

THE FELLOWSHIP OF THE SCHOOL OF ECONOMIC SCIENCE

England & Wales · Charity number 313115

Details

Other names	THE SCHOOL OF ECONOMIC SCIENCE, School of Philosophy and Economic Science
Status	Registered
Legal form	Trust
Registered	1964-03-09
Register	View on the Charity Commission register

Contact

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Phone	02070344000
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Activities

Objects: TO PROMOTE UNDERSTANDING OF THE NATURAL LAWS GOVERNING HUMANITY THROUGH THE STUDY AND PRACTICE OF PHILOSOPHY AND ECONOMICS AND ANY OTHER RELEVANT SUBJECT, INCLUDING THE LAWS,CUSTOMS AND PRACTICES BY WHICH COMMUNITIES ARE GOVERNED.

Activities: The School of Philosophy & Economic Science offers courses in Philosophy, Economics and other subjects founded on spiritual principles expressing the natural laws applicable to humanity as discerned from the world's major spiritual and philosophical teachings. It also promotes arts & sciences through lectures, seminars and concerts, and supports other charities with similar activities and objects.

Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- Scotland
- Throughout England

Finances

Period end	Income	Expenditure	Assets	Employees
2024-12-31	£4,893,000	£5,086,000	£29,114,000	85
2023-12-31	£5,254,000	£4,703,000	£29,046,000	87
2022-12-31	£4,261,000	£4,265,000	£27,298,000	84
2021-12-31	£3,882,000	£3,647,000	£28,759,000	81
2020-12-31	£3,252,000	£3,622,000	£26,568,000	78

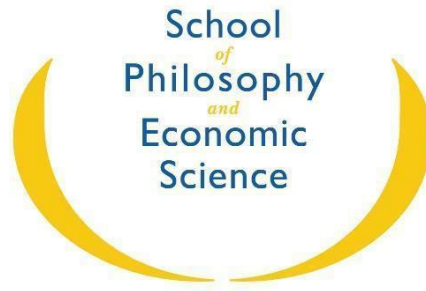
Trustees

Name	Role	Appointed
STEPHEN SILVER	Chair	2019-07-20
David Woodhead		2022-09-23
Eleftheria-Souzana Grigoriou		2021-07-24
Elizabeth Mazzola		2021-11-19
Hilary Dover		2024-10-06
Kulasingham Navaratnarajah Kumara		2020-08-21
MATTHEW MCNEILL		2019-07-20
Mark Toole		2024-10-06
Richard Ibbett		2021-07-24
Sherry Moran		2020-07-18
Yolande Hesse		2022-09-23

Linked charities

- THE SCHOOL OF ECONOMIC SCIENCE BENEVOLENT FUND (313115-1)

Accounts



*The Fellowship
of the
School of Economic Science*

*Report and Financial Statements for
the year ended
31 December 2024*

The Fellowship of the School of Economic Science
11 Mandeville Place
London W1U 3AJ

Executive Committee (Trustees):

Stephen Silver (Principal)	Hilary Dover (from 11/10/24)
Chris Rees (Treasurer)	Kumar Kumara
Richard Ibbett (General Secretary)	Mark Toole (from 11/10/24)
David Woodhead (from 20/07/24)	Matt McNeill
Elina Grigoriou	Sherry Moran
Elizabeth Mazzola	Yolande Hesse

Communications should be sent to:

Stephen Silver, Principal
School of Philosophy and Economic Science
11 Mandeville Place
London W1U 3AJ

Statutory Auditor

Sayer Vincent
110 Golden Lane
London EC1Y 0TG

Insurance Broker

Access Insurance
Selsdon House
212-230 Addington Road
South Croydon CR2 8LD

Bankers

National Westminster Bank plc
38 The Strand London
WC2N 5JB

Solicitors

FieldFisher
Riverbank House
2 Swan Lane
London EC4R 3TT

Investment Managers

CCLA Investment Management Ltd	P1 Investment Management Ltd,
One Angel Lane	Winslade Manor
London	Clyst St Mary
EC4R 3AB	Exeter EX5 1FY

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1. Foundation and Vision

1.1. A Search for Truth

The Fellowship of the School of Economic Science (“the Charity”) was founded in 1937 to establish and maintain the School of Economic Science (“the School”) to teach ideas of economic justice derived and developed from the insights of the American economist Henry George. It soon became apparent that the answer to economic problems lay not just with economic systems but also with human understanding and in the early 1950’s philosophy courses were added to the economics programme. In 2019 the Fellowship adopted the new name, The School of Philosophy and Economic Science. Economics and philosophy courses were directed by the founder and Senior Tutor, Leon MacLaren from 1937 until his death in 1994. Since then, they have been led and directed by the present Senior Tutor, Donald Lambie.

“It became very clear to me that there was such a thing as Truth and there was such a thing as Justice; and that they could be found and being found could be taught.”

Leon MacLaren

Philosophy in the School quickly adopted a practical direction, focusing on the need to awaken human consciousness through coming to rest in stillness. This in turn led to a meeting in 1961 with the Maharishi Mahesh Yogi and the adoption of mantra meditation as a key feature of the School’s approach to the understanding and practice of philosophic principles.

Leon MacLaren later met with Shri Shantananda Saraswati, a teacher of the philosophy called Advaita or non-duality, which has since become central to the School’s work in both economics and philosophy. Parallels were found among many philosophers and writers from the world’s philosophical, theological and literary traditions which, through practical application in daily life, led to deepening understanding of human nature and the application of philosophic principles in personal and social life.

Courses in economics and philosophy continue to develop from a growing understanding of the philosophy of non-duality. They work by encouraging personal practice and observation and enquiry shared in groups of like-minded people, whose collective experience facilitates the development of individual understanding.

1.2. Aim of the School of Philosophy and Economic Science

The School aims to be a centre of spiritual and practical knowledge and enquiry for people leading everyday working and family lives. The intention is to help individuals lead full, rich and useful lives, to be of service in society and to evolve the spiritual aspect of their being in accordance with natural laws.

*“The Aim is Truth; and Truth as we now know is beyond creation.
It is the Self of every living creature. That is the aim. That is what it is all about.”*

Leon MacLaren

The School is committed to an ethic of lifelong learning and development. Many students continue to attend classes throughout their adult life, also providing the voluntary service upon which the School depends, and contributing to the wider community in whatever ways they can. The School’s educational aims and the study opportunities are all based on the philosophical view that humanity is united in a common conscious essence and that natural laws offer the possibility that human beings can live in freedom and prosperity without exploitation or misuse of nature. From those foundations, studies extend into many other fields including Language (particularly Sanskrit and Latin), Renaissance Studies, Plato, Art, Music, Law, Government and Education.

2. *Objects of the Charity*

2.1. The Rules set out the Objects of the Charity

The Objects are:

- 1) To promote understanding of the natural laws governing humanity through the study and practice of philosophy and economics and any other relevant subject, including the laws, customs and practices by which communities are governed.
- 2) To disseminate by all lawful means knowledge of the matters referred to in (1) hereof.
- 3) To promote any art or science, to produce, print, publish and circulate any periodicals, books and works of art.
- 4) To organise a School for the furtherance of these objects, such School to be known as the School of Philosophy and Economic Science.
- 5) To advance for the public benefit education in the United Kingdom and in particular by establishing or maintaining or assisting one or more schools for children.

Object 6 contains various provisions to assist the furtherance of the above objects, including the acquisition and holding of land and chattels, funding, the provision of library facilities, etcetera.

2.2. Carrying out the Objects of the Charity

The Objects of the Charity are carried out through the School of Philosophy and Economic Science, established and maintained in accordance with Object 4. Prior to the Covid-19 pandemic, the Fellowship offered its courses through the School in London and its regional Branches, throughout England and Scotland. The School had also been offering some courses online, available to students wherever they are. The courses themselves are directed by the Senior Tutor.

Since the restrictions associated with Covid-19 have relaxed, London and all branches have reintroduced in-person groups both for new and existing students. Online groups continue to be an important offering, locally and nationally. Regular retreats have also recommenced at the School's retreat centres; online provision is made for those students who cannot attend for mobility or health reasons.

The School also provides study materials and other support to many associated schools offering the same or similar courses in 14 overseas countries. Close contact is maintained with these Schools through regular visits by the Senior Tutor and others. The leaders of associated Schools attend meetings in the UK from time to time and students from associated Schools often attend residential events in the UK. Since early 2020 there have

been more international meetings online. These arrangements enable the work of the School to reach many thousands of students in the UK and other parts of the world.

Attracting new students to the School remains a high priority, as offering courses to the public is the main means of fulfilling the Charity's Objects and the most visible public benefit provided by the School.

Some retreats are now offered to the public, without the need to be enrolled on an existing philosophy or economics course.

Marketing continues to be directed through social media, both for the national online courses and for local in-person courses. The branch network uses various physical marketing initiatives, including leaflets and local newspapers.

As ever, the most effective marketing is by the students themselves. All students in the School are encouraged to make personal referrals and generally to promote the School's reputation.

2.3. Guiding principles – service without reward

The Charity and the School are guided by three core values or principles. They are:

- love of truth and justice;
- learning and teaching;
- voluntary service.

Service without seeking individual benefit or reward is central to the ethos of the Charity. The School's courses, based on the principle of learning and teaching and guided by a love of truth and justice, are provided voluntarily by students whose own studies have progressed sufficiently to enable them to pass on what they have learned to others. Much of the administration as well as renewal and maintenance of premises is also provided on the voluntary principle as part of the practical application of philosophy. Only the office staff at Mandeville Place and a few other persons are full or part-time paid employees of the charity. No-one is paid or allowed to derive financial benefit from providing teaching services in the School.

The day-to-day management of the Charity is undertaken voluntarily by members of the Executive Committee, Branch Leaders and advisers and assistants appointed from within the Fellowship and the student body. Student volunteers staff the refreshment and bookshop facilities that support classes and other events. Volunteers also support the care of the charity's properties used to deliver courses and other activities.

2.4. Charity

The Charity is registered in England and Wales as Educational Charity No. 313115. It is also registered with the Office of the Scottish Charity Regulator under registration number SC039950. The governing instrument of the Charity is the Rules of the

Fellowship of the School of Economic Science as amended at the Annual General Meeting of 24 July 2021.

2.5. Public Benefit

Practical Philosophy and Economics with Justice courses are open to everyone and are widely advertised. There are concessions for those on low incomes or experiencing financial hardship. Capital expenditure is largely met out of accrued financial resources together with bequests and from voluntary donations from students who can afford to contribute more than the regular fees.

Historically, courses have been offered throughout the UK. One of the benefits of moving courses online is that people have been able to attend a course even when they are not able to attend one of the physical centres. Now that in-person courses are generally available, online courses continue to be an important offering for those unwilling or unable to attend in-person.

The online Philosophy Café, which started in 2021, continues to grow in popularity. It now has over 2500 people registered, and attendance each week is often over 100. The café is open to anyone, whether or not existing students. The café now runs twice each Friday at 7pm Sydney time and 7pm London time.

The Waterperry Retreat Programme, now in its third year, is open to all students of the School, together with friends and family. These retreats are also available to those who are not students of the School, but have an interest in the focus of the retreat. The idea is to share fully the insights into a variety of subjects that have been acquired by members of the School over many years.

We reported previously that the two Ukrainian families that had been staying at Waterperry and one of the families in Leeds had moved out into local accommodation. We continue to support one family in Leeds.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning activities and setting policies for the year ahead.

3. *Delivering the Objects*

In accordance with the Objects and in response to observed needs, additional studies founded on the philosophy of non-duality have been developed.

3.1. Philosophy

The practical philosophy courses take inspiration from the principle of non-duality. They draw on the wisdom and practical experience of thinkers, writers and philosophers from many traditions and ages with particular reference to the philosophy of Advaita as expounded by His Holiness Shri Shantananda Saraswati and His Holiness Shri Vasudevananda Saraswati.

The courses treat philosophy as a personal and practical approach to life and its opportunities, enabling people to develop and deepen an understanding of life and of themselves, while maintaining a full and active family and working life. They are not academic courses such as would be followed in a university, but develop as far as possible based on practice and experience.

For this reason, the School's courses are delivered as weekly evening and daytime classes. These are supported by weekend activities and weekend and week-long retreats. Residential centres in the UK are located at Waterperry House in Oxfordshire, Nanpantan Hall in Leicestershire and Brinscall Hall in Lancashire. Because of the distances involved, retreats in Scotland are held at rented venues.

Most students recognise the value of attending retreats in person, where possible. Many retreats continue to run as hybrid events, with some students attending in-person and others on Zoom.

At all locations throughout the UK we have returned to offering in-person courses, both for introductory courses and more senior groups, reflecting the willingness of existing students to attend in-person groups. There are many students who are unwilling or unable to attend groups in-person and Zoom provides a necessary and valuable facility. Equally, there are many students who are very keen to attend in-person groups, at least in part because of the social advantages of being in the same room as other students again.

Regular group meetings and retreats, together with service and meditation are the four pillars of the School's approach to practical philosophy.

At many of our locations across the country the regular philosophy courses are supplemented by talks and presentations offered by students in various aspects of philosophy and related studies, based on their personal interests and experience. Many of these talks are open to friends, family and the wider public. A number are on the School's website, Facebook page and YouTube channel.

3.2. Meditation

The School has found that exploring natural laws governing the inner life requires a method of cultivating inner stillness and for this purpose students are offered an introduction to the practice of mantra meditation after a few terms' study of philosophy. Thereafter, regular practice of meditation is central to the study and practice of philosophy. The value of meditation has become widely accepted in recent years and the Fellowship is pleased to support and participate in that development with the benefit of 60 years' experience of continuous practice. Tutorials are always available for new and seasoned meditators, and these have continued in-person and online using Zoom.

