.5)
FRS 102 total funding level	95%	89%

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles, which can be found on the USS's website.

Pension increases (CPI)	Market derived price inflation less 1% pa	
Discount Rate (forward rates)	Years 1-10:	CPI +0.14% reducing linearly to CPI -0.73%
	Years 11-20:	CPI +2.52% reducing linearly to CPI +1.55% by year 21
	Years 21+:	CPI +1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality - base table	<u>Pre-retirement:</u>
	71% of AMCO0 (duration 0) for males and 112% of AFC00 (duration 0) for females.
	<u>Post-retirement:</u>
	97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Mortality - future improvements	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

14. Pension Commitments

(i) Universities Superannuation Scheme (USS) (continued)

The current life expectancies on retirement at age 65 are:

	31 March 2018
Males currently aged 65 (years)	24.4
Females currently aged 65 (years)	25.9
Males currently aged 45 (years)	26.3
Females currently aged 45 (years)	27.7

Key assumptions used are:

	2021	2020
Discount rate	1.85%	1.40%
RPI inflation rate	3.35%	2.90%
CPI inflation rate	2.90%	2.40%

(ii) Ashridge Pension Scheme (APS)

The Ashridge Pension Scheme is a funded defined benefit pension scheme, with the assets held in a separate trustee administered funds. It was open to full and part-time employees together with those subject to fixed term contracts until May 2002. With effect from January 2004 an accrual for future service for Senior Staff was transferred to the USS although General Staff at that time continued to accrue future service within the APS. Accrual for future service for the great majority of those remaining transferred to USS at the end of 2008. The final active member retired in 2012. Ashridge Pension Scheme is closed to new members.

Costs relating to APS are assessed in accordance with the advice of an independent qualified actuary, from Mercer, using the Projected Unit Method.

The most recent Scheme Funding Report of the Actuarial Valuation for the Ashridge Pension Scheme was undertaken as at 31 December 2019. At the date of the valuation, the value of the scheme's assets were £113.9 million which represented 97% of the actuarial value of the benefits that had accrued to members.

The most recent FRS 102 Actuarial Valuation Report for Ashridge Pension Scheme was undertaken as at 31 December 2021.

Principal actuarial assumptions

	2021	2020
Discount rate for scheme liabilities	1.85%	1.40%
Pensions in payment increase rate	2.85%	2.40%
Price inflation rate: CPI	2.90%	2.40%
Assumed life expectancy on retirement at age 65:		
Retiring today (male member age 65)	23.3	23.2
Retiring in 20 years (male member age 45 today)	24.0	24.0
Retiring today (female member age 65)	25.2	25.1
Retiring in 20 years (female member age 45 today)	26.3	26.2

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

14. Pension Commitments

(ii) Ashridge Pension Scheme (APS) (continued)

Contributions paid to the Scheme by the Trust in relation to past service were £1 million (2020: £1 million). Contributions being paid by the Trust are in accordance with actuarial recommendation.

The Trust is committed to contribute £1 million to Ashridge Pension Scheme in 2022.

Amounts recognised in the Balance Sheet:

	2021 £'000	2020 £'000
Defined benefit obligations at 31 December 2021	(113,816)	(119,532)
Fair value of plan assets at 31 December 2021	126,977	124,475
Net pension obligations at 31 December 2021	13,161	4,943

Changes in the present value of defined benefit obligations

	2021 £'000	2020 £'000
Defined benefit obligations at 31 December 2020	119,532	115,398
<u>Movement in the year:</u>		
Benefit payments from plan assets	(3,873)	(4,510)
Effect of changes in assumptions	(3,489)	10,834
Effect of experience adjustments	-	(4,179)
Interest on pension liabilities	1,646	2,319
Cost - gain on curtailments/changes	-	(330)
Defined benefit obligations at 31 December 2021	113,816	119,532

Changes in the fair value of plan assets

	2021 £'000	2020 £'000
Fair value of plan assets at 31 December 2020	124,475	115,435
<u>Movement in the year:</u>		
Employer contributions	1,000	1,000
Benefit payments from plan assets	(3,873)	(4,510)
Administrative costs paid from plan assets	(474)	(191)
Return on plan assets	4,130	10,413
Interest on pension assets	1,719	2,328
Fair value of plan assets at 31 December 2021	126,977	124,475

Plan assets comprise:

	2021 £'000	2020 £'000
Alternatives/multi asset funds	71,347	68,757
Bonds	44,636	45,893
Cash	1,793	675
Derivatives	701	1,203
Property	3,540	2,685
Annuity policies	4,960	5,262
	126,977	124,475

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

14. Pension Commitments

(ii) Ashridge Pension Scheme (APS) (continued)

Amount recognised in the Statement of Financial Activities

	2021	2020
	£'000	£'000
Interest expense on pension liabilities	1,646	2,319
Interest income on pension assets	(1,719)	(2,328)
Administrative costs paid from plan assets	474	191
Gain on curtailments/changes	-	(330)
Pension charge/(income) for the year	401	(148)
Effect of changes in assumptions	(3,489)	10,834
Return on plan assets	(4,130)	(10,413)
Effect of experience adjustments	-	(4,179)
Actuarial (gain)/loss on defined benefit pension scheme	(7,619)	(3,758)
(Gain)/loss recognised in the SOFA	(7,218)	(3,906)

15. Funds

	Unrestricted General £'000	Designated Research £'000	Restricted Restoration £'000	Total £'000
Total funds at 1 January 2020	2,692	10,000	81	12,773
Net income	87	-	-	87
Actuarial gains on APS pension	3,758	-	-	3,758
Foreign exchange losses	(39)	-	-	(39)
Total funds at 31 December 2020	6,498	10,000	81	16,579
Net income	575	-	-	575
Actuarial gains on APS pension	7,619	-	-	7,619
Foreign exchange gains	3	-	-	3
Total funds at 31 December 2021	14,695	10,000	81	24,776
<i>Memo</i>				
APS scheme (surplus)/deficit (note 14)	(13,161)	-	-	(13,161)
USS pension provision (note 14)	1,361	-	-	1,361
Total funds excluding pension scheme surplus	2,895	10,000	81	12,976

The unrestricted General Funds represent the cumulative total of past results generated by the Trust. The 1954 Act, as amended in 1983, stipulates that the Funds may be used solely to further the objects of the Trust.