3.3. Economics and Law

The study of economics and law within the School arises from a deep desire for society to enjoy a greater level of justice and equity than prevails today. It seeks to discover and understand laws and traditions that encourage prosperity, freedom, and happiness for all, without exclusion. It aims to understand and put into practice the principles upon which natural and just economic systems can be established and human-made laws clarified and made more accessible to all. Such study is necessarily human-centred and grounded in moral principle.

Public courses in Economics with Justice cover five terms. Participants gain an understanding of natural aspects of economics and are helped in applying these in their daily lives. On completion, students are invited to join any of the Further Economics classes which offer studies of particular topics in greater depth than would otherwise be possible. A Convivium of Further Economics is held each term whereby the fruits of such studies can be shared.

The Annual Economics Lectures are open to everyone. This year some of unique features of Singapore's economy were explored to illustrate how our own economy could be transformed for more to benefit, as well as explaining some of its shortcomings.

The 2024 Symposium was open to all and supported the School's 'This Spiritual Land' initiative. Several speakers were invited to speak on 'The Spirit of Law and Economics'.

Tutors and interested students gathered at the annual Economics and Law Conference for 6 days at Nanpantan Hall under the theme of 'Freedom and Reality'. They explored the contradictions of a universal aspiration for the freedom to enjoy those things most valued in life coexisting with the reality for many facing conditions that restrict such enjoyment. Life, law and economics in the city of Lichfield provided a useful focus for study.

Some classes are offered as in-person at one of our centres, or online. The ability to switch between these has been welcomed by participants with busy lives. For other events hybrid technology helps extend participation across the world, which enriches the experience and breadth of understanding for all involved.

For the study of law, a one term course was offered in Spring 2024 to the public under the Horizons programme: 'Freedom Under Law'. This presented an understanding of the UK's Common Law system, Equity, the Constitution, Human Rights, and International Law; timeless topics which always generate considerable interest.

Building upon this venture, the weekend Law Study Group has moved closer to the work of Economics in presenting joint sessions and ensuring greater availability of study. This increased appreciation of both subjects is to bring deeper understanding and in examining how the law came into being, and the operation of Parliament and the Courts today, a shift of focus may enable a vision of what is achievable to arise.

3.4. Promoting the Arts

To meet Object 3 (the promotion of the arts) supplementary studies undertaken by groups of students within the School include art, music, translation, dance and others. Calligraphy and geometry are practised both as fine arts and as reflective practices in fine attention.

Waterperry has been a centre of excellence in horticultural arts and science since before the Fellowship acquired it and has been maintained and developed as such. Through Waterperry Gardens Limited ("WGL") the School provides apprentice training, horticultural courses, recreational and horticultural facilities for public use and enjoyment. Waterperry is a Royal Horticultural Society Partner Garden. The ornamental gardens are recognised internationally. It is a well-known centre of expertise in herbaceous gardening, apple and pear cultivation and also houses two national collections of alpine plants. The gardens are now featured on the Silent Space website (silent.space.org.uk)

The fresco paintings created by the Art Group of the School at Waterperry House are open to the public each week. The guided tours are particularly popular. The second open weekend took place in the first weekend of September 2023 an event where the visitor can get a taste of what the School is all about, and this was even more popular than the first.

In addition, the Charity encourages and supports the arts through various activities at Waterperry Estate and elsewhere, including dramatic and operatic performances in the theatre. During 2024 a full programme of events took place which included the Oxford Storytelling Festival, Handmade Oxford, Celebrating Ceramics and Desire Jewellery, and the Waterperry Opera Festival.

In 2024 Make it at Market Series 3 was filmed again at Waterperry Gardens. This award-winning craft show, presented by Dom Chinae, films craftspeople at the start of their careers as they are mentored towards turning their craft into a sustainable business. The 15-part series will be shown on BBC1 in early 2025 and will be available on BBC iPlayer.

3.5. Sanskrit

The Sanskrit Faculty has nearly 200 members in the UK and continues to make a substantial contribution to philosophical studies in the School. Its courses range from introductory to advanced levels, including Vedic chanting, the study of Pāṇini grammar and the study of philosophical works in the original Sanskrit. Twenty-three international online groups, organised from London, are attended by some 150 students from Europe, Australasia, South Africa and the Americas. There were two International Sanskrit Conferences, one at Waterperry and one online, attended by over three hundred students in total, and also two residential weekends held mainly for UK students. Each week on Facebook a Sanskrit word has been presented and explained on Sanskrit Live. Similar such events are planned for 2025.

3.6. Renaissance Studies

Regular features of the calendar in the Faculty of Renaissance Studies have included world-wide '15 Minute' readings from Ficino each September and an online celebration of Ficino's birthday in October of each year.

Three online courses on Ficino have been given each term, as well as a Horizons Group dedicated to Ficino on Saturday mornings, and an annual Ficino retreat. Beyond the school, members of the group have, by invitation, presented various aspect of Ficino's work to the Fintry Trust, the Accademia Vivarium Novum, the First International Congress of Classics in Beijing, and a Conference on Letters at the University of Turin. The Ficino Lecture Series, with visiting speakers once or twice a term has also resumed, in hybrid form, at Mandeville Place and online.

Alongside these activities, work has continued in three groups on the final volume of the Ficino Letters which is moving steadily towards completion, thanks to the dedicated efforts of all concerned. Work is also ongoing on the preparation of some letters that Ficino wrote outside his twelve-book collection, using the Tuscan dialect rather than Latin, addressed to members of his family.

3.7. Publications

During the year the School published *What am I?*, a translation by Warwick and Elena Jessup of the final part of Shankara's *Svātmanirūpanam*.

The School publishes books as well as audio and video recordings of lectures and presentations given in the Philosophy, Sanskrit, Renaissance, Economics and Law faculties.

3.8. Online activities

At the time of writing in February 2025, our social media presence continues to expand gradually. We now reach over 36,000 followers on Instagram, Facebook, X, YouTube and Insight. A notable milestone was reaching 500,000 views on YouTube in February.

Our team is working well to advertise courses and events across platforms as appropriate. We have also taken steps in this last year to co-ordinate our branding so that there is a more consistent look for the School, no matter which platform someone finds us on.

The Live streams on Facebook and YouTube continue to go well, and attract many favourable comments. It also gives our presenters an excellent opportunity to develop their skills.

We started to release films on YouTube weekly in December. It remains to be seen if it is possible to keep up this level of engagement. As with many activities in the School we are dependent on the willing service of students.

4. Governance

4.1. Structure

Senior Tutor

The Senior Tutor, Donald Lambie, is responsible for the general philosophic and educational direction of the School's work and for the scope and content of study material. The Senior Tutor is also responsible for the appointment of tutors and Branch Leaders, all of whom are volunteers.

There is close communication with the Trustees in relation to these matters through regular meetings between the Senior Tutor and the Principal, meetings with the Executive Committee and through the Trustees' active participation in the work of the School. The Senior Tutor does not receive any salary from the Charity, although expenses are paid and accommodation and paid assistance are provided to enable him to fulfil his role. The Senior Tutor has no control over the finances of the Charity.

Trustees

The Trustees of the Charity are defined by the Fellowship Rules (12).

A new Executive Committee was elected. Stephen Silver was re-elected as Principal and Chris Rees was re-elected as Treasurer. Richard Ibbett was appointed as General Secretary at the first meeting following the AGM.

David Woodhead was co-opted onto the Committee at its meeting in July. Mark Toole and Hilary Dover were co-opted in October. As at December 2024, the trustees and their responsibilities are shown here:

Stephen Silver (Principal) (3) (4) (13)

Chris Rees (Treasurer) (1) (2) (3) (6)

Richard Ibbett (General Secretary)

David Woodhead (7)

Elizabeth Mazzola (4) (5) (11) (12)

Elina Grigoriou (9)

Kumar Kumara (7)

Matthew McNeill (6)

Sherry Moran (8)

Yolande Hesse (7) (10)

Hilary Dover

Mark Toole

Notes:

(1) Chair of the Finance Sub-Committee

(2) Attends the Investment Sub-Committee

(3) Member of the Staff Sub-Committee

- (4) Member of the Elderly and Vulnerable Students Committee
- (5) Member of the Membership Committee
- (6) Member of the Technology Sub-Committee
- (7) Member of the Estates Sub-Committee
- (8) Executive member on WGL Board (Waterperry Gardens Ltd)
- (9) Sustainability Policy development
- (10) Nanpantan Liaison
- (11) Liaison - Branches
- (12) Safeguarding Officer
- (13) Liaison - Senior Tutor & Stream Heads

The Fellowship meets in an Annual General Meeting to receive the Report of the Trustees and the Financial Statements, and to elect the Officers and other members of the Executive Committee and the Membership Committee for the following year. A quorum of two-thirds of Ordinary Members is required. Associate Members may attend General Meetings but may not vote.

The Principal and the Treasurer are elected annually under Rules 8 and 9 respectively. The Principal is also the Chair of the Executive Committee and of the Fellowship. Each of the Trustees can be contacted via the School's head office at 11 Mandeville Place, London W1U 3AJ.

Membership Committee

Four members of the Membership Committee are elected annually at the AGM and a Trustee is appointed by the Executive Committee to serve with them. The members of the Membership Committee are:

Sally Ostrowska (Chair)
David Nicholls (Secretary)
Sine Pickles
Barry Scott
Executive representative: Elizabeth Mazzola

Any person currently enrolled on a Philosophy or Economics course in the School of Philosophy and Economic Science (Rule 3) is eligible for membership of the Fellowship.

The Membership Committee continues to monitor the breadth and strength of the membership of the Fellowship. Prior to the 2024 AGM, four people accepted the invitation to join the Fellowship. Since the AGM, there have been no resignations but two members have died.

The membership of the Fellowship on 31 December 2024 consisted of 220 Ordinary Members and 57 Associate Members.

Fellowship members are appointed by the Executive Committee on the recommendation of the Membership Committee in accordance with Rule 3 and Rule 12(9).

Property Trustees

Because the Fellowship is an unincorporated association, Rule 15 provides for the appointment by the Trustees of not more than five nor less than three Property Trustees for the purpose of holding and dealing with "any freehold or leasehold properties from time to time acquired by the Fellowship and the proceeds of sale thereof and all monies or other property of the Fellowship in their hands upon the terms of a Trust Deed...".

The current Property Trustees appointed by the Executive Committee are:

Ian Mason

John Meltzer

Hugh Venables

Endowment Treasurer

Christine Tadd was appointed to the role of Endowment Treasurer following the AGM.

4.2. Trustee Election, Induction and Training

Under the Rules of the Fellowship, the Trustees are elected by and from the Ordinary Members of the Fellowship. They have invariably obtained considerable knowledge and experience of the work of the Charity, both before becoming members of the Fellowship and then through receiving annual reports and financial statements. On appointment Trustees may see past minutes and agendas of the Executive Committee and are encouraged to question any member of the Committee, and the Internal Auditor, about any aspects of the Committee's business or the general administration of the School. New trustees are also encouraged to read the Charity Commission guidance on the role and responsibilities of trustees. All trustees received training in the duties of a trustee.

From time-to-time external advice is sought as to the appropriateness and efficiency of the Charity's governance.

4.3. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England, Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees and staff, through the Finance Sub-committee meetings, continue to improve the financial accounting practices in recognition of their obligations and in response to the advice from the Charity's auditors. In particular, the property maintenance budget is renewed annually.

4.4. Management arrangements

The day-to-day management of the Charity is undertaken on a voluntary basis by the members of the Executive Committee, supported by the Branch Leaders, together with advisers and assistants appointed from within the Fellowship and the student body. The volunteers are supported by a small and dedicated team of full- and part-time paid staff.

The School year is divided into three terms. The Executive Committee meets online every other week during term time.

The Executive Committee has also met in-person and online several times at weekends for some hours, each time to consider matters of a more strategic nature outside the normal run of business.

The Branch Leaders, as local representatives of the Executive Committee, are provided with clear Terms of Reference. Branch Leaders typically meet around the end of January with the Senior Tutor and the Principal for a three-day period during which Trustees attend to speak about and discuss current issues and matters relating to the management and organisation of the School and Branch Leaders' roles as Trustees' representatives. The aim is to allow the Branches as much autonomy as possible while maintaining the unity of the School as a whole. The current Executive member with particular responsibility for liaison with the Branches is Elizabeth Mazzola.

Decisions on matters of policy and strategy are made by the Executive Committee on behalf of the Fellowship in consultation, where appropriate, with the Senior Tutor. Decisions relating to the day-to-day operations of the School are implemented by the relevant person within the management structure, and within the policy and strategy framework as set out by the Executive Committee.

There is provision in Rule 19 for an officer, or two or more members of the Executive Committee, or at least ten Ordinary Members to call an Extraordinary General Meeting of the Fellowship at any time to discuss and vote upon matters of major significance (e.g. major changes in policy or strategy, proposed actions outside the scope of established policy etc.).

4.5. Staff

The management support team continued to work well, led by the Director of Operations, Laura Counsell, under the direction of the Principal.

The Trustees extend their grateful thanks to Laura Counsell and her team for approaching their task with energy and efficiency while engaging fully with the ethos of the School.

Remuneration Policy

The Fellowship aims to pay its employees a fair salary commensurate with their skills and level of responsibility, comparable to the private sector. The School contributes 7% of gross salary to the pension fund of each employee and has offered all employees pension advice. One employee earned more than £70,000 during the year ending December 2023.

4.6. Committees & Sub-Committees

There are eight sub-committees appointed by the Executive under Rule 12 (7): Elderly and Vulnerable Students; Finance; Investment; Risk Management; Staff; Technology; Creative Projects and Estates.

Elderly and Vulnerable Students Sub-Committee

Whilst there is no legal obligation to support the needs of elderly and vulnerable students, kindness and care runs within all the principles and practices of the School. The Elderly and Vulnerable Students Sub-Committee (EVSSC) meets regularly to review a list of students no longer able to attend courses due to age, disability or other vulnerability. In order to ensure that they and their carers continue to receive spiritual and practical support from the School, regular visits are undertaken by friends in the School. No student who wishes to continue to be connected to the School and its teachings, should become invisible to the School, and enabling students to engage in spiritual work at all stages of life remains very important.

Risk Management Sub-Committee

The Trustees are required to certify each year that the major risks to which the Charity is exposed have been assessed and that appropriate steps are being taken to minimise those risks. The trustees have overall responsibility for risk within the Charity. Each Executive Committee meeting has Risk as an agenda item during which each member is given the opportunity to report on risks drawn to their attention.

The Trustees are required to certify each year that the major risks to which the Charity is exposed have been identified, assessed, and that appropriate steps are being taken to mitigate them. Risk remains a standing item at each Executive Committee meeting, where trustees are invited to report on any risks arising within their areas.

In 2024, risk management work advanced significantly. A Trustee workshop held in March, facilitated by our Audit Partner, led to an important recommendation that monitoring of major risks should be distributed across Executive sub-committees, aligning accountability with function (e.g. operations, finance, estates).

As a result, a major review of the Executive's structure has been initiated to improve oversight, responsiveness, and clarity of responsibilities. Risk ownership is now more explicitly integrated into the terms of reference and reporting practices of each sub-committee.

The four main Sub-Committees identifying, assessing and mitigating risks are:

- **Finance Sub-Committee** monitors budgetary risk closely, and investment risk continues to be reviewed by the **Investment Sub-Committee**
- **Marketing and Communications Sub-Committee**, monitors risk in relation to external messaging and participant experience
- **Operational Sub-Committee** has particular oversight of risk in retreats and safeguarding contexts)
- **Estates Sub-Committee** continues to build a more complete picture of compliance across all properties

Examples of risks being monitored and mitigation approaches are:

- The financial risks associated with the losses incurred by the Waterperry Estate (as distinct from WGL) have been considered in depth and a major investment programme instituted to improve the cohesiveness and attractiveness of the estate, but also to improve its finances
- Detailed procedures for handling any safeguarding risks have been implemented by escalation up the authority chain with independent evaluation of any complaint
- Fire risk procedures have been reviewed and responses to fire risk documented.

This distributed approach reflects the Charity's commitment to embedding risk awareness and control throughout its governance structure.

Policies of the Charity are kept under review by the trustees. They are made available online to all those with significant responsibilities such as Branch Leaders, Bursars and Trustees. These are reviewed at least every 3 years.

Finance Sub-Committee

The Executive Committee has appointed a Finance Sub-Committee chaired by the Treasurer. The sub-committee reviews the annual budget in advance of the Executive Committee's review and adoption of the budget. The sub-committee reviews the management accounts.

Investment Sub-Committee

The Investment Sub-Committee advises the Executive Committee on the management of the School's investment funds. The Executive Committee accepted its recommendation to change the School's investment managers in 2021 and the funds were transferred to CCLA Investment Management Ltd and P1 Investment Management Ltd. Following meetings with the investment managers in 2023, the decision was taken to stay with the existing funds for the time being.

Staff Sub-Committee

The Staff Sub-Committee, chaired by the Principal and including the Treasurer and attended by the Director of Operations, is responsible for staff policy, recruitment, disciplinary matters and other HR-related matters. It meets at least once a term and in addition the Principal and Director of Operations consider any staffing issues at their regular weekly meetings.

Technology Sub-Committee

The Technology Sub-Committee investigates technical matters of any sort when asked to do so by the Executive and may provide technical guidance or assurance to the General Manager as required.

Creative Projects Sub-Committee

The Executive occasionally gets requests for support to students in the School who wish to carry out particular creative projects. Currently, the sub-committee is suspended. There have been no new requests for over two years. The sub-committee could be revived if and when there are future projects to be evaluated. A proposal was made to publish some of the music produced by students in the School. Assessment of feasibility is ongoing.

Estates Sub-Committee

The Estates Sub-Committee has representatives from many of the branches around the UK. The Sub-Committee's role is to provide support to the property stewards for their

plans for property maintenance and improvement and to advise the Executive on proposals for major budget requests.

The Estates Sub-Committee maintains a property information schedule for each of the School's residential properties and the branch properties. The schedules, in the form of a standard template, are produced and updated by the property stewards. The different relevant regulations which apply to the House and other properties including rented properties at Waterperry, are all addressed, as well as Health and Safety issues.

4.7. Properties

The Fellowship owns a number of properties in the UK, which are mainly used for delivering the School's courses in furtherance of the Objects. Five cottages at Waterperry, the Lodge and the Coach House at Nanpantan, and other properties are used either to accommodate essential staff or to provide income to the Fellowship.

As reported last year, we sold St Oswald's Studios and we completed the sale of 96 Sedlescombe Road in 2024.

In addition to its residential premises, the Fellowship owns nine other freehold properties and one long-leasehold, used for the purpose of delivering its courses.

Otherwise, many Branches take premises on short leases or occupy premises under licence to deliver courses.

The Trustees consider that it is essential to find ways to create more income from spare capacity at all properties to help balance income and expenditure.

Mandeville Place

Mandeville Place is where the London in-person groups meet. The building is in a prime central London location. Meeting rooms are available to hire during the day on a commercial basis, with ad-hoc venue hire concentrating on the two largest rooms suitable for lectures and seminars. The team has been successful in finding primarily educational and charitable organisations that hire smaller rooms on a long-term basis, providing a reasonable income without being too demanding of the building's facilities and staff. Both of our long-term private college clients have continued to hire from us since returning in 2021 and we work closely with a nearby luxury hotel to accommodate their clients, resulting in regular bookings of our largest rooms. This has helped to keep bookings consistent.

Twice a year we offer in-person Taster Sessions for our introductory courses, which has helped to better introduce us to those who live and work near Mandeville Place.

We are able to offer regularly both meeting and rehearsal space at Mandeville Place to the Waterperry Opera Festival, a registered charity, at no cost.

Nanpantan Hall

Our vision for Nanpantan Hall is to provide an inspiring experience for our school groups and private guests. We work to create a warm and welcoming atmosphere that nurtures peace, introspection, and personal growth, amidst the beauty of the Charnwood Forest.

In 2024, Nanpantan Hall hosted 47 residential events, 21 school events, 24 private events, and 2 volunteer weekends.

Following the upgrading of Nanpantan Hall in early 2019, we continue to enhance the internal aesthetics making the Hall an attractive venue for the School's activities and those of like-minded organisations.

Nanpantan Hall's 31 acres of grounds, woodland and meadow, which are located within the Charnwood Forest and Charnwood Forest GeoPark, have been a valuable asset in attracting private events. The Geopark is being nominated as a UNESCO site due to its internationally significant geology and the discovery of the earliest known complex animal life form. The area also served as inspiration for a young David Attenborough.

Following a successful application Nanpantan Hall received a grant of £33,000 from the National Forest to improve the ecology of our meadow and forest areas. School students successfully planted 1200 trees (of ten different species) and 800 hedge plants (of 8 different species) for a new 130m hedge between the drive and meadow.

A ten-year plan to rewild the existing forest areas has been developed by the National Forest which includes pigs to improve the forest floor and fell ponies to graze the meadow and browse the woodlands.

The local demand for philosophy classes exceeds our current capacity. We have 5 groups with around 55 students attending classes on Tuesday and Wednesday evenings. Our first class began in January 2022, For the spring term of 2024, we had to close enrolment early due to unexpectedly high demand. We received 64 online enrolments and had to create a waiting list to manage the excess interest.

Growth is limited by classroom space and a shortage of tutors. Classes are currently held in the local Church chapter house and Home Farm when the hall is occupied by school or private groups. As a more permanent solution, we have proposed converting the six horse stables into five classrooms. Building plans are currently being developed for this project. If the project proceeds, the 'Nanpantan Hall Nurture Centre' has expressed interest in expanding their school by hiring the new building during the day. This would allow a much larger number of students to attend classes in the evenings and weekends.

Nanpantan students are currently served by a young team of four tutors and one assistant tutor. Recently two students have expressed an interest in becoming a tutor

and we are confident that others will follow.

Mark Dutton, Nanpantan Hall Estate Manager, has accepted an invitation from Joanna Herbert-Stepney (who donated Nanpantan Hall to the School) to become a member of the Paget Trust which oversees the management of four local farms and a number of private dwellings.

The Coach House continues to be leased to the 'Nanpantan Hall Nurture Centre', a school for high achieving autistic children under the age of 11, recently assessed as 'outstanding' by OFSTED across all their key assessments. This school is now looking to expand the number of children it can accept and are interested in any more accommodation we can offer.

We continue to support a man recovering from addiction. He volunteers regularly by working in the garden and grounds

Eight local people have allotments and manage the grounds within the walled garden. A couple occupy a small area within the walled garden to keep seven bee hives.

We have a good relationship with St. Mary's Church. The Church uses our car park and the grounds for a small number of events each year. The farmers at Home Farm in the valley are also part of an active and collaborative community.

Waterperry and Waterperry Gardens Limited

When the Waterperry Estate was acquired in the 1970s there was an established horticultural centre, which the School maintained and expanded consistently with Object Three (promote any arts or sciences). The horticultural centre is run as a separate trading entity known as Waterperry Gardens Limited (WGL). WGL is wholly owned by the Fellowship. Waterperry continues to command international renown for the formal gardens, which are supported by a garden shop, tea shop, gift shop, museum and arts and crafts gallery.

Investment in infrastructure at the Waterperry Estate is making it a much better visitor attraction, which in turn enables WGL to contribute more to the Fellowship's income, while also enhancing the Estate for the Fellowship's own retreat and teaching purposes.

WGL has developed strongly. There have been numerous enhancements that have contributed to significant increases in visitor numbers and more consistent profitability, notwithstanding meteorological challenges.

2024 was yet another challenging year. Prices rose fast and yet another minimum wage increase had its knock-on effect, along with poor weather during much of the year. However visitor numbers remained strong and the year ended with WGL making a profit of £46,000 (2023: £33,000).

Apart from serving the public, WGL also maintains the Waterperry estate grounds on behalf of the School and makes an important contribution to the local economy and

employment, employing 69 staff and turning over £2.3 million per annum. Students on the School's courses at Waterperry enjoy the benefit of the beautiful gardens and setting.

The major building project which started in September 2023 with en-suite bathrooms being installed on the top floor of the house was completed on time and under budget in 2024. Feedback from School students and private hirers about the new accommodation has been positive. There have been the inevitable glitches but overall a good job. A nice accessible toilet was installed downstairs at the same time.

During 2024, we hired the house out to 18 different groups. A mixture of wakes, senior birthday parties, charitable events, yoga days and the longer retreats for meditation, yoga, AI safety research group and arts and crafts, as well as the festivals with their teams. For 2025, all these longer retreats are repeat bookings with an additional booking from a huge Sufi group and a Jain group and a Shadow work weekend. We have had no corporate bookings despite the consultants and their work to tender the venue!

For nearly all the wakes and charity events the teashop does the catering. And for the Basketmakers Association and the AI retreat (both 4-day events) the teashop caters both lunch and supper staying on into the evening until late. They also cater or have a stall at the festival art events!

We have started to rent out the coach house, which is only occasionally required for School retreats. We are getting a mixture of holiday guests and guests who need accommodation in the area for events or visits to families or hospitals or even 3 weeks whilst a guest had their kitchen and bathroom renovated. We have had excellent reviews.

The future of the estate's energy supply has been explored this year and a consultant has been employed to design a solar array and use of heat pumps that will meet the needs of the School and Waterperry Gardens in as sustainable a way as possible. The design has been submitted as a planning pre-application with English Heritage and South Oxford District Council to see if planning approval is likely to be granted. A positive response has been received, subject to a number of surveys needing to be conducted.

As reported below in Section 6, Plan for the Future, the intention is to develop the Waterperry Estate further as a Centre for Philosophy, Horticulture and the Arts. This will require further planning application submissions. It is likely that the plans for the solar array will be incorporated, at least in part to minimise any repetition of surveys.

4.8. Achievement and Performance

The School is not a public fund-raising charity and does not set fund-raising targets or specific aims for expansion. The main sources of funding are fees from courses, gifts, legacies, and returns on investments. Steps continue to be taken to find supplementary

sources of income, primarily through rental of our buildings when not in use by the School.

During 2024, 142 new students enrolled for the national online philosophy course. In addition, 1299 students enrolled for in-person courses across the country an increase of 191 compared to 2023.

For the last term in 2024, the Autumn term, there were 175 students enrolled in national online philosophy courses, a decrease of 19 over the previous year.

In addition, for the in-person philosophy courses, in the Autumn term 2024, there were 2,143 students enrolled in London and the Branches, an increase of 70 over the previous year.

For the Economics course offered online and in-person in London, 184 new students enrolled in 2024 an increase of 91 compared to 2023.

There were 122 students enrolled in the Autumn 2024 term, an increase of 27 compared to Autumn 2023.

During 2024 an average of over 120 (Spring 151, Summer 130, Autumn 78) different students registered each term for the Horizons courses, many registering for more than one course each.

Since its foundation in 1937 the School has provided courses to tens of thousands of people in the UK. While the Executive Committee would always like to see larger numbers of enrolled students, the priority of the School is always to meet the needs of students attending courses.

The following activities have been undertaken:

- The School continues to organise courses, seminars and events to enable students to present the findings of their studies to a wider public.
- Contact continues to be made and maintained with like-minded organisations in order to collaborate with them in the development of common fields of study.
- Budgets continue to be carefully reviewed to enable the Charity to function within its means.
- The use of the School's residential properties has also been reviewed to identify means of making better use of the facilities.

5. Financial Review & Results

The consolidated Statement of Financial Activities which accompanies this report shows that the Group had a surplus in the 12 months to end December 2024 of £68,000 (2023: £1,748,000). There were a number of reasons for this reduction, including substantially lower unrealised gains of £432,000 (2023: £1,197,000), and Donations and Legacies of £242,000 (2023: £936,000).