The designated Research Fund exists to assist Ashridge to undertake research related to the roles of corporate headquarters and division levels in multi-business companies and to find ways of improving the strategic management process with the results of such research being disseminated to the public. The funds are intended for building research capability and capacity at Ashridge.

The restricted Restoration Fund represents house and garden tour receipts as well as donations received to maintain and restore the historic fabric of the estate.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2021 (continued)

16. Analysis of Net Assets Between Funds

	Unrestricted Funds £'000	Designated Research Fund £'000	Restricted Restoration Fund £'000	Total £'000
<u>Total Funds at 31 December 2021:</u>				
Group				
Net Current Assets	2,895	10,000	81	12,976
Pension Deficit - APS	13,161	-	-	13,161
Pension Provision - USS	(1,361)	-	-	(1,361)
Total	14,695	10,000	81	24,776
Trust				
Net Current Assets	2,895	10,000	81	12,976
Pension Deficit - APS	13,161	-	-	13,161
Pension Provision - USS	(1,361)	-	-	(1,361)
Total	14,695	10,000	81	24,776
	Unrestricted Funds £'000	Designated Research Fund £'000	Restricted Restoration Fund £'000	Total £'000
<u>Total Funds at 31 December 2020:</u>				
Group				
Net Current Assets	2,973	10,000	81	13,054
Pension Deficit - APS	4,943	-	-	4,943
Pension Provision - USS	(1,418)	-	-	(1,418)
Total	6,498	10,000	81	16,579
Trust				
Net Current Assets	2,973	10,000	81	13,054
Pension Deficit - APS	4,943	-	-	4,943
Pension Provision - USS	(1,418)	-	-	(1,418)
Total	6,498	10,000	81	16,579

17. Donations

Donations of £nil (2020: £nil) were received.

18. Related Parties

Details of the balances outstanding with subsidiaries owned during the year are as follows:

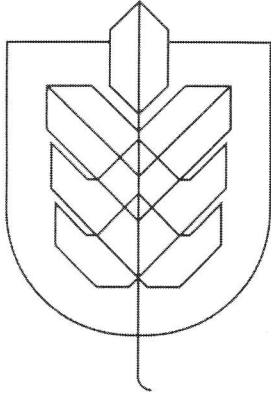
	2021 £'000	2020 £'000
<u>Debtors</u>		
Ashridge Educational Services Limited	-	225
<u>Creditors</u>		
Ashridge Educational Services Limited	256	-

Ashridge Educational Services Limited donated its profits of £458k to the Trust (2020: £768k).

THE ASHRIDGE (BONAR LAW MEMORIAL) TRUST

England & Wales - Charity number 311096

Accounts



ASHRIDGE (BONAR LAW MEMORIAL) TRUST

ANNUAL REPORT FOR THE YEAR ENDED

31 December 2020

Charity Registration Number: 311096

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

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ASHRIDGE (BONAR LAW MEMORIAL) TRUST

LEGAL AND ADMINISTRATIVE DETAILS

Trustees

The governance of Ashridge (Bonar Law Memorial) Trust is managed by Ashridge CT Limited, a corporate trustee.

Ashridge CT Limited directors	Mr Ulf Sandberg Mr Ajay Gundecha Mr Jeffrey Allen Mr Paul Coen	(resigned 26/03/2020)
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Charity number	311096
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Registered office	Ashridge Berkhamsted Hertfordshire HP4 1NS
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Actuary	Mercer Tower Place West Tower Place London EC3R 5BU
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Independent auditors	Knox Cropper LLP 65 Leadenhall Street London EC3A 2AD
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Bankers	Lloyds Banking Group plc 205 High Street Berkhamsted Hertfordshire HP4 1AP
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	Santander UK plc 2 Triton Square Regent's Place London NW1 3AN
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ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2020

The Corporate Trustee is pleased to present the audited annual report together with the consolidated financial statements of Ashridge (Bonar Law Memorial) Trust (the Trust) for the year ended 31 December 2020.

The Corporate Trustee's report and the financial statements have been prepared in accordance with the Charities Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities 2019', Financial Reporting Standards 102 and Charities Act 2011.

The aims of Ashridge

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014 (the Act).

The principal activities of the Trust are defined by the Act:

- Provide education at Ashridge
- Undertake research and disseminate the results to the public
- Establish and continue similar institutions overseas

These activities are undertaken by the Trust using the name of Ashridge. The Trust also had a wholly owned subsidiary during the year - see notes 3 and 8 of the financial statements for details. The trading subsidiary undertook specialist activities closely related to management education as follows:

- Ashridge Educational Services Ltd provided executive and organisation education to corporate clients.

The Corporate Trustee referred to the guidance contained in the Charity Commission's publications on public benefit when reviewing aims and objectives. They then considered how to maximise the contribution of planned activities to those aims and objectives as follows:

Provision of education

As a leading centre for management and organisation learning, the Ashridge vision is to make a substantial contribution to the development of managers, their organisations and society at large.

The activities undertaken to assist this development deliver public benefit in a variety of ways. Ashridge's clients include organisations in the public sector, corporate entities, and individual private students in pursuit of a UK degree.

Research

The purpose of research at Ashridge is to make a wider intellectual contribution to business practices overall, and a deeper contribution to certain academic and professional fields, as well as to continuously improve education for students and executives. Co-creating knowledge with leaders, managers and policymakers in private, public, and volunteer organizations is a hallmark of this strategy. So is the aspiration to catalyse innovation and be a partner in life-long learning. Ashridge has its roots in management practice, applied scholarship and social responsibility, and the research is designed to leverage these roots and its vast network of connections with private, public and volunteer organizations. The public benefits from Ashridge research as it is widely distributed and freely available.

Establishment of similar institutions overseas

Ashridge delivers a proportion of its services outside the UK through its corporate clients. Some contracted faculty are based abroad.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2020 (continued)

Achievements and performance

In performing its activities Ashridge has run educational programs for more than 113 clients and 1,075 students with 105 students eligible to graduate during the calendar year 2020.

In addition, research at Ashridge has contributed to the academic debate through publishing 137 books, articles, reports and conference papers during 2020.

Financial review

The result for the year ended 31 December 2020 was a net income of £87k (2019: £1.3m). Continuing operations contributed £87k (2019: £-2.9m) and discontinued operations contributed £nil (2019: £4.2m).

The profitability from continuing operations is due to improve further due to the growth in apprenticeship and degree programmes.