The Charity's income from courses and retreats was slightly higher than in 2023, at £1,258,000 (2023: £1,220,000). Overall fee income increased to £1,260,000 (2023: £1,223,000). Total voluntary income for the year reduced substantially over the previous year to £242,000 (2023: £936,000), of which donations and gift aid were up at £161,000 (2023: £132,000), but legacy income decreased sharply to £81,000 (2023: £804,000).

Note that legacies are recognised as income in the year in which the value of the legacy can be reliably estimated, not when the charity receives the cash.

The Trustees are most grateful for students' donations, as well as legacy income.

5.1. Net Realised and Unrealised Changes in Investments

Three properties, St Oswald's Studios and 96 Sedlescombe Road in London and the cottage on the Isle of Arran, were sold during the year for a combined total of £3,240,000. There was an increase of £125,000 in revaluation. The total value of the remaining investment properties therefore reduced from £7,885,000 to £4,625,000.

There was a net increase in the value of Listed Investments from £4,042,000 to £7,081,000 including a net gain in value of £307,000 (2023: £382,000). This was principally due to the investment of the proceeds of the property sales above.

As noted last year, our investment managers, CCLA and P1 automatically reinvest income in the portfolios.

5.2. Investment Income from Property

Gross investment income for the year was £176,000 (2023: £273,000). This was partly the effect of the sale of the London properties early in the year, thus terminating the investment income, and partly the effect of a rent reduction and rent rebate for the tenants of 87 Brook Green, whose initial occupancy of the property was severely delayed by the late completion of refurbishment works undertaken by our managing agents.

5.3. Waterperry Gardens Limited

In 2024 global financial uncertainty was seen to have its effect on WGL. Larger size purchases such as furniture were again far less common than during Covid.

Visitor numbers remained high. The full programme of outdoor events went ahead. This led to a net profit of £46,000 (2023: £33,000) for the year before tax.

The WGL Board decided to donate half its eligible profit for 2024, £23,000 (2023: £59,000) to the charity with Gift Aid. As a result, WGL will pay Corporation Tax on half of its profit but will retain the balance for working capital.

5.4. Reserves Policy

The Charity requires financial reserves to maintain and advance its activities for the following reasons:

- to minimise the charity's requirement for debt;
- for operational purposes, to maintain properties, (with a net book value at 31 December 2024 of £16,001,000 (2023: £15,577,000), equipment, etc, which are used extensively for educational and residential purposes in accordance with the Charity's objects. Property ownership provides long term security of tenure, a measure of financial resilience, the opportunity for higher standards of maintenance, facilities adapted to the Charity's specific requirements, and for lower running costs in the long term than occurs with a dependency upon rented accommodation.
- To enable the charity to undertake capital investments, such as the Waterperry Development Programme

Free Reserve

The free reserve is the balance of total funds (£29,114,000) less the value of those funds already identified as:

- Restricted funds; £394,000
- Designated Funds; £4,600,000
- Tangible Fixed Assets; £16,001,000
- Investment properties; £4,625,000

Total free reserve: £3,494,000.

The Trustees consider that an adequate target level of Operating Reserve is approximately £2,500,000. This would provide sufficient reserves to meet the charity's running costs for a period of six months in the event of major disruption to its activities.

This reserve would also be used to provide financial support from the Charity fund to the Benevolent Fund. The balance is held to cover operating deficits, until such time as these can be eliminated.

The Trustees invest surplus funds in line with their investment policy.

5.5. Designated Funds

Building and Capital Asset Reserve – £3,600,000

This fund is used for the following purposes:

- To hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation.
- For buildings improvement and refurbishment. The project to upgrade the second floor of Waterperry House was funded from this reserve.
- The Trustees intend to finance the Waterperry Development Programme from this fund.

Opportunity Reserve – £1,000,000

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organizational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2025-2026 the Trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee.

The Trustees review the designated funds of the charity on a regular basis.

5.6. Investment Policy and Performance

Investment Policy and Performance

The School's investment in the CCLA Charities Ethical Investment Fund rose over the year from £2,502,000 to £5,912,000 at 31 December 2024, primarily reflecting the sale of the London properties. In addition the School centrally holds £102,000 in the CCLA COIF Charities Deposit Fund and four branches, Guildford, Kingston, North East and Scotland, hold deposits amounting to £391,000 in the Fund. It pays a competitive rate of interest and funds are available on demand. The School's P1 investment increased from £739,000 to £778,000.

The Investment Sub-Committee reviews the performance of both managers regularly, and currently concludes that they are managing our assets in the manner we had expected when we first invested with them. Whilst CCLA invests directly across a wide range of asset classes and geographies, P1 concentrates on relatively few investment managers who offer what are believed to be more eco-friendly and sustainable investments. The latter have recently not been as profitable as more widely spread

investments, but the expectation is that they will produce good long-term returns.

5.7. Fees

Historically fees for courses and for retreats have been kept as low as possible. There have been step changes in the early part fees, which have been difficult to explain. The decision was made for the London and national online courses in 2023 that all courses from Part 2 to Part 12 should be based consistently on a standard fee of £15 per session, which is both reasonable and in line with providers of comparable courses. The fee for Part 1 has been discounted so that it remains attractive for those who are interested in trying out the courses. Fees for online and in-person courses are the same, primarily to ensure that cost is not a factor for people choosing to attend online rather than in-person. These policies have been continued in 2024.

The daily fee for retreats at Waterperry and Nanpantan was also reviewed in light of running costs of the centres and compared to other similar retreats. The standard rate for retreats at both buildings and online was set at £65 a night for 2024. Reductions of £15 a night were offered to students attending retreats online, recognising that they should also contribute to the upkeep of the buildings but do not consume food or fuel.

5.8. Reserves

The Trustees believe the Charity has adequate reserves for the next twelve months, and we have made no changes to our reserves policy.

5.9. Post-Audit Events

Waterperry Development Programme

As explained more fully in Section 6, a Waterperry Strategy Working Group has been working for some time to develop a vision and strategy for the whole Waterperry estate, including Waterperry Gardens Ltd.

Their vision was endorsed by the Executive Committee and supported by the Fellowship at an EGM in April.

Initial work has started with the selected architecture practice. Members of the Executive have been obtaining accounting and legal advice on the most cost-effective methods of procuring the programme.

The Trustees anticipate that the costs of the programme will be met from a proportion of the current reserves, leaving sufficient reserves for contingencies and further investments in Waterperry and other School properties.

Trading Subsidiary

2025 could again be challenging due to wage inflation. However the weather in March, April, and May has been very good and the gardens are looking great, resulting in

higher turnover figures than in 2024.

Going Concern

Given the strength of the charity's cash balances and financial investments, and the budgets and cash flow forecasts that we have prepared, the Trustees are confident that the Charity remains a going concern.

Fundraising

The School does not carry out external fundraising activities or raise funds from the general public, with donations being received from students or others familiar with the School. Accordingly, it is not registered with the Fundraising Regulator.

6. *Plan for the Future*

The School's main aims are set out in Section 1. Historically, the Charity has aimed to respond to needs and demands on its services as they arise rather than seeking to generate new activities, beyond making those services known to as wide a community as possible. The aim was to allow for organic growth and development without the constraints of a structured long-term plan. Much depends on individuals responding to needs and to make the teaching known in ways that make use of their talents and interests.

6.1. Environmental Impact

A team led by the Executive has started setting up the School's Greenhouse Gas Emission (GHG) reporting. A new system and process is required, and initial steps have been made in pursuit of this. Due to the workload and team size, the activities will focus on the Scope 1 and 2 emissions of the School initially. These are for example emissions created directly for energy generation on one of our sites, and indirectly by some 3rd party to generate electricity we purchase.

Actual data collection is expected to be gathered during Q2-Q3 of this year across all locations and activities of the School. This data will be used to create a baseline of performance from which we will then set emission reduction targets and energy efficiency measures going forwards, aiming for Net Zero alignment by 2030 and a flourishing operation across all sites.

Setting up a triple pillar reporting approach is also being developed to support the identification of performance value and social impact across all School activities and offerings.

6.2. Tutor Training

Tutor training and support are key to the successful delivery of courses. A tutor training day was held at Mandeville. This will now be a regular annual event. At the Branch Leaders retreat various approaches were discussed concerning identifying and supporting new tutors and assistants.

6.3. Management of Risk

As discussed in Section 4.6 above, a major review of the workings of the Executive was prompted by the consideration of the management of risk. Current thinking is that the Executive Committee should be supported by four main sub-committees: marketing, operations, finance and property. Terms of reference for these sub-committees are being developed, which would include how the existing sub-committees would relate to each other and to the main Executive Committee.

6.4. Websites and Marketing

Most branches, and London, have updated their websites to present a more consistent look and feel. A new company has been hired to manage the London and national online social media marketing campaigns. Enrolments are steadily, but slowly, improving post pandemic although we are not back to pre-Covid levels.

6.5. Waterperry Development

The Waterperry Working Group (WWG) has completed its brief to present a vision for the development of the Waterperry Estate. This is supported by an architectural plan. The Working Group, supported by the Executive, made a decision to invite five leading U.K. architects into a competition in order to give the group a range of design options and fresh insights into Waterperry's unique offerings to its stakeholders. A brief was written by the WWG to guide the architects. All five invited firms accepted the invitation with great enthusiasm, having visited the site and seen its special qualities and potential. The architects selected were all recognised for their experience and understanding of combining a rural heritage site's features and sensitivities with modern architectural design and use of sustainable building materials and methods. They all had portfolios that matched the scale and requirements of the project for both a site masterplan and a specific design for a new catering facility.

Given the significance of the proposed development and the level of financial commitment and Extraordinary General Meeting was convened on 5th April 2025.

The proposal put forward to the Fellowship was to *"support the Executive Committee in their proposal to develop a Master Plan for the Waterperry Estate and the design and construction of a new catering facility."* At the EGM the Fellowship was presented with the details of the recommended architect, Cowper Griffith. Following questions and answer period, the resolution was put to the vote. The proposal was overwhelmingly accepted.

Detailed contract negotiations with the architect have now commenced to begin design of the new catering facility for completion in mid to end of 2026.

In addition, there are a number of options for the financial and legal arrangements between FSES and WGL. These will be finalised over the coming months. An update on all these matters will be given at the Annual General Meeting in July.

6.6. Branches

It is considered vital that the network of branches across the UK are maintained and strengthened. During the Covid lockdown, technology has enabled online groups to offer courses to new students and maintain contact with existing students. It has also enabled those who could not attend physically to join in the school community.

However, there is a richness in personal contact and wherever possible, the aim is to provide in-person groups and meetings, for those who wish and are able to take part.

It is expected that in-person and online groups and events will continue for the foreseeable future.

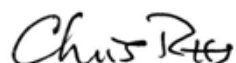
Approved by the Trustees on 20 June 2025 and signed on their behalf by:

S. Silver

A handwritten signature in black ink that reads "Stephen Silver". The script is cursive and fluid.

Chair

C. Rees

A handwritten signature in black ink that reads "Chris Rees". The script is cursive and fluid.

Treasurer

Independent auditor's report

Opinion

We have audited the financial statements of The Fellowship of the School of Economic Science (the 'parent charity') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and 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
- 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Fellowship of the School of Economic Science'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept; or
- the 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 trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 trustees either intend 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 regulations made under section 154 of that Act.

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

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

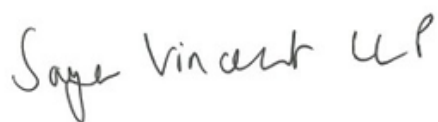
- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



30 June 2025

Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Fellowship of the School of Economic Science

Consolidated statement of financial activities

For the year ended 31st December 2024

	Note	Unrestricted £'000	Restricted £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Income from:							
Donations and legacies	2	240	2	242	930	6	936
Charitable activities							
Courses & Retreats	3	1,258	–	1,258	1,220	–	1,220
Other activities	3	2	–	2	3	–	3
Other trading activities	4	2,843	–	2,843	2,794	7	2,801
Other Income	5	359	–	359	–	–	–
Investments	6	188	–	188	294	–	294
Total income		4,891	2	4,893	5,241	13	5,254
Expenditure on:							
Raising funds:	7						
Costs of trading activity		2,407	–	2,407	2,361	–	2,361
Other costs of raising funds		41	–	41	44	–	44
Investments		294	–	294	180	–	180
Charitable activities							
Courses & Retreats	7	2,337	–	2,337	2,086	16	2,102
Other activities	7	7	–	7	12	4	16
Total expenditure		5,086	–	5,086	4,683	20	4,703
Net income/(expenditure) before net gains/(losses) on investments		(195)	2	(193)	558	(7)	551
Net gains/(losses) on investments properties		(171)	–	(171)	–	–	–
Net gains/(losses) on investments		432	–	432	1,197	–	1,197
Net Income/ (expenditure)		66	2	68	1,755	(7)	1,748
Transfers between funds		–	–	–	–	–	–
Net movement in funds		66	2	68	1,755	(7)	1,748
Reconciliation of funds:							
Total funds brought forward		28,652	394	29,046	26,897	401	27,298
Total funds carried forward		28,718	396	29,114	28,652	394	29,046

Please note: The data for the Financial Statements is derived from the School accounts system which produces actual numbers down to pounds and pence. The Financial Statements are shown as whole numbers rounded up or down to the nearest thousand. Therefore there may be small variances in addition in some rows or columns.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 24 to the financial statements.

The notes on pages 42 to 60 form part of these financial statements.

The Fellowship of the School of Economic Science

Balance sheets

As at 31st December 2024

		The group		The charity	
	Note	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets:					
Tangible assets	14	16,001	15,577	15,934	15,500
Investment properties	15	4,625	7,885	4,625	7,885
Investments	16	7,081	4,042	7,437	4,399
		27,707	27,504	27,996	27,784
Current assets:					
Stock	18	426	464	54	81
Debtors	19	646	704	654	715
Cash at bank and in hand		849	1,123	574	891
		1,921	2,291	1,282	1,687
Liabilities:					
Creditors: amounts falling due within one year	20	505	741	339	577
Net current assets		1,416	1,550	943	1,110
Total assets less current liabilities		29,123	29,054	28,939	28,894
Creditors: amounts falling due after one year	21	9	8	–	–
Total net assets		29,114	29,046	28,939	28,894
Funds:	24				
Restricted income funds		396	394	396	394
Unrestricted income funds:					
Designated funds		4,600	1,428	4,600	1,428
Fair value reserve		3,812	6,640	3,812	6,640
General funds		20,154	20,432	20,131	20,432
Non-charitable trading funds		152	152	–	–
Total unrestricted funds		28,718	28,652	28,543	28,500
Total charity funds		29,114	29,046	28,939	28,894

The notes on pages 42 to 60 form part of these financial statements.

Approved by the Trustees on 20 June 2025

Stephen Silver

S. Silver
Chair

Chris Rees

C. Rees
Treasurer

The Fellowship of the School of Economic Science

Consolidated statement of cash flows

For the year ended 31st December 2024

	Note	2024 £'000	£'000	2023 £'000	£'000
Cash flows from operating activities	25				
Net cash provided by/(used in) operating activities			(353)		363
Cash flows from investing activities:					
Dividends, interest and rents from investments		188		294	
Purchase of fixed assets		(785)		(619)	
Transfer of assets to investment property cost		–		7	
Disposal of Fixed Assets (BV)		31		–	
Disposal of Investment Properties		3,385		–	
Purchase of investments		(2,741)		(692)	
Net cash provided by/(used in) investing activities			78		(1,010)
Change in cash and cash equivalents in the year			(274)		(647)
Cash and cash equivalents at the beginning of the year			1,123		1,770
Cash and cash equivalents at the end of the year			849		1,123

The notes on pages 42 to 60 form part of these financial statements.

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Waterperry Gardens Limited (company number 02233285) on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two organisations are disclosed in the notes to the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as the summary of the result for the year is disclosed in the notes to the financial statements.

b) Statutory information

The Fellowship of the School of Economic Science is an unincorporated charity (charity number 313115, OSCR number SC039950) registered in England and Wales, and Scotland. The registered office and main place of business is 11 Mandeville Place, London, W1U 3A.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees are confident that the Charity remains a going concern and, combined with the mitigating actions described in the Trustees' report, has sufficient cash, investment and property reserves to cope with any financial issues for the foreseeable future.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1 Accounting policies (continued)

Courses and retreats fees are included in the statement of financial activities during the year as earned.

Students attending the early parts of the philosophy course, which make up a majority of this income, pay a fee covering their attendance at these classes each term. However, most students in the senior parts of the School pay an annual composite fee that also includes the costs of their retreats accommodation and study days attendance. Any income received in advance is deferred.

Investment income is recognised as income during the year to which it relates.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Turnover from trading activities is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents revenue earned from the sale of goods and is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose and costs of trading activities.
- Expenditure on investments relates to investment management fees and maintenance costs for the properties.
- Expenditure on charitable activities includes the costs of courses, retreats and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

i) Allocation of support costs and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned directly to the appropriate activity except for some expense items that have been apportioned according to the space occupied.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Support and governance costs are apportioned as follows:

▪ Cost of raising funds	5.5%
▪ Investments	10.6%
▪ Courses & retreats	83.8%
▪ Other activities	0.2%

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Taxation

The Fellowship is a registered charity and therefore is not liable to income or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The subsidiary company is subject to corporation tax but any profits are normally Gift Aided either wholly/ partially to the parent charity. Tax will be payable on remaining profits.

l) Tangible fixed assets

The building element of the tangible fixed asset properties held by the school are depreciated over 100 years. An annual impairment review is also undertaken in accordance with Financial Reporting Standard 102.

For other tangible fixed assets depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

▪ Long leasehold property	1% on cost
▪ Improvements in building	1%–33.3% on cost
▪ Motor vehicles	25% on cost
▪ Equipment	10%–33.3% on cost

Items of equipment are capitalised where the purchase price exceeds £1,000, but there is some leeway for branches. Certain temporary items of equipment have been written off at the rate of 50% on cost.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

1 Accounting policies (continued)

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

Investments

Investments are valued in the balance sheet at their mid-market or bid price at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based, while investment income management costs are charged as expenditure out of the relevant income funds. Investment gains and losses are shown in the statement of the financial activities. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions and financial instruments

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

1 Accounting policies (continued)

s) Pensions

The charity operates a defined contribution scheme for the benefit of employees. Contributions payable are charged to the statement of financial activities in the year they are due.

t) Volunteers

In line with SORP 2015, the contribution of general volunteers is not be included as income in the accounts due to the absence of a reliable measurement basis. However the role of volunteers within the charity is disclosed in the report of the Trustees.

u) Charitable donations

From time to time the school makes donations to other charities and individuals whose activities are in line with its own charitable objects. These donations are made at the discretion of the Trustees.

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Legacies	81	–	81	804
Donations and gift aid	159	2	161	132
	<u>240</u>	<u>2</u>	<u>242</u>	<u>936</u>

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Courses & retreats	1,258	–	1,258	1,220
Other activities	2	–	2	3
Total income from charitable activities	<u>1,261</u>	<u>–</u>	<u>1,261</u>	<u>1,223</u>

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

4 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Waterperry Gardens income	2,358	–	2,358	2,324
Sales of:				
Books and CDs	28	–	28	28
Refreshments	29	–	29	21
Income from room hire	374	–	374	293
Various other sources of income	54	–	54	135
	<u>2,843</u>	<u>–</u>	<u>2,843</u>	<u>2,801</u>

5 Other Income

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Gain on sales of Fixed Assets	359	–	359	–
	<u>359</u>	<u>–</u>	<u>359</u>	<u>–</u>

6 Income from investments

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Rent – investment properties	176	–	176	273
Bank deposit and short term interest	13	–	13	8
	<u>17</u>	<u>–</u>	<u>188</u>	<u>294</u>

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

7a Analysis of expenditure (current year)

	Charitable activities						
	Cost of raising funds £'000	Investments £'000	Courses and retreats £'000	Other Activities £'000	Governance costs £'000	Support costs £'000	Total £'000
Staff costs (Note 10)	1,020	-	-	-	-	608	1,627
Direct supply costs	129	-	287	-	-	-	416
Cost of sales	829	-	-	-	-	-	829
Publicity	-	-	216	-	-	-	216
Premises – running costs	137	-	250	-	-	-	387
Premises – major repairs	-	-	275	-	-	-	275
Legal & professional	-	215	66	-	-	-	281
Audit and other fees	-	-	-	-	42	-	42
Administration	257	-	320	3	-	101	681
Depreciation	36	-	292	1	-	-	330
Charitable donations (note 8)	-	-	-	1	-	-	1
	2,408	215	1,707	5	42	709	5,086
Support costs	39	75	594	2	-	(709)	-
Governance costs	2	4	36	-	(42)	-	-
Total expenditure	2,449	294	2,337	7	-	-	5,086
Charity only total for % allocation	111,326 5.5%	215,173 10.6%	1,707,451 83.8%	4,609 0.2%			2,038,559 100%

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

7b Analysis of expenditure (prior year)

			Charitable				
	Cost of raising funds £'000	Investments £'000	Courses and retreats £'000	Other Activities £'000	Governance costs £'000	Support costs £'000	Total £'000
Staff costs (Note 9)	986	-	-	-	-	594	1,580
Direct supply costs	245	-	234	-	-	-	479
Cost of sales	853	-	-	-	-	-	853
Publicity	44	-	205	-	-	-	249
Premises – running costs	28	-	246	-	-	-	274
Premises – major repairs	-	-	177	-	-	-	177
Legal & professional	1	126	23	-	-	-	150
Audit and other fees	6	-	-	-	38	-	44
Administration	160	-	307	3	2	96	568
Depreciation	38	-	283	1	-	-	322
Charitable donations (note 8)	-	-	-	7	-	-	7
	2,361	126	1,475	11	40	690	4,703
Support costs	42	51	592	5	-	(690)	-
Governance costs	2	3	35	-	(40)	-	-
Total expenditure	2,405	180	2,102	16	-	-	4,703

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

8 Net income for the year

This is stated after charging:

	2024 £'000	2023 £'000
Depreciation	330	322
Auditor's remuneration (exclusive of VAT): Audit	33	32

9 Donation/Grant making

	2024 £'000	2023 £'000
Grant to A Purves – Economics Research	-	4
Donation to Ukrainian families	-	3
	-	7

Grants are given for education and research purposes. A Purves is a director of the trading subsidiary Waterperry Gardens Limited.

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £'000	2023 £'000
Salaries and wages	1,403	1,372
Social security costs	113	104
Employer's contribution to defined contribution pension schemes	112	104
	1,627	1,580

One employee (2023:1) earned between £70,000–£79,999 not including employer's National Insurance contributions during the year.

The total employee benefits including pension contributions and employer's National Insurance contributions of the key management personnel were £216,799 (2023: £211,648).

The Trustees were not paid and did not receive any other benefits from employment with the Charity in the year (2024: £Nil). One trustee (Richard Ibbett) was reimbursed for £23,970 in 2024. (2023: One Trustee was reimbursed £2,868).

Trustees' expenses are for attendance at meetings of the Trustees or business meetings on behalf of the charity. In 2024, two trustees had expenses of £301 (2023: Four trustees had expenses of £536).

Notes to the financial statements

For the year ended 31st December 2024

11 Staff numbers

The average number of employees (head count based on number of staff employed including full time and part time staff) during the year was as follows:

	2024 No.	2023 No.
Raising funds (trading activity)	67	69
Courses and retreats	18	18
	85	87

2004: 67 (2023: 69) employees above were employed by Waterperry Gardens Limited and the remaining 18 (2023: 18) were employed by the parent charity.

12 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are no related party transactions to disclose for this financial year (2023: none).

13 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Waterperry Gardens Limited is liable to pay corporation tax at 19% on any profits not gift aided to the parent charity. In 2024 it had a tax liability of £8,151 (2023: £4,200).

Notes to the financial statements

For the year ended 31st December 2024

14 Tangible fixed assets

The group

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	12,990	322	6,765	20,077
Additions in year	–	–	789	789
Reclassification	–	–	–	–
Transfer to investment property costs	–	–	–	–
Disposals in year	(19)	–	(73)	(92)
At the end of the year	12,971	322	7,481	20,774
Depreciation				
At the start of the year	491	297	3,712	4,500
Charge for the year	83	5	245	333
Eliminated on disposal	–	–	(60)	(60)
At the end of the year	574	302	3,897	4,773
Net book value				
At the end of the year	12,397	20	3,584	16,001
At the start of the year	12,499	25	3,053	15,577

The charity

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	12,990	11	5,704	18,705
Additions in year	–	–	762	762
Transfer to investment property costs	–	–	–	–
Disposals in year	(19)	–	(73)	(92)
At the end of the year	12,971	11	6,393	19,375
Depreciation				
At the start of the year	491	3	2,711	3,205
Charge for the year	83	–	213	296
Eliminated on disposal	–	–	(60)	(60)
At the end of the year	574	3	2,864	3,441
Net book value				
At the end of the year	12,397	8	3,529	15,934
At the start of the year	12,499	8	2,993	15,500

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31st December 2024

15 Investment properties

	The group		The charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fair value at the start of the year	7,885	7,060	7,885	7,060
Purchase /Transfer from fixed assets	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Property sold during year	(3,385)	-	(3,385)	-
Revaluation during the year	125	825	125	825
Fair value at the end of the year	4,625	7,885	4,625	7,885

The investment properties have been valued by a qualified surveyor as part of a professional appraisal for the year end 31 December 2024.

16 Listed investments

	The group		The charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Investments at the start of the year	4,042	2,977	4,399	3,334
Deposits	3,371	780	3,370	780
Withdrawals	(630)	(88)	(630)	(88)
Fees	(9)	(9)	(9)	(9)
Net gain/(losses) on value of shares	307	382	307	382
Investments at the end of the year	7,081	4,042	7,437	4,399
Investments consist of				
Listed investments	7,081	4,042	7,080	4,042
Investment in Subsidiary	-	-	357	357
Cash held by broker	-	-	-	-
Market value at the end of the year	7,081	4,042	7,437	4,399

Notes to the financial statements

For the year ended 31st December 2024

17 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Waterperry Gardens Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. One trustee, Sherry Moran, was appointed a director in July 2021. Available profits are partially gift aided to the parent charity. A summary of the results of the subsidiary is shown below:

	2024 £'000	2023 £'000
Turnover	2,326	2,324
Turnover from sales to parent undertaking	56	32
Cost of sales	(1,910)	(1,929)
Gross profit	471	427
Administrative expenses	(375)	(353)
Management charge payable to parent undertaking	(39)	(37)
Operating profit / (loss)	57	37
Interest payable to parent undertaking	(3)	(3)
Profit / (loss) on ordinary activities	54	34
Tax on profit	(8)	(1)
Profit / (loss) for the financial year	46	33
The aggregate of the assets, liabilities and funds was:		
Assets	813	847
Donation to parent under gift aid	(23)	(59)
Liabilities	(259)	(279)
Funds	532	509

Amounts owed to/from the parent undertaking are shown in note 18.

18 Stock

	The group		The charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Books	54	81	54	81
Garden centre stock	372	383	–	–
	426	81	54	81

Notes to the financial statements

For the year ended 31st December 2024

19 Debtors

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts due from subsidiary	–	–	28	37
Trade debtors	129	97	109	113
H M Revenue & Customs	12	14	12	14
Prepayments	46	79	46	37
Other debtors	459	514	459	514
	646	715	654	715

Amounts due from subsidiary comprise a loan, current total £28,104, from the parent charity to the subsidiary to pay for expenditure on brown motorway tourist signs. It is repayable within 5 years at an interest rate of 2.25%. The loan is included at cost, as the impact of discounting would be immaterial to the financial statements.