Reserves

The total reserves of the Trust on 31 December 2020 was £16.6m (2019: £12.8m). The total reserves include a designated Research Fund £10m (2019: £10m), a restricted Restoration Fund £81k (2019: £81k) and unrestricted free reserves of £6.5m (2019: £2.7m).

The main driver of the increase was the actuarial defined benefit pension scheme revaluation gain of £3.9m of Ashridge Pension Scheme vs. 31 December 2019.

The Trust's reserves policy requires 3 months of unrestricted reserves to enable it to meet its charitable objectives. At 31 December 2020 the Trust held unrestricted free reserves of £6.5m to comply with this policy.

Going concern

The effect of COVID-19 has been assessed by the Corporate Trustee, reviewing the Trust's ongoing forecasts and projections to ensure that the organisation remains financially viable. There are no material uncertainties that the Trust would not be able to meet its liabilities as they fall due for the foreseeable future.

The Trust has an excellent liquidity position at 31 December 2020 with £10m cash available. Consequently, the Trustee has continued to prepare the financial statements on a going concern basis.

Principal risks and uncertainties

The Corporate Trustee has examined the major risks that the Trust faces and have documented these in a risk register, which is updated on a periodic basis. The Trust has developed systems to monitor and control these risks to mitigate any impact that they may have on the Trust in the future.

The outbreak of the COVID-19 virus has had an impact on higher education globally. The Corporate Trustee and executive team continue to monitor the outbreak, including UK Government advice. The board acknowledges the risk but deems the operational disruption to be limited as education is maintained and carried out online. In addition, the Corporate Trustee does not anticipate major deviances vs. budget for the 2021 fiscal year with the current vaccine rollout and the travel restrictions being gradually removed in 2021.

Most of the qualifications revenue relates to apprenticeships which is funded through the government's Education & Skills Funding Agency, as a government agency we deem the collection of this revenue to be low risk. The Trust may experience collection delays from tuition of independent students, collections are being monitored closely and graduation will only take place once all fees are settled.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2020 (continued)

Investment powers and policy

The Corporate Trustee has wide powers to invest in land, government securities, commercial stocks and building society deposits provided that all commercial instruments are issued by companies listed on approved Stock Exchanges or associates of such companies.

Strategic objectives

Ashridge has identified the following strategic aspirations in relation to its core objects, to be:

- One of the top five global providers of customised executive education
- Being known as the place that knows about coaching
- Leading specialist in strategic organisational change and development
- Compact, differentiated, highly regarded qualifications portfolio
- All business streams integrated with facilitated learning over the web.
- Having a faculty noted for practical yet rigorous research that is widely available

Ashridge is one of few business schools worldwide to achieve the 'triple crown' of accreditation from the Association to Advance Collegiate Schools of Business (AACSB), the European Quality Improvement System (EQUIS) and the Association of MBAs (AMBA) and the objective is to retain these accreditations going forward.

In 2020 Ashridge reaffirmed its position among the top 20 Executive Education schools in the world.

Governance

Ashridge (Bonar Law Memorial) Trust was constituted as a charitable trust by the Ashridge (Bonar Law Memorial) Trust Act 1954, as amended in 1983 and 2014, and is governed by this act.

Ashridge CT Limited acts as the governing body of the Trust through its own board of directors which meets regularly.

The day-to-day management of Ashridge is undertaken by the President who is appointed by Ashridge CT Ltd. The President has delegated authority for finance, employment, and other operational matters.

Related parties

None of the directors of Ashridge CT Limited nor any persons connected with them, had at any time had any beneficial interest in dealings with the Trust and received no remuneration from the Trust.

Ashridge has subsidiaries and other related parties during the year ended 31 December 2020 as per below:

Ashridge CT Limited

Ashridge CT Limited was incorporated in 2015 and appointed as corporate trustee of the Trust with the objective to comply with the Act. The directors of Ashridge CT Limited are independent of the Trust in order to ensure there are no conflicts of interest.

Ashridge Historical Trust

The member of Ashridge CT Limited is the Ashridge Historical Trust. The trustees of the Ashridge Historical Trust are independent of the Trust and Ashridge CT Limited in order to ensure there are no conflicts of interest.

Ashridge Educational Services Ltd

Ashridge Educational Services Ltd is controlled through share ownership by the Trust and was incorporated on 16 December 2019.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2020 (continued)

The Ashridge Pension Scheme

The Ashridge Pension Scheme is a post-employment benefit plan for the benefit of employees of the Trust. Until 2002 the Trust offered final salary pension entitlement to all Ashridge staff through membership of the Ashridge Pension Scheme.

Pay policy for senior staff

The pay of the senior staff is reviewed annually. In view of the nature of the charity salaries are benchmarked against pay levels in other comparable educational institutions.

Key management personnel

President	Dr Stephen Hodges	
Chief Academic Officer	Dr Johan Roos	
Dean of Faculty	Dr Dina Dommett	
Associate Dean	Mr Andrew Hyams	
Chief Finance Officer	Mrs Emilie McCarthy	(appointed 01/01/2020)
Senior Director of Research	Miss Nadine Page	

Corporate Trustee's responsibilities

The Corporate Trustee is responsible for the preparation of annual financial statements that provide a true and fair view of the state of affairs of Ashridge as at the end of the financial year and of the financial activities during the year.

In preparing the financial statements the Corporate Trustee is required to:

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

The Corporate Trustee is responsible for keeping proper accounting records that disclose with reasonable accuracy of the financial position of Ashridge at any time and to ensure that the financial statements comply with relevant statutes.

It is also responsible for safeguarding the assets of Ashridge taking reasonable steps to prevention and detection of fraud and other irregularities.