20 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	285	109	120	124
Accruals	78	321	77	296
External loans	–	25	–	9
Taxes and social security costs	17	149	17	24
Deferred income	95	80	95	80
Other creditors	30	57	30	44
	505	577	339	577

21 Creditors: amounts falling due after one year

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
External loans payable in more than one year	–	–	–	–
Deferred Tax	9	8	–	–
	9	8	–	–

The external loan was a CBILS loan taken out by Waterperry Gardens Limited.

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

22 Pension scheme

The Fellowship operates a defined contribution scheme and contributes 7% of the salary of those staff who have decided to enter into a personal pension arrangement, direct to the insurer. The charge for the period was £75,371 (2023: £79,911).

23a Analysis of group net assets between funds (current year)

	Restricted £'000	Designated £'000	General funds £'000	Total funds £'000
Tangible fixed assets	–	–	16,001	16,001
Fixed asset investments	–	4,600	7,106	11,706
Net current assets	396	–	1,020	1,416
Creditors: amount falling due in over one year	–	–	(9)	(9)
Net assets at the end of the year	396	4,600	24,118	29,114

23b Analysis of group net assets between funds (prior year)

	Restricted £'000	Designated £'000	General funds £'000	Total funds £'000
Tangible fixed assets	–	–	15,577	15,577
Fixed asset investments	–	1,428	10,499	11,927
Net current assets	394	–	1,156	1,550
Creditors: amount falling due in over one year	–	–	(8)	(8)
Net assets at the end of the year	394	1,428	27,224	29,046

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

24a Movements in funds (current year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	267	2	–	–	269
Future branches properties	127	–	–	–	127
Total restricted funds	394	2	–	–	396
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	428	–	(428)	3,600	3,600
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	1,428	–	(428)	3,600	4,600
Fair value reserve	6,640	557	(3,385)	–	3,812
General funds	20,432	(491)	3,813	(3,600)	20,154
Non-charitable trading funds	152	–	–	–	152
Total unrestricted funds	28,652	66	–	–	28,718
Total funds	29,046	68	–	–	29,114

Purposes of restricted funds

Specific charitable activities relate to the activities of the various faculties and branches in the School. The Future branches properties fund comprises monies raised in prior years for the specific purpose of purchasing local buildings for two branches based in Berkshire and the Midlands.

Purposes of designated funds

Building and Capital Asset reserve

The purpose of this fund is to hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments.

This Fund can be used for building improvement and refurbishment. The project to upgrade the second floor of Waterperry House was funded from this reserve.

Opportunity Reserve

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2025 the Trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee. To protect the longer term interests of the charity, there is currently a review of the Waterperry Estate and operations ongoing, with a view to substantial developments of the estate, including the construction of a new catering facility. The Trustees intend to make the necessary decisions in order to ensure the financial stability for the Charity for the longer term.

Benevolent Fund

The charity also operates a benevolent fund called The School of Economic Science Benevolent Fund (Charity Number 313115-1). It is funded from the Operating reserve to provide financial assistance for elderly and vulnerable students attending any of the classes conducted by the charity.

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

24b Movements in funds (prior year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	274	13	(20)	–	267
Future branches properties	127	–	–	–	127
Total restricted funds	401	13	(20)	–	394
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	–	(572)	–	428
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	2,000	–	(572)	–	1,428
Fair value reserve	5,443	–	1,197	–	6,640
General funds	19,275	2,885	(1,728)	–	20,432
Non-charitable trading funds	179	2,356	(2,383)	–	152
Total unrestricted funds	26,897	5,241	(3,486)	–	28,652
Total funds	27,298	5,254	(3,506)	–	29,046

25 Reconciliation of net income to net cash flow from operating activities

	2024 £'000	2023 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	68	1,748
(Gains)/losses on investments	(432)	(1,207)
Investment manager fees	9	9
Depreciation	330	322
(Increase)/decrease in stocks	38	26
(Increase)/decrease in debtors	58	(419)
(Decrease)/increase in creditors	(235)	178
Investment income	(188)	(294)
Net cash provided by / (used in) operating activities	(353)	363

26 Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property 2024 £'000	2023 £'000
Less than one year	138	138
One to five years	111	111
Over five years	-	-
	<u>249</u>	<u>249</u>

27 Results of the parent charity

	2024 £'000	2023 £'000
Turnover	<u>2,706</u>	<u>4,226</u>
Net result of the charity	<u>49</u>	<u>1,775</u>

The Fellowship of the School of Economic Science

Appendix 1 – Operational/Non Operational Income and expenditure Account – London/Centre & Branches

This appendix does not form part of the audited financial statements

As At Year end 2024

Prior to consolidation & excluding Waterperry Gardens Limited

	<u>London/Centre</u>	<u>Nanpantan</u>	<u>Waterperry</u>	<u>Branches</u>	<u>Other Activities</u>	<u>TOTAL</u>
Operating Income						
Course Fees	373,388	–	–	401,526	–	774,914
Residential/ Retreats Fees	–	212,393	441,216	13	–	653,622
Anciliary Income	181,258	107,735	69,427	92,351	–	450,771
Faculty Income	39,850	–	–	–	–	39,850
Other Income	426,036	25,075	39,378	–	–	490,489
Total Operating Income	1,020,531	345,203	550,021	493,890	–	2,409,645
Operating Expenditure						
Direct Costs	(246,721)	(27,682)	(17,225)	–	–	(291,627)
Anciliary Costs	(51,754)	(24,959)	(45,708)	(28,802)	–	(151,223)
Faculty Costs	(15,380)	–	–	–	–	(15,380)
Premises Costs	(163,509)	(112,916)	(281,546)	(311,972)	–	(869,943)
Salaries	(500,533)	(43,505)	(220,869)	–	–	(764,907)
Advertising & Communications	(140,417)	–	–	(76,056)	(3,406)	(219,879)
Administrative	(173,310)	(3,295)	(12,080)	(23,114)	–	(211,800)
Depreciation	(69,004)	(77,125)	(103,296)	(43,051)	(658)	(293,135)
Other Costs	–	–	–	(38,013)	–	(38,013)
	–	–	–	–	–	–
	–	–	–	–	–	–
Total Operating Expenditure	(1,360,628)	(289,482)	(680,724)	(521,008)	(4,064)	(2,855,907)
Total Operating Surplus/(deficit)	(340,097)	55,720	(130,703)	(27,118)	(4,064)	(446,261)
Non Operating Income						
Voluntary Income	205,105	180	2,045	57,759	–	265,089
Investment Income	10,543	–	–	18,755	–	29,298
Other Gains & Losses	–	–	–	–	2,149	2,149
NH Weddings	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total Non Operating Income	215,648	180	2,045	76,514	2,149	296,536
Non Operating Expenditure						
Donations to Other Charities	(533)	–	–	–	–	(533)
Management Fees	(215,173)	–	–	–	–	(215,173)
Other	(16,600)	–	–	(1,094)	(12)	(17,706)
Other Gains & Losses	431,717	–	–	–	–	431,717
Total Non Operating Expenditure	199,412	–	–	(1,094)	(12)	198,306
Total Non Operating Surplus/(deficit)	415,060	180	2,045	75,420	2,137	494,842
Net Total Surplus/(deficit)	74,963	55,900	(128,658)	48,302	(1,927)	48,581

The Fellowship of the School of Economic Science

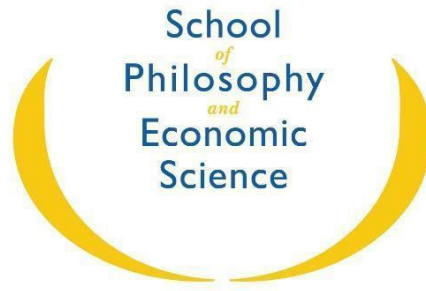
2. Appendix 2 – Branches and Student Numbers

This appendix is for information and does not form part of the audited financial statements

Branch	Student Numbers				Gross	Total	Contrib.	Surplus	Surplus
	Parts 1 – 6		Parts 7+		Income	Costs	to Centre	/ (Deficit)	/ (Deficit)
	Dec-24	Dec-23	Dec-24	Dec-23	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2023 £'000
Bath / Bristol	8	10	20	12	6.6	(5.4)	(0.9)	0.3	(0.9)
Berkshire	19	28	19	13	15.7	(11.5)	(1.6)	2.6	4.2
Cambridge	39	23	23	27	11.5	(9.3)	(1.8)	0.5	(0.2)
SOPSEL	38	6	45	52	48.9	(35.4)	(2.8)	10.7	(1.1)
Devon	–	–	5	5	–	–	–	–	–
East Anglia	14	12	30	33	18.6	(20.0)	(0.9)	(2.2)	(15.7)
Guildford	47	77	56	36	40.8	(32.6)	(2.7)	5.4	2.4
Kent	27	41	36	25	24.1	(14.9)	(3.2)	6.0	6.0
Kingston	16	7	8	7	7.0	(6.0)	(0.8)	0.2	(0.2)
Midlands	37	17	29	35	25.7	(19.5)	(1.4)	4.8	4.1
North East	259	256	95	75	133.2	(125.7)	(10.0)	(2.5)	4.2
North West	166	159	147	128	144.6	(120.6)	(5.9)	18.1	(7.2)
Oxford	46	46	23	23	26.0	(28.3)	(1.8)	(4.1)	(5.3)
Scotland	71	79	103	73	207.4	(194.1)	–	13.4	2.9
St Albans	7	19	13	15	10.5	(7.9)	(0.8)	1.8	(1.2)
Sussex	15	12	15	24	13.0	(12.8)	(0.9)	(0.7)	(0.2)
Wessex	47	71	68	59	45.5	(45.9)	(2.8)	(3.2)	1.6
Total	856	863	735	642	779.1	(689.9)	(38.3)	51.0	(6.6)
London	112	97	440	471					
National (online)	93	102	82	92	1,927.1	(1,929.4)	–	(2.4)	1,781.5
Charity Totals	1061	1062	1257	1205	2,706.2	(2,619.3)	(38.3)	48.6	1,774.9

Notes:

1. Student numbers are an approximate guide to philosophy attendees at the third week of Autumn Term 2024.
2. Contributions to Centre costs represent voluntary payments made by Branches towards the Centre's overhead expenses.
3. Charity totals for Gross Income 2024 and Total Costs 2024 shown above do not equal the totals for Income and Expenses in Appendix 1. This difference is caused by the elimination of transactions between London and the Branches.



*The Fellowship
of the
School of Economic Science*

*Report and Financial Statements for
the year ended
31 December 2024*

The Fellowship of the School of Economic Science
11 Mandeville Place
London W1U 3AJ

Executive Committee (Trustees):

Stephen Silver (Principal)	Hilary Dover (from 11/10/24)
Chris Rees (Treasurer)	Kumar Kumara
Richard Ibbett (General Secretary)	Mark Toole (from 11/10/24)
David Woodhead (from 20/07/24)	Matt McNeill
Elina Grigoriou	Sherry Moran
Elizabeth Mazzola	Yolande Hesse

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1. Foundation and Vision

1.1. A Search for Truth

The Fellowship of the School of Economic Science (“the Charity”) was founded in 1937 to establish and maintain the School of Economic Science (“the School”) to teach ideas of economic justice derived and developed from the insights of the American economist Henry George. It soon became apparent that the answer to economic problems lay not just with economic systems but also with human understanding and in the early 1950’s philosophy courses were added to the economics programme. In 2019 the Fellowship adopted the new name, The School of Philosophy and Economic Science. Economics and philosophy courses were directed by the founder and Senior Tutor, Leon MacLaren from 1937 until his death in 1994. Since then, they have been led and directed by the present Senior Tutor, Donald Lambie.

“It became very clear to me that there was such a thing as Truth and there was such a thing as Justice; and that they could be found and being found could be taught.”

Leon MacLaren

Philosophy in the School quickly adopted a practical direction, focusing on the need to awaken human consciousness through coming to rest in stillness. This in turn led to a meeting in 1961 with the Maharishi Mahesh Yogi and the adoption of mantra meditation as a key feature of the School’s approach to the understanding and practice of philosophic principles.

Leon MacLaren later met with Shri Shantananda Saraswati, a teacher of the philosophy called Advaita or non-duality, which has since become central to the School’s work in both economics and philosophy. Parallels were found among many philosophers and writers from the world’s philosophical, theological and literary traditions which, through practical application in daily life, led to deepening understanding of human nature and the application of philosophic principles in personal and social life.

Courses in economics and philosophy continue to develop from a growing understanding of the philosophy of non-duality. They work by encouraging personal practice and observation and enquiry shared in groups of like-minded people, whose collective experience facilitates the development of individual understanding.

1.2. Aim of the School of Philosophy and Economic Science

The School aims to be a centre of spiritual and practical knowledge and enquiry for people leading everyday working and family lives. The intention is to help individuals lead full, rich and useful lives, to be of service in society and to evolve the spiritual aspect of their being in accordance with natural laws.

*“The Aim is Truth; and Truth as we now know is beyond creation.
It is the Self of every living creature. That is the aim. That is what it is all about.”*

Leon MacLaren

The School is committed to an ethic of lifelong learning and development. Many students continue to attend classes throughout their adult life, also providing the voluntary service upon which the School depends, and contributing to the wider community in whatever ways they can. The School’s educational aims and the study opportunities are all based on the philosophical view that humanity is united in a common conscious essence and that natural laws offer the possibility that human beings can live in freedom and prosperity without exploitation or misuse of nature. From those foundations, studies extend into many other fields including Language (particularly Sanskrit and Latin), Renaissance Studies, Plato, Art, Music, Law, Government and Education.

2. *Objects of the Charity*

2.1. The Rules set out the Objects of the Charity

The Objects are:

- 1) To promote understanding of the natural laws governing humanity through the study and practice of philosophy and economics and any other relevant subject, including the laws, customs and practices by which communities are governed.
- 2) To disseminate by all lawful means knowledge of the matters referred to in (1) hereof.
- 3) To promote any art or science, to produce, print, publish and circulate any periodicals, books and works of art.
- 4) To organise a School for the furtherance of these objects, such School to be known as the School of Philosophy and Economic Science.
- 5) To advance for the public benefit education in the United Kingdom and in particular by establishing or maintaining or assisting one or more schools for children.

Object 6 contains various provisions to assist the furtherance of the above objects, including the acquisition and holding of land and chattels, funding, the provision of library facilities, etcetera.

2.2. Carrying out the Objects of the Charity

The Objects of the Charity are carried out through the School of Philosophy and Economic Science, established and maintained in accordance with Object 4. Prior to the Covid-19 pandemic, the Fellowship offered its courses through the School in London and its regional Branches, throughout England and Scotland. The School had also been offering some courses online, available to students wherever they are. The courses themselves are directed by the Senior Tutor.

Since the restrictions associated with Covid-19 have relaxed, London and all branches have reintroduced in-person groups both for new and existing students. Online groups continue to be an important offering, locally and nationally. Regular retreats have also recommenced at the School's retreat centres; online provision is made for those students who cannot attend for mobility or health reasons.

The School also provides study materials and other support to many associated schools offering the same or similar courses in 14 overseas countries. Close contact is maintained with these Schools through regular visits by the Senior Tutor and others. The leaders of associated Schools attend meetings in the UK from time to time and students from associated Schools often attend residential events in the UK. Since early 2020 there have

been more international meetings online. These arrangements enable the work of the School to reach many thousands of students in the UK and other parts of the world.

Attracting new students to the School remains a high priority, as offering courses to the public is the main means of fulfilling the Charity's Objects and the most visible public benefit provided by the School.

Some retreats are now offered to the public, without the need to be enrolled on an existing philosophy or economics course.

Marketing continues to be directed through social media, both for the national online courses and for local in-person courses. The branch network uses various physical marketing initiatives, including leaflets and local newspapers.

As ever, the most effective marketing is by the students themselves. All students in the School are encouraged to make personal referrals and generally to promote the School's reputation.

2.3. Guiding principles – service without reward

The Charity and the School are guided by three core values or principles. They are:

- love of truth and justice;
- learning and teaching;
- voluntary service.

Service without seeking individual benefit or reward is central to the ethos of the Charity. The School's courses, based on the principle of learning and teaching and guided by a love of truth and justice, are provided voluntarily by students whose own studies have progressed sufficiently to enable them to pass on what they have learned to others. Much of the administration as well as renewal and maintenance of premises is also provided on the voluntary principle as part of the practical application of philosophy. Only the office staff at Mandeville Place and a few other persons are full or part-time paid employees of the charity. No-one is paid or allowed to derive financial benefit from providing teaching services in the School.

The day-to-day management of the Charity is undertaken voluntarily by members of the Executive Committee, Branch Leaders and advisers and assistants appointed from within the Fellowship and the student body. Student volunteers staff the refreshment and bookshop facilities that support classes and other events. Volunteers also support the care of the charity's properties used to deliver courses and other activities.

2.4. Charity

The Charity is registered in England and Wales as Educational Charity No. 313115. It is also registered with the Office of the Scottish Charity Regulator under registration number SC039950. The governing instrument of the Charity is the Rules of the

Fellowship of the School of Economic Science as amended at the Annual General Meeting of 24 July 2021.

2.5. Public Benefit

Practical Philosophy and Economics with Justice courses are open to everyone and are widely advertised. There are concessions for those on low incomes or experiencing financial hardship. Capital expenditure is largely met out of accrued financial resources together with bequests and from voluntary donations from students who can afford to contribute more than the regular fees.

Historically, courses have been offered throughout the UK. One of the benefits of moving courses online is that people have been able to attend a course even when they are not able to attend one of the physical centres. Now that in-person courses are generally available, online courses continue to be an important offering for those unwilling or unable to attend in-person.

The online Philosophy Café, which started in 2021, continues to grow in popularity. It now has over 2500 people registered, and attendance each week is often over 100. The café is open to anyone, whether or not existing students. The café now runs twice each Friday at 7pm Sydney time and 7pm London time.

The Waterperry Retreat Programme, now in its third year, is open to all students of the School, together with friends and family. These retreats are also available to those who are not students of the School, but have an interest in the focus of the retreat. The idea is to share fully the insights into a variety of subjects that have been acquired by members of the School over many years.

We reported previously that the two Ukrainian families that had been staying at Waterperry and one of the families in Leeds had moved out into local accommodation. We continue to support one family in Leeds.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning activities and setting policies for the year ahead.

3. *Delivering the Objects*

In accordance with the Objects and in response to observed needs, additional studies founded on the philosophy of non-duality have been developed.

3.1. Philosophy

The practical philosophy courses take inspiration from the principle of non-duality. They draw on the wisdom and practical experience of thinkers, writers and philosophers from many traditions and ages with particular reference to the philosophy of Advaita as expounded by His Holiness Shri Shantananda Saraswati and His Holiness Shri Vasudevananda Saraswati.

The courses treat philosophy as a personal and practical approach to life and its opportunities, enabling people to develop and deepen an understanding of life and of themselves, while maintaining a full and active family and working life. They are not academic courses such as would be followed in a university, but develop as far as possible based on practice and experience.

For this reason, the School's courses are delivered as weekly evening and daytime classes. These are supported by weekend activities and weekend and week-long retreats. Residential centres in the UK are located at Waterperry House in Oxfordshire, Nanpantan Hall in Leicestershire and Brinscall Hall in Lancashire. Because of the distances involved, retreats in Scotland are held at rented venues.

Most students recognise the value of attending retreats in person, where possible. Many retreats continue to run as hybrid events, with some students attending in-person and others on Zoom.

At all locations throughout the UK we have returned to offering in-person courses, both for introductory courses and more senior groups, reflecting the willingness of existing students to attend in-person groups. There are many students who are unwilling or unable to attend groups in-person and Zoom provides a necessary and valuable facility. Equally, there are many students who are very keen to attend in-person groups, at least in part because of the social advantages of being in the same room as other students again.

Regular group meetings and retreats, together with service and meditation are the four pillars of the School's approach to practical philosophy.

At many of our locations across the country the regular philosophy courses are supplemented by talks and presentations offered by students in various aspects of philosophy and related studies, based on their personal interests and experience. Many of these talks are open to friends, family and the wider public. A number are on the School's website, Facebook page and YouTube channel.

3.2. Meditation

The School has found that exploring natural laws governing the inner life requires a method of cultivating inner stillness and for this purpose students are offered an introduction to the practice of mantra meditation after a few terms' study of philosophy. Thereafter, regular practice of meditation is central to the study and practice of philosophy. The value of meditation has become widely accepted in recent years and the Fellowship is pleased to support and participate in that development with the benefit of 60 years' experience of continuous practice. Tutorials are always available for new and seasoned meditators, and these have continued in-person and online using Zoom.

3.3. Economics and Law

The study of economics and law within the School arises from a deep desire for society to enjoy a greater level of justice and equity than prevails today. It seeks to discover and understand laws and traditions that encourage prosperity, freedom, and happiness for all, without exclusion. It aims to understand and put into practice the principles upon which natural and just economic systems can be established and human-made laws clarified and made more accessible to all. Such study is necessarily human-centred and grounded in moral principle.

Public courses in Economics with Justice cover five terms. Participants gain an understanding of natural aspects of economics and are helped in applying these in their daily lives. On completion, students are invited to join any of the Further Economics classes which offer studies of particular topics in greater depth than would otherwise be possible. A Convivium of Further Economics is held each term whereby the fruits of such studies can be shared.

The Annual Economics Lectures are open to everyone. This year some of unique features of Singapore's economy were explored to illustrate how our own economy could be transformed for more to benefit, as well as explaining some of its shortcomings.

The 2024 Symposium was open to all and supported the School's 'This Spiritual Land' initiative. Several speakers were invited to speak on 'The Spirit of Law and Economics'.

Tutors and interested students gathered at the annual Economics and Law Conference for 6 days at Nanpantan Hall under the theme of 'Freedom and Reality'. They explored the contradictions of a universal aspiration for the freedom to enjoy those things most valued in life coexisting with the reality for many facing conditions that restrict such enjoyment. Life, law and economics in the city of Lichfield provided a useful focus for study.

Some classes are offered as in-person at one of our centres, or online. The ability to switch between these has been welcomed by participants with busy lives. For other events hybrid technology helps extend participation across the world, which enriches the experience and breadth of understanding for all involved.

For the study of law, a one term course was offered in Spring 2024 to the public under the Horizons programme: 'Freedom Under Law'. This presented an understanding of the UK's Common Law system, Equity, the Constitution, Human Rights, and International Law; timeless topics which always generate considerable interest.

Building upon this venture, the weekend Law Study Group has moved closer to the work of Economics in presenting joint sessions and ensuring greater availability of study. This increased appreciation of both subjects is to bring deeper understanding and in examining how the law came into being, and the operation of Parliament and the Courts today, a shift of focus may enable a vision of what is achievable to arise.

3.4. Promoting the Arts

To meet Object 3 (the promotion of the arts) supplementary studies undertaken by groups of students within the School include art, music, translation, dance and others. Calligraphy and geometry are practised both as fine arts and as reflective practices in fine attention.

Waterperry has been a centre of excellence in horticultural arts and science since before the Fellowship acquired it and has been maintained and developed as such. Through Waterperry Gardens Limited ("WGL") the School provides apprentice training, horticultural courses, recreational and horticultural facilities for public use and enjoyment. Waterperry is a Royal Horticultural Society Partner Garden. The ornamental gardens are recognised internationally. It is a well-known centre of expertise in herbaceous gardening, apple and pear cultivation and also houses two national collections of alpine plants. The gardens are now featured on the Silent Space website (silent.space.org.uk)

The fresco paintings created by the Art Group of the School at Waterperry House are open to the public each week. The guided tours are particularly popular. The second open weekend took place in the first weekend of September 2023 an event where the visitor can get a taste of what the School is all about, and this was even more popular than the first.

In addition, the Charity encourages and supports the arts through various activities at Waterperry Estate and elsewhere, including dramatic and operatic performances in the theatre. During 2024 a full programme of events took place which included the Oxford Storytelling Festival, Handmade Oxford, Celebrating Ceramics and Desire Jewellery, and the Waterperry Opera Festival.

In 2024 Make it at Market Series 3 was filmed again at Waterperry Gardens. This award-winning craft show, presented by Dom Chinae, films craftspeople at the start of their careers as they are mentored towards turning their craft into a sustainable business. The 15-part series will be shown on BBC1 in early 2025 and will be available on BBC iPlayer.

3.5. Sanskrit

The Sanskrit Faculty has nearly 200 members in the UK and continues to make a substantial contribution to philosophical studies in the School. Its courses range from introductory to advanced levels, including Vedic chanting, the study of Pāṇini grammar and the study of philosophical works in the original Sanskrit. Twenty-three international online groups, organised from London, are attended by some 150 students from Europe, Australasia, South Africa and the Americas. There were two International Sanskrit Conferences, one at Waterperry and one online, attended by over three hundred students in total, and also two residential weekends held mainly for UK students. Each week on Facebook a Sanskrit word has been presented and explained on Sanskrit Live. Similar such events are planned for 2025.

3.6. Renaissance Studies

Regular features of the calendar in the Faculty of Renaissance Studies have included world-wide '15 Minute' readings from Ficino each September and an online celebration of Ficino's birthday in October of each year.

Three online courses on Ficino have been given each term, as well as a Horizons Group dedicated to Ficino on Saturday mornings, and an annual Ficino retreat. Beyond the school, members of the group have, by invitation, presented various aspect of Ficino's work to the Fintry Trust, the Accademia Vivarium Novum, the First International Congress of Classics in Beijing, and a Conference on Letters at the University of Turin. The Ficino Lecture Series, with visiting speakers once or twice a term has also resumed, in hybrid form, at Mandeville Place and online.

Alongside these activities, work has continued in three groups on the final volume of the Ficino Letters which is moving steadily towards completion, thanks to the dedicated efforts of all concerned. Work is also ongoing on the preparation of some letters that Ficino wrote outside his twelve-book collection, using the Tuscan dialect rather than Latin, addressed to members of his family.

3.7. Publications

During the year the School published *What am I?*, a translation by Warwick and Elena Jessup of the final part of Shankara's *Svātmanirūpanam*.

The School publishes books as well as audio and video recordings of lectures and presentations given in the Philosophy, Sanskrit, Renaissance, Economics and Law faculties.

3.8. Online activities

At the time of writing in February 2025, our social media presence continues to expand gradually. We now reach over 36,000 followers on Instagram, Facebook, X, YouTube and Insight. A notable milestone was reaching 500,000 views on YouTube in February.

Our team is working well to advertise courses and events across platforms as appropriate. We have also taken steps in this last year to co-ordinate our branding so that there is a more consistent look for the School, no matter which platform someone finds us on.

The Live streams on Facebook and YouTube continue to go well, and attract many favourable comments. It also gives our presenters an excellent opportunity to develop their skills.

We started to release films on YouTube weekly in December. It remains to be seen if it is possible to keep up this level of engagement. As with many activities in the School we are dependent on the willing service of students.

4. Governance

4.1. Structure

Senior Tutor

The Senior Tutor, Donald Lambie, is responsible for the general philosophic and educational direction of the School's work and for the scope and content of study material. The Senior Tutor is also responsible for the appointment of tutors and Branch Leaders, all of whom are volunteers.

There is close communication with the Trustees in relation to these matters through regular meetings between the Senior Tutor and the Principal, meetings with the Executive Committee and through the Trustees' active participation in the work of the School. The Senior Tutor does not receive any salary from the Charity, although expenses are paid and accommodation and paid assistance are provided to enable him to fulfil his role. The Senior Tutor has no control over the finances of the Charity.

Trustees

The Trustees of the Charity are defined by the Fellowship Rules (12).