Disclosure of information to Auditors

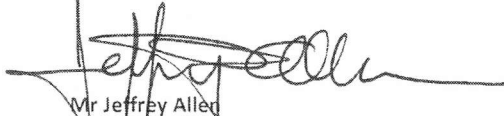
The Corporate Trustee confirms that:

- there is no relevant audit information of which the Trust's auditors are unaware; and
- it has taken all the steps that ought to be taken in order to make himself/herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Report of the Corporate Trustee for the year ended 31 December 2020 (continued)

The report of the Corporate Trustee was approved by the board of directors of Ashridge CT Limited and signed on their behalf by:



Mr Jeffrey Allen
Director
Ashridge CT Limited

7 April 2021

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

INDEPENDENT AUDITOR'S REPORT TO THE CORPORATE TRUSTEE OF ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Opinion

We have audited the financial statements of Ashridge (Bonar Law Memorial) Trust ("the Parent Charity") and its subsidiary ("the Group") for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, the consolidated and Charity balance sheet, the consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charity's affairs as at 31 December 2020 and of the Group's incoming resources and application of resources 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 Charities Act 2011.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Charity in accordance with the ethical requirements 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 related to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Report of the Corporate Trustee, other than the financial statements and our auditor's report thereon. The Trustee is responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If,

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Act 2011 requires us to report to you if, in our opinion;

- the information contained in the financial statements is inconsistent in any material respect with the Report of the Corporate Trustee; or
- adequate accounting records have not been kept by the Parent Charity; or
- the Parent Charity financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustee

As explained more fully in the Corporate Trustee's responsibilities statement, the Trustee is 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 Trustee determines 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 Trustee is responsible for assessing the Group's and the Parent Charity'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 Corporate Trustee either intends to liquidate the Group or the parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act[s] and relevant regulations made or having effect thereunder.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Group and the Parent Charity are required to comply with charity law and, based on our knowledge of their activities, we identified that the legal requirement to accurately account for restricted funds was of key significance.
- We gained an understanding of how the Group and Parent Charity complied with their legal and regulatory framework, including the requirement to properly account for restricted funds, through discussions with management and a review of the documented policies, procedures and controls.
- The audit team, which is experienced in the audit of charities, considered the Group and Parent Charity's susceptibility to material misstatement and how fraud may occur. Our considerations included the risk of management override.
- Our approach was to check that all restricted income was properly identified and separately accounted for and to ensure that only valid and appropriate expenditure was charged to restricted funds. This included reviewing journal adjustments and unusual transactions.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

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

Use of our report

This report is made solely to the Charity's Corporate Trustee, as a body, in accordance with the Charities Act 2011. Our audit work has been undertaken so that we might state to the Charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Knox Cropper LLP

8 April 2021

Knox Cropper LLP, Statutory Auditor
65 Leadenhall Street
London
EC3A 2AD

Knox Cropper LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Consolidated Statement of Financial Activities for the year ended 31 December 2020

	Note	Unrestricted Funds £'000	2020 Total Funds £'000
<i>Income:</i>			
<i>Income from charitable activities:</i>			
Fees from educational programmes		4,038	4,038
<i>Income from other trading activities:</i>			
Commercial trading operations		5,383	5,383
Investment income		12	12
Total income		9,433	9,433
<i>Expenditure:</i>			
Expenditure on charitable activities	4	(4,731)	(4,731)
Expenditure on other trading activities	4	(4,615)	(4,615)
Total expenditure		(9,346)	(9,346)
Net income	2	87	87
<i>Other recognised gains/(losses):</i>			
Actuarial gains on APS pension	13	3,758	3,758
Foreign exchange losses		(39)	(39)
Net movement in funds		3,806	3,806

	Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	2020 Total Funds £'000
<i>Reconciliation of funds:</i>				
Total funds brought forward	2,692	10,000	81	12,773
Net movement in funds	3,806	-	-	3,806
Total funds carried forward	6,498	10,000	81	16,579

All income and expenditure has arisen from continuing activities.

The notes on pages 16 to 28 form part of these financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Consolidated Statement of Financial Activities for the year ended 31 December 2019

	Note	Continuing Operations	Discontinued Operations			2019 Total Funds £'000
		Unrestricted Funds £'000	Unrestricted Funds £'000	Restricted Funds £'000	Endowment Fund	
					& Revaluation Reserve £'000	
Income:						
Donations	16	-	-	8	-	8
<i>Income from charitable activities:</i>						
Fees from educational programmes		2,848	3,021	-	-	5,869
<i>Income from other trading activities:</i>						
Commercial trading operations		-	28,381	-	-	28,381
Investment income		7	-	-	-	7
Other income	7	-	3,572	-	-	3,572
Total income		2,855	34,974	8	-	37,837
Expenditure:						
Expenditure on charitable activities	4	(5,791)	(3,075)	-	-	(8,866)
Expenditure on other trading activities	4	-	(27,668)	-	-	(27,668)
Other expenditure		-	-	(11)	-	(11)
Total expenditure		(5,791)	(30,743)	(11)	-	(36,545)
Net (expenditure) income	2	(2,936)	4,231	(3)	-	1,292
<i>Other recognised gains/(losses):</i>						
Actuarial losses on APS pension	13	(5,884)	-	-	-	(5,884)
Foreign exchange losses		(74)	-	-	-	(74)
Net movement in funds		(8,894)	4,231	(3)	-	(4,666)
Reconciliation of funds:						
		Unrestricted Funds £'000	Designated Funds £'000	Restricted Funds £'000	Endowment Fund & Revaluation Reserve £'000	2019 Total Funds £'000
Total funds brought forward		(6,010)	10,000	84	13,365	17,439
Net movement in funds - continuing operations		(8,894)	-	-	-	(8,894)
Net movement in funds - discontinued operations		4,231	-	(3)	-	4,228
Reclassification - sale of House		13,365	-	-	(13,365)	-
Total funds carried forward		2,692	10,000	81	-	12,773

The notes on pages 16 to 28 form part of these financial statements.

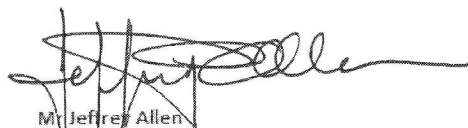
ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Balance Sheets as at 31 December 2020

	Note	Group		Trust	
		2020 £'000	2019 £'000	2020 £'000	2019 £'000
<i>Fixed assets:</i>					
Investments in subsidiaries	8	-	-	-	-
Total fixed assets		-	-	-	-
<i>Current assets:</i>					
Debtors	9	6,971	10,157	6,777	10,162
Cash at bank and in hand		10,027	11,395	10,027	11,385
Total current assets		16,998	21,552	16,804	21,547
Creditors: amounts falling due within one year	10	(3,944)	(7,215)	(3,750)	(7,210)
Net current assets		13,054	14,337	13,054	14,337
Total assets less current liabilities		13,054	14,337	13,054	14,337
USS defined benefit pension scheme provision	12	(1,418)	(1,601)	(1,418)	(1,601)
APS defined benefit pension scheme asset	13	4,943	37	4,943	37
Net assets		16,579	12,773	16,579	12,773
<i>The funds of the charity:</i>					
Unrestricted funds	General	6,498	2,692	6,498	2,692
Designated funds	Research	10,000	10,000	10,000	10,000
Restricted funds	Restoration	81	81	81	81
Total charity funds	15	16,579	12,773	16,579	12,773

The notes on pages 16 to 28 form part of these financial statements.

The financial statements were approved by the corporate trustee, Ashridge CT Limited, on 7 April 2021, and signed on their behalf by:



Mr Jeffrey Allen
Director
Ashridge CT Limited

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Consolidated Statement of Cash Flows for the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
<u>Cash flows from operating activities:</u>			
Net cash provided by (used in) operating activities	A	(1,380)	(229)
<u>Cash flows from investing activities:</u>			
Investment income received in year		12	7
Proceeds from sale of subsidiary, property and open business		-	10,200
Purchase of tangible/intangible assets		-	(408)
Net cash provided by (used in) from investing activities		12	9,799
<u>Cash flows from financing activities:</u>			
Repayment of obligations under hire purchase and finance lease contracts		-	(56)
Net cash provided by (used in) financing activities		-	(56)
Change in cash in the reporting period		(1,368)	9,514
Cash at the beginning of the reporting period		11,395	1,881
Cash at the end of the reporting period	B	10,027	11,395

Note A: Reconciliation of net income/(expenditure) to net cash flow from operating activities

Net incoming resources from educational and related activities		87	1,292
<u>Adjustments for:</u>			
Depreciation/amortisation		-	692
Profit on disposal of subsidiary, property and open business		-	(3,572)
Investment income received in year		(12)	(7)
Gain on disposal of fixed assets		-	(9)
VAT not recovered		-	56
Decrease in stock		-	20
Decrease in debtors		3,186	222
(Decrease)/increase in creditors		(3,270)	2,462
Additional pension contributions		(1,000)	(1,644)
Pension costs relating to defined benefit plans:			
APS administration costs		191	350
APS finance (gain)/cost		(339)	264
Movement in USS		(184)	(281)
Foreign exchange losses		(39)	(74)
Net cash provided by (used in) operating activities		(1,380)	(229)

Note B: Analysis of cash and cash equivalents

	At 01/01/20 £'000	Cash Flow £'000	At 31/12/20 £'000
Cash at bank and in hand	11,395	(1,368)	10,027

The notes on pages 16 to 28 form part of these financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended
31 December 2020****1. Accounting Policies****Basis of accounting**

These financial statements have been prepared under the historical cost convention, in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (2019), Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS102), and the Charities Act 2011.

The Group financial statements incorporate a line by line consolidation of the financial statements of the Trust and its subsidiaries. There are uniform accounting policies across the Group. All intra-group transactions and balances between group entities are eliminated on consolidation.

Ashridge (Bonar Law Memorial) Trust, a public benefit entity, has taken advantage of the provision not to include its own Statement of Financial Activities and related notes in the consolidated financial statements.

These financial statements are presented in GBP Sterling which is also the functional currency of the Group. Monetary amounts in these financial statements are rounded to the nearest thousand.

Going Concern

The Corporate Trustee, after making enquiries, has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the next 12 months and will continue to operate for the primary purpose of the Trust.

The effect of COVID-19 has been assessed by the Corporate Trustee, reviewing the Trust's ongoing forecasts and projections to ensure that the organisation remains financially viable. The board acknowledges the risk but deems the impact on operational disruption to be limited as education is maintained and carried out online and infrastructure is in place to allow staff to work remotely. In addition, the Trust has experienced growth in the degree programmes during 2020. Major deviances vs. budget for the 2020 fiscal year are not anticipated.

The Trust has an excellent liquidity position at 31 December 2020 with £10m cash available. The Corporate Trustee does not believe there are any material uncertainties relating to its ability to continue as a going concern and have therefore prepared the financial statements on that basis.

Income

Income represents revenue for programmes, consultancy, research and conference activities undertaken during the year. Revenue is recognised when the programme is delivered. Deferred income represents fees invoiced in advance.

Donations

Donations are credited to revenue on a receivable basis.

Expenditure

Costs relating to the provision of core education, research and consulting services are included within the Statement of Financial Activities.

Expenditure charged against Restricted Funds falls within the purposes outlined in note 14. All other expenses are borne out of the Unrestricted Fund. Costs are allocated to specific departments on a project basis as necessary.

Foreign currencies

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Gains and losses are recognised in the Statement of Financial Activities.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended 31 December 2020 (continued)****1. Accounting Policies (continued)****Financial instruments**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. The impairment loss is recognised in the profit or loss.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

The Ashridge Pension Scheme is a historical single-employer defined benefit scheme. Recognised in the Balance Sheet is the value of the scheme's assets less the present value of the scheme's liabilities. The pension cost for the scheme is analysed between current service cost, past service cost and net return on pension scheme assets. Current service cost is the actuarially calculated present value of the benefits earned by the active employees in each period. Past service costs, relating to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits, are recognised in the Statement of Financial Activities on a straight line basis over the period in which the increase in benefits vest. The net expected return on the pension assets comprises the expected return on the pension scheme assets less interest on scheme liabilities. The actuarial gains and losses which arise from updating the latest actuarial valuation to reflect conditions at the balance sheet date are shown in the Statement of Financial Activities.

The Trust participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Trust is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the Trust accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Statement of Financial Activities represents the contributions payable to the scheme. Since the Trust has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the Trust recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Financial Activities.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The Corporate Trustee is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST**Notes to the Financial Statements for the year ended 31 December 2020 (continued)****1. Accounting Policies (continued)****Taxation**

The Trust is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

Judgements and key sources of estimation uncertainty

In the application on the group's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

(i) Treatment of the USS pension scheme

A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (the recovery plan). The Trust is satisfied that USS meets the definition of a multi-employer scheme and has therefore recognised the liability of the future deficit contribution based on the recovery plan.

To determine the appropriate values for the USS pension recovery plan the Trust has applied an accounting model developed by the British Universities Finance Director's Group (BUFDG) in conjunction with the USS. The use of this model enables the Trust to reduce the level of uncertainty regarding the amount of the liability and is a model which is used by Universities across the board.

(ii) Impairment of debtors

The Trust makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment, management considers factors including the ageing profile of debtors and historical experience.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

2. Consolidated Group Income and Expenditure Account

The principal differences between the Income and Expenditure Account below and the Statement of Financial Activities are the classification of the income and expenditure together with the exclusion of unrealised gains and losses. The figures below reflect only movement of the unrestricted funds.

In the course of normal business, some costs are not directly attributable. These costs are apportioned based on the most relevant factor.

	2020 £'000	2019 £'000
Income		
Qualification programmes (2019: Open & Qualifications)	4,038	5,869
Custom and consulting	5,383	21,565
Profit on disposal of subsidiary, property and open business	-	3,572
Other activities	-	6,824
Investment income	12	7
	9,433	37,837
Expenditure		
Staff costs, including pension	(6,057)	(17,178)
Associates and agency staff	(2,690)	(8,107)
Other direct costs	(454)	(2,404)
Marketing and business development	(125)	(1,673)
Property and other overhead costs	(352)	(6,158)
Amortisation	-	(170)
Depreciation	-	(522)
APS pension administration and finance costs	148	(614)
USS pension provision movement	184	281
	(9,346)	(36,545)
Net income per Statement of Financial Activities	87	1,292

3. Net Income from Trading Subsidiaries

The Trust had two wholly owned trading subsidiaries (note 8) both of which are incorporated in the UK and donate their trading profits to the Trust subject to Gift Aid.

	2020		2019		
	AES Ltd £'000	Total £'000	AE&OD £'000	ASMC £'000	Total £'000
Income	5,383	5,383	27,825	556	28,381
Expenditure	(4,615)	(4,615)	(27,118)	(556)	(27,674)
Surplus	768	768	707	-	707
Donation subject to gift aid	(768)	(768)	(710)	-	(710)
Deficit on ordinary activities	-	-	(3)	-	(3)
	-	-	(3)	-	(3)

All transactions between Ashridge and its subsidiaries are conducted on an arm's length basis.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

4. Analysis of Total Resources Expended

Expenditure includes:

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Impairment of trade receivables	75	22	75	22
Fees payable to Group auditors - audit services	19	104	19	104
Fees payable to Group auditors - non audit services	1	10	1	3
Operating leases	-	56	-	44
	<u>95</u>	<u>192</u>	<u>95</u>	<u>173</u>

	Direct costs £'000	Support cost recharges		Total 2020 £'000	Total 2019 £'000
		Support costs £'000	£'000		
Expenditure on charitable activities					
Qualification Programmes	1,111	1,661	(910)	1,862	4,097
Faculty	80	3,622	(1,650)	2,052	(1)
Research	28	393	(160)	261	1,170
Overheads & Facilities	52	1,075	(280)	847	736
Custom & Open Programmes	972	45	(976)	41	2,531
APS & USS Pension P&L charge	-	(332)		(332)	333
	<u>2,243</u>	<u>6,464</u>	<u>(3,976)</u>	<u>4,731</u>	<u>8,866</u>

Expenditure on other trading activities

Custom & Open Programmes	639	-	976	1,615	22,131
Teaching costs	-	-	3,000	3,000	-
Virtual Ashridge	-	-	-	-	702
Events & Conferences	-	-	-	-	3,579
Hotel	-	-	-	-	234
Coaching	-	-	-	-	466
ASMC	-	-	-	-	556
	<u>639</u>	<u>-</u>	<u>3,976</u>	<u>4,615</u>	<u>27,668</u>

5. Staff Costs (Group and Trust)

Salaries, wages and related payroll costs, including subsidiary undertakings, amounted to:

	2020 £'000	2019 £'000
Salaries and wages	4,743	13,986
Social security costs	509	1,395
Pension costs	767	1,675
Termination payments	38	122
Defined benefit scheme administration costs	191	350
	<u>6,248</u>	<u>17,528</u>

The majority of staff were employed by the Trust on behalf of the Group. For the year ended 31 December 2020 the average number of staff employed by the Trust was 64 (2019: 334).

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

5. Staff Costs (Group and Trust) (continued)

Ashridge CT Limited, the corporate trustee, received no remuneration for its service to the Trust (2019: nil) but was reimbursed travel expenses of £nil during the year (2019: £nil).

Redundancy and termination payments were incurred during the year, an obligation of £nil (2019: £23k) is included in accruals and deferred income.

The remuneration (salary including staff benefits and termination payments but excluding pension contributions) paid to high paid members of staff falls into the following bands:

	2020	2019
£60,001 - £70,000	4	6
£70,001 - £80,000	3	3
£80,001 - £90,000	7	12
£90,001 - £100,000	6	8
£100,001 - £110,000	8	8
£110,001 - £120,000	-	5
£120,001 - £130,000	1	4
£130,001 - £140,000	-	2
£140,001 - £150,000	1	-
£150,001 - £160,000	2	2
£160,001 - £170,000	-	1
£190,001 - £200,000	-	1
£250,001 - £260,000	-	1
£270,001 - £280,000	-	1
£400,001 - £410,000	-	1
	<u>32</u>	<u>55</u>

6. Remuneration of key management personnel

Staff costs includes remuneration provided to key management personnel as follows:

	2020 £'000	2019 £'000
Salaries and wages	518	1,101
Social security costs	64	143
Pension costs	69	101
	<u>651</u>	<u>1,345</u>

7. Discontinued operations

As part of the Trust's strategy to focus on its charitable objectives of providing education and undertaking research, the Trust disposed of its shareholding in Ashridge Executive & Organisation Limited, its Open business, and the Ashridge House on 31 December 2019. A profit on disposal of £3.57m was recognised in the SOFA for the year ended 31 December 2019.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

8. Investments in Subsidiaries

The following company, which is registered in England, was a wholly owned subsidiary of the Trust during the year:

Company	Share Capital	Holding
Ashridge Educational Services Ltd	100 £1 ordinary shares	100%
Company number: 12363817		
Registered address: Ashridge, Berkhamsted, Hertfordshire, HP4 1NS		

The following companies were also wholly owned subsidiaries of the Trust during the year ended 31 December 2019:

Ashridge Executive & Organisation Development Limited (Sold 31/12/19)	100 £1 ordinary shares	0%
Company number: 01784086		
Registered address: Ashridge, Berkhamsted, Hertfordshire, HP4 1NS		

Ashridge Strategic Management Centre (Members Voluntary Liquidation 19/12/19)	Limited by guarantee	N/A
Company number: 02215761		
Registered address: Ashridge, Berkhamsted, Hertfordshire, HP4 1NS		

9. Debtors

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade debtors	2,157	1,815	1,738	1,815
Amounts due from group undertakings	-	-	225	5
Other debtors	128	2,655	128	2,655
Prepayments and accrued income	186	187	186	187
Other financial instruments	4,500	5,500	4,500	5,500
	<u>6,971</u>	<u>10,157</u>	<u>6,777</u>	<u>10,162</u>

Trade debtors are stated after provisions for impairment - Group: £75k (2019: £22k), Trust £75k (2019: £22k).

10. Creditors: amounts falling due within one year

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Trade creditors	468	1,889	274	1,889
Payments received on account for contracts	7	20	7	20
Taxation and social security	643	1,023	643	1,023
Other creditors	1	2	1	2
Accruals and deferred income	2,825	4,281	2,825	4,276
	<u>3,944</u>	<u>7,215</u>	<u>3,750</u>	<u>7,210</u>

11. Deferred Revenue Movement

	Group		Trust	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Opening balance	2,441	3,402	2,441	2,095
Amounts released from prior year	(1,198)	(2,239)	(1,198)	(1,002)
Income deferred in current year	1,062	3,181	1,062	1,348
AE&OD balance sold 31 December 2019	-	(1,903)	-	-
	<u>2,305</u>	<u>2,441</u>	<u>2,305</u>	<u>2,441</u>

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

12. Provisions for liabilities - Group and Trust

Obligation to fund deficit on USS Pension:

	£'000
At 1 January 2020	1,601
Unwinding of discount factor	33
Deficit contributions paid	(69)
Change in expected contributions	(147)
At 31 December 2020	1,418

The obligation to fund the past deficit on the USS arises from the contractual obligation with the USS to deficit payments in accordance with the deficit recovery plan.

The change in expected contributions arose due to the scheme's deficit decreasing based on the latest valuation - see note 13.

13. Pension Commitments

The total pension cost charged in the Income and Expenditure account was £767k (2019: £1.67m).

(i) Universities Superannuation Scheme (USS)

Ashridge is a member of the Universities Superannuation Scheme (USS), a national defined benefits scheme for university academic and academic-related staff.

Pension benefits for 52 members of staff at 31 December 2020 (2019: 56) are provided under the USS.

An obligation to fund the past deficit on the USS arises from the contractual obligation with the USS for deficit payments in accordance with the deficit recovery plan. In calculating the provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation.

To fund the shortfall the deficit recovery plan requires Employers Deficit Contribution payments as a percentage of salaries:

- 2% with effect from 1 October 2019
- 6% with effect from 1 October 2021 to 31 March 2028

Amounts recognised in the Balance Sheet:

	2020	2019
	£'000	£'000
USS Provision	1,418	1,601

The total gain charged to the SOFA is £184k (2019: £281k).

The latest available actuarial valuation of the USS was at 31 March 2018 (the valuation date). Since the Trust cannot identify its share of the scheme assets and liabilities, the following disclosures reflect those assets and liabilities as a whole:

	2019	2018
	£ billions	£ billions
Scheme assets	63.7	60.0
Total scheme liabilities	(67.3)	(67.5)
FRS 102 total scheme deficit	(3.6)	(7.5)
FRS 102 total funding level	95%	89%

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

13. Pension Commitments

(i) Universities Superannuation Scheme (USS) (continued)

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles, which can be found on the USS's website.

Pension increases (CPI)	Market derived price inflation less 1% pa
Discount Rate (forward rates)	Years 1-10: CPI +0.14% reducing linearly to CPI -0.73%
	Years 11-20: CPI +2.52% reducing linearly to CPI +1.55% by year 21
	Years 21+: CPI +1.55%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality - base table	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. <u>Post-retirement:</u> 97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.
Mortality - future improvements	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 (years)	24.4	24.5
Females currently aged 65 (years)	25.9	26.0
Males currently aged 45 (years)	26.3	26.5
Females currently aged 45 (years)	27.7	27.8

Key assumptions used are:

	2020	2019
Discount rate	1.40%	2.05%
RPI inflation rate	2.90%	3.05%
CPI inflation rate	2.40%	2.25%

(ii) Ashridge Pension Scheme (APS)

The Ashridge Pension Scheme is a funded defined benefit pension scheme, with the assets held in a separate trustee administered funds. It was open to full and part-time employees together with those subject to fixed term contracts until May 2002. With effect from January 2004 an accrual for future service for Senior Staff was transferred to the USS although General Staff at that time continued to accrue future service within the APS. Accrual for future service for the great majority of those remaining transferred to USS at the end of 2008. The final active member retired in 2012. Ashridge Pension Scheme is closed to new members.

Costs relating to APS are assessed in accordance with the advice of an independent qualified actuary, from Mercer, using the Projected Unit Method.

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

13. Pension Commitments

(ii) Ashridge Pension Scheme (APS) (continued)

The most recent Scheme Funding Report of the Actuarial Valuation for the Ashridge Pension Scheme was undertaken as at 31 December 2019. At the date of the valuation, the value of the scheme's assets were £113.9 million which represented 97% of the actuarial value of the benefits that had accrued to members.

The most recent FRS 102 Actuarial Valuation Report for Ashridge Pension Scheme was undertaken as at 31 December 2020.

Principal actuarial assumptions

	2020	2019
Discount rate for scheme liabilities	1.40%	2.05%
Pensions in payment increase rate	2.40%	2.25%
Price inflation rate: CPI	2.40%	2.25%
Assumed life expectancy on retirement at age 65:		
Retiring today (male member age 65)	23.2	23.2
Retiring in 20 years (male member age 45 today)	24.0	24.6
Retiring today (female member age 65)	25.1	25.3
Retiring in 20 years (female member age 45 today)	26.2	26.8

Contributions paid to the Scheme by the Trust in relation to past service were £1 million (2019: £16.14 million). Contributions being paid by the Trust are in accordance with actuarial recommendation.

The Trust is committed to contribute £1 million to Ashridge Pension Scheme in 2021.

Amounts recognised in the Balance Sheet:

	2020	2019
	£'000	£'000
Defined benefit obligations at 31 December 2020	(119,532)	(115,398)
Fair value of plan assets at 31 December 2020	124,475	115,435
Net pension obligations at 31 December 2020	4,943	37

Changes in the present value of defined benefit obligations (DBO)

	2020	2019
	£'000	£'000
DBO at 31 December 2019	115,398	100,965
<u>Movement in the year:</u>		
Benefit payments from plan assets	(4,510)	(3,378)
Effect of changes in assumptions	10,834	14,982
Effect of experience adjustments	(4,179)	-
Interest on pension liabilities	2,319	2,829
Cost - gain on curtailments/changes	(330)	-
DBO at 31 December 2020	119,532	115,398

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

13. Pension Commitments

(ii) Ashridge Pension Scheme (APS) (continued)

Changes in the fair value of plan assets

	2020	2019
	£'000	£'000
Fair value of plan assets at 31 December 2019	115,435	91,356
<u>Movement in the year:</u>		
Employer contributions	1,000	16,144
Benefit payments from plan assets	(4,510)	(3,378)
Administrative costs paid from plan assets	(191)	(350)
Return on plan assets	10,413	9,098
Interest on pension assets	2,328	2,565
Fair value of plan assets at 31 December 2020	124,475	115,435

Plan assets comprise:

	2020	2019
	£'000	£'000
Alternatives/multi asset funds	68,757	56,051
Bonds	45,893	36,486
Cash	675	15,203
Derivatives	1,203	(878)
Property	2,685	2,357
Annuity policies	5,262	6,216
	124,475	115,435

Amount recognised in the Statement of Financial Activities

	2020	2019
	£'000	£'000
Interest expense on pension liabilities	2,319	2,829
Interest income on pension assets	(2,328)	(2,565)
Administrative costs paid from plan assets	191	350
Gain on curtailments/changes	(330)	-
Pension (income)/charge for the year	(148)	614
Effect of changes in assumptions	10,834	14,982
Return on plan assets	(10,413)	(9,098)
Effect of experience adjustments	(4,179)	-
Actuarial (gain)/loss on defined benefit pension scheme	(3,758)	5,884
(Gain)/loss recognised in the SOFA	(3,906)	6,498

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

14. Funds

	Unrestricted				Designated	Restricted	Endowment	Total
	General	Subsidiary	Building	Revaluation	Research	Restoration		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total funds at 1 January 2019	(6,536)	3	523	13,266	10,000	84	99	17,439
Net (expenditure)/income	1,221	-	-	-	-	(3)	-	1,218
APS actuarial	(5,884)	-	-	-	-	-	-	(5,884)
Reclassification - sale of House	13,888	-	(523)	(13,266)	-	-	(99)	-
Gift aid from subsidiary	3	(3)	-	-	-	-	-	-
Total funds at 31 December 2019	2,692	-	-	-	10,000	81	-	12,773
Net (expenditure)/income	48	-	-	-	-	-	-	48
APS actuarial	3,758	-	-	-	-	-	-	3,758
Total funds at 31 December 2020	6,498	-	-	-	10,000	81	-	16,579
<i>Memo</i>								
APS scheme (surplus)/deficit (note 13)	(4,943)	-	-	-	-	-	-	(4,943)
USS pension provision (note 13)	1,418	-	-	-	-	-	-	1,418
Total funds excluding pension scheme	2,973	-	-	-	10,000	81	-	13,054

The unrestricted general funds represent the cumulative total of past results generated by the Trust. The 1954 Act, as amended in 1983, stipulates that the Funds may be used solely to further the objects of the Trust.

The designated Research Fund exists to assist Ashridge to undertake research related to the roles of corporate headquarters and division levels in multi-business companies and to find ways of improving the strategic management process with the results of such research being disseminated to the public. The funds are intended for building research capability and capacity at Ashridge.

The restricted Restoration Fund represents house and garden tour receipts as well as donations received to maintain and restore the historic fabric of the estate.

15. Analysis of Net Assets Between Funds

	Unrestricted Funds £'000	Designated Research Fund £'000	Restricted Restoration Fund £'000	Total £'000
Total Funds at 31 December 2020:				
Group				
Net Current Assets	2,973	10,000	81	13,054
Pension Deficit - APS	4,943	-	-	4,943
Pension Provision - USS	(1,418)	-	-	(1,418)
Total	6,498	10,000	81	16,579
Trust				
Net Current Assets	2,973	10,000	81	13,054
Pension Deficit - APS	4,943	-	-	4,943
Pension Provision - USS	(1,418)	-	-	(1,418)
Total	6,498	10,000	81	16,579

ASHRIDGE (BONAR LAW MEMORIAL) TRUST

Notes to the Financial Statements for the year ended 31 December 2020 (continued)

15. Analysis of Net Assets Between Funds (continued)

	Unrestricted Funds £'000	Designated Research Fund £'000	Restricted Restoration Fund £'000	Total £'000
<u>Total Funds at 31 December 2019:</u>				
Group				
Net Current Assets	4,257	10,000	81	14,338
Pension Deficit - APS	36	-	-	36
Pension Provision - USS	(1,601)	-	-	(1,601)
Total	2,692	10,000	81	12,773
Trust				
Net Current Assets	4,257	10,000	81	14,338
Pension Deficit - APS	36	-	-	36
Pension Provision - USS	(1,601)	-	-	(1,601)
Total	2,692	10,000	81	12,773

16. Donations

Donations of £nil (2019: £8k) were received from house and garden tours and donations to restore the estate.

17. Related Parties

Details of the balances outstanding with subsidiaries owned during the year are as follows:

	2020 £'000	2019 £'000
<u>Debtors</u>		
Ashridge Strategic Management Centre:	-	5
Ashridge Executive & Organisation Development Limited	-	2,292
Ashridge Educational Services Limited	225	-

Ashridge Educational Services Limited donated its profits of £768k to the Trust (2019: £nil).

Ashridge Executive & Organisation Development Limited donated its profits of £nil to the Trust (2019: £710k).

18. Post Balance Sheet Events

COVID-19 outbreak

The outbreak of the COVID-19 virus has had an impact on higher education globally. The Corporate Trustee and executive team continue to monitor the outbreak, including UK Government advice. The board acknowledges the risk but deems the operational disruption to be limited as education is maintained and carried out online. In addition, the Corporate Trustee does not anticipate major deviances vs. budget for the 2021 fiscal year with the current vaccine rollout and the travel restrictions being gradually removed in 2021.