A new Executive Committee was elected. Stephen Silver was re-elected as Principal and Chris Rees was re-elected as Treasurer. Richard Ibbett was appointed as General Secretary at the first meeting following the AGM.

David Woodhead was co-opted onto the Committee at its meeting in July. Mark Toole and Hilary Dover were co-opted in October. As at December 2024, the trustees and their responsibilities are shown here:

Stephen Silver (Principal) (3) (4) (13)

Chris Rees (Treasurer) (1) (2) (3) (6)

Richard Ibbett (General Secretary)

David Woodhead (7)

Elizabeth Mazzola (4) (5) (11) (12)

Elina Grigoriou (9)

Kumar Kumara (8)

Matthew McNeill (6)

Sherry Moran (9)

Yolande Hesse (7) (10)

Hilary Dover

Mark Toole

Notes:

(1) Chair of the Finance Sub-Committee

(2) Attends the Investment Sub-Committee

(3) Member of the Staff Sub-Committee

- (4) Member of the Elderly and Vulnerable Students Committee
- (5) Member of the Membership Committee
- (6) Member of the Technology Sub-Committee
- (7) Member of the Estates Sub-Committee
- (8) Executive member on WGL Board (Waterperry Gardens Ltd)
- (9) Sustainability Policy development
- (10) Nanpantan Liaison
- (11) Liaison - Branches
- (12) Safeguarding Officer
- (13) Liaison - Senior Tutor & Stream Heads

The Fellowship meets in an Annual General Meeting to receive the Report of the Trustees and the Financial Statements, and to elect the Officers and other members of the Executive Committee and the Membership Committee for the following year. A quorum of two-thirds of Ordinary Members is required. Associate Members may attend General Meetings but may not vote.

The Principal and the Treasurer are elected annually under Rules 8 and 9 respectively. The Principal is also the Chair of the Executive Committee and of the Fellowship. Each of the Trustees can be contacted via the School's head office at 11 Mandeville Place, London W1U 3AJ.

Membership Committee

Four members of the Membership Committee are elected annually at the AGM and a Trustee is appointed by the Executive Committee to serve with them. The members of the Membership Committee are:

Sally Ostrowska (Chair)
David Nicholls (Secretary)
Sine Pickles
Barry Scott
Executive representative: Elizabeth Mazzola

Any person currently enrolled on a Philosophy or Economics course in the School of Philosophy and Economic Science (Rule 3) is eligible for membership of the Fellowship.

The Membership Committee continues to monitor the breadth and strength of the membership of the Fellowship. Prior to the 2024 AGM, four people accepted the invitation to join the Fellowship. Since the AGM, there have been no resignations but two members have died.

The membership of the Fellowship on 31 December 2024 consisted of 220 Ordinary Members and 57 Associate Members.

Fellowship members are appointed by the Executive Committee on the recommendation of the Membership Committee in accordance with Rule 3 and Rule 12(9).

Property Trustees

Because the Fellowship is an unincorporated association, Rule 15 provides for the appointment by the Trustees of not more than five nor less than three Property Trustees for the purpose of holding and dealing with "any freehold or leasehold properties from time to time acquired by the Fellowship and the proceeds of sale thereof and all monies or other property of the Fellowship in their hands upon the terms of a Trust Deed...".

The current Property Trustees appointed by the Executive Committee are:

Ian Mason

John Meltzer

Hugh Venables

Endowment Treasurer

Christine Tadd was appointed to the role of Endowment Treasurer following the AGM.

4.2. Trustee Election, Induction and Training

Under the Rules of the Fellowship, the Trustees are elected by and from the Ordinary Members of the Fellowship. They have invariably obtained considerable knowledge and experience of the work of the Charity, both before becoming members of the Fellowship and then through receiving annual reports and financial statements. On appointment Trustees may see past minutes and agendas of the Executive Committee and are encouraged to question any member of the Committee, and the Internal Auditor, about any aspects of the Committee's business or the general administration of the School. New trustees are also encouraged to read the Charity Commission guidance on the role and responsibilities of trustees. All trustees received training in the duties of a trustee.

From time-to-time external advice is sought as to the appropriateness and efficiency of the Charity's governance.

4.3. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England, Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees and staff, through the Finance Sub-committee meetings, continue to improve the financial accounting practices in recognition of their obligations and in response to the advice from the Charity's auditors. In particular, the property maintenance budget is renewed annually.

4.4. Management arrangements

The day-to-day management of the Charity is undertaken on a voluntary basis by the members of the Executive Committee, supported by the Branch Leaders, together with advisers and assistants appointed from within the Fellowship and the student body. The volunteers are supported by a small and dedicated team of full- and part-time paid staff.

The School year is divided into three terms. The Executive Committee meets online every other week during term time.

The Executive Committee has also met in-person and online several times at weekends for some hours, each time to consider matters of a more strategic nature outside the normal run of business.

The Branch Leaders, as local representatives of the Executive Committee, are provided with clear Terms of Reference. Branch Leaders typically meet around the end of January with the Senior Tutor and the Principal for a three-day period during which Trustees attend to speak about and discuss current issues and matters relating to the management and organisation of the School and Branch Leaders' roles as Trustees' representatives. The aim is to allow the Branches as much autonomy as possible while maintaining the unity of the School as a whole. The current Executive member with particular responsibility for liaison with the Branches is Elizabeth Mazzola.

Decisions on matters of policy and strategy are made by the Executive Committee on behalf of the Fellowship in consultation, where appropriate, with the Senior Tutor. Decisions relating to the day-to-day operations of the School are implemented by the relevant person within the management structure, and within the policy and strategy framework as set out by the Executive Committee.

There is provision in Rule 19 for an officer, or two or more members of the Executive Committee, or at least ten Ordinary Members to call an Extraordinary General Meeting of the Fellowship at any time to discuss and vote upon matters of major significance (e.g. major changes in policy or strategy, proposed actions outside the scope of established policy etc.).

4.5. Staff

The management support team continued to work well, led by the Director of Operations, Laura Counsell, under the direction of the Principal.

The Trustees extend their grateful thanks to Laura Counsell and her team for approaching their task with energy and efficiency while engaging fully with the ethos of the School.

Remuneration Policy

The Fellowship aims to pay its employees a fair salary commensurate with their skills and level of responsibility, comparable to the private sector. The School contributes 7% of gross salary to the pension fund of each employee and has offered all employees pension advice. One employee earned more than £70,000 during the year ending December 2023.

4.6. Committees & Sub-Committees

There are eight sub-committees appointed by the Executive under Rule 12 (7): Elderly and Vulnerable Students; Finance; Investment; Risk Management; Staff; Technology; Creative Projects and Estates.

Elderly and Vulnerable Students Sub-Committee

Whilst there is no legal obligation to support the needs of elderly and vulnerable students, kindness and care runs within all the principles and practices of the School. The Elderly and Vulnerable Students Sub-Committee (EVSSC) meets regularly to review a list of students no longer able to attend courses due to age, disability or other vulnerability. In order to ensure that they and their carers continue to receive spiritual and practical support from the School, regular visits are undertaken by friends in the School. No student who wishes to continue to be connected to the School and its teachings, should become invisible to the School, and enabling students to engage in spiritual work at all stages of life remains very important.

Risk Management Sub-Committee

The Trustees are required to certify each year that the major risks to which the Charity is exposed have been assessed and that appropriate steps are being taken to minimise those risks. The trustees have overall responsibility for risk within the Charity. Each Executive Committee meeting has Risk as an agenda item during which each member is given the opportunity to report on risks drawn to their attention.

The Trustees are required to certify each year that the major risks to which the Charity is exposed have been identified, assessed, and that appropriate steps are being taken to mitigate them. Risk remains a standing item at each Executive Committee meeting, where trustees are invited to report on any risks arising within their areas.

In 2024, risk management work advanced significantly. A Trustee workshop held in March, facilitated by our Audit Partner, led to an important recommendation that monitoring of major risks should be distributed across Executive sub-committees, aligning accountability with function (e.g. operations, finance, estates).

As a result, a major review of the Executive's structure has been initiated to improve oversight, responsiveness, and clarity of responsibilities. Risk ownership is now more explicitly integrated into the terms of reference and reporting practices of each sub-committee.

The four main Sub-Committees identifying, assessing and mitigating risks are:

- **Finance Sub-Committee** monitors budgetary risk closely, and investment risk continues to be reviewed by the **Investment Sub-Committee**
- **Marketing and Communications Sub-Committee**, monitors risk in relation to external messaging and participant experience
- **Operational Sub-Committee** has particular oversight of risk in retreats and safeguarding contexts)
- **Estates Sub-Committee** continues to build a more complete picture of compliance across all properties

Examples of risks being monitored and mitigation approaches are:

- The financial risks associated with the losses incurred by the Waterperry Estate (as distinct from WGL) have been considered in depth and a major investment programme instituted to improve the cohesiveness and attractiveness of the estate, but also to improve its finances
- Detailed procedures for handling any safeguarding risks have been implemented by escalation up the authority chain with independent evaluation of any complaint
- Fire risk procedures have been reviewed and responses to fire risk documented.

This distributed approach reflects the Charity's commitment to embedding risk awareness and control throughout its governance structure.

Policies of the Charity are kept under review by the trustees. They are made available online to all those with significant responsibilities such as Branch Leaders, Bursars and Trustees. These are reviewed at least every 3 years.

Finance Sub-Committee

The Executive Committee has appointed a Finance Sub-Committee chaired by the Treasurer. The sub-committee reviews the annual budget in advance of the Executive Committee's review and adoption of the budget. The sub-committee reviews the management accounts.

Investment Sub-Committee

The Investment Sub-Committee advises the Executive Committee on the management of the School's investment funds. The Executive Committee accepted its recommendation to change the School's investment managers in 2021 and the funds were transferred to CCLA Investment Management Ltd and P1 Investment Management Ltd. Following meetings with the investment managers in 2023, the decision was taken to stay with the existing funds for the time being.

Staff Sub-Committee

The Staff Sub-Committee, chaired by the Principal and including the Treasurer and attended by the Director of Operations, is responsible for staff policy, recruitment, disciplinary matters and other HR-related matters. It meets at least once a term and in addition the Principal and Director of Operations consider any staffing issues at their regular weekly meetings.

Technology Sub-Committee

The Technology Sub-Committee investigates technical matters of any sort when asked to do so by the Executive and may provide technical guidance or assurance to the General Manager as required.

Creative Projects Sub-Committee

The Executive occasionally gets requests for support to students in the School who wish to carry out particular creative projects. Currently, the sub-committee is suspended. There have been no new requests for over two years. The sub-committee could be revived if and when there are future projects to be evaluated. A proposal was made to publish some of the music produced by students in the School. Assessment of feasibility is ongoing.

Estates Sub-Committee

The Estates Sub-Committee has representatives from many of the branches around the UK. The Sub-Committee's role is to provide support to the property stewards for their

plans for property maintenance and improvement and to advise the Executive on proposals for major budget requests.

The Estates Sub-Committee maintains a property information schedule for each of the School's residential properties and the branch properties. The schedules, in the form of a standard template, are produced and updated by the property stewards. The different relevant regulations which apply to the House and other properties including rented properties at Waterperry, are all addressed, as well as Health and Safety issues.

4.7. Properties

The Fellowship owns a number of properties in the UK, which are mainly used for delivering the School's courses in furtherance of the Objects. Five cottages at Waterperry, the Lodge and the Coach House at Nanpantan, and other properties are used either to accommodate essential staff or to provide income to the Fellowship.

As reported last year, we sold St Oswald's Studios and we completed the sale of 96 Sedlescombe Road in 2024.

In addition to its residential premises, the Fellowship owns nine other freehold properties and one long-leasehold, used for the purpose of delivering its courses.

Otherwise, many Branches take premises on short leases or occupy premises under licence to deliver courses.

The Trustees consider that it is essential to find ways to create more income from spare capacity at all properties to help balance income and expenditure.

Mandeville Place

Mandeville Place is where the London in-person groups meet. The building is in a prime central London location. Meeting rooms are available to hire during the day on a commercial basis, with ad-hoc venue hire concentrating on the two largest rooms suitable for lectures and seminars. The team has been successful in finding primarily educational and charitable organisations that hire smaller rooms on a long-term basis, providing a reasonable income without being too demanding of the building's facilities and staff. Both of our long-term private college clients have continued to hire from us since returning in 2021 and we work closely with a nearby luxury hotel to accommodate their clients, resulting in regular bookings of our largest rooms. This has helped to keep bookings consistent.

Twice a year we offer in-person Taster Sessions for our introductory courses, which has helped to better introduce us to those who live and work near Mandeville Place.

We are able to offer regularly both meeting and rehearsal space at Mandeville Place to the Waterperry Opera Festival, a registered charity, at no cost.

Nanpantan Hall

Our vision for Nanpantan Hall is to provide an inspiring experience for our school groups and private guests. We work to create a warm and welcoming atmosphere that nurtures peace, introspection, and personal growth, amidst the beauty of the Charnwood Forest.

In 2024, Nanpantan Hall hosted 47 residential events, 21 school events, 24 private events, and 2 volunteer weekends.

Following the upgrading of Nanpantan Hall in early 2019, we continue to enhance the internal aesthetics making the Hall an attractive venue for the School's activities and those of like-minded organisations.

Nanpantan Hall's 31 acres of grounds, woodland and meadow, which are located within the Charnwood Forest and Charnwood Forest GeoPark, have been a valuable asset in attracting private events. The Geopark is being nominated as a UNESCO site due to its internationally significant geology and the discovery of the earliest known complex animal life form. The area also served as inspiration for a young David Attenborough.

Following a successful application Nanpantan Hall received a grant of £33,000 from the National Forest to improve the ecology of our meadow and forest areas. School students successfully planted 1200 trees (of ten different species) and 800 hedge plants (of 8 different species) for a new 130m hedge between the drive and meadow.

A ten-year plan to rewild the existing forest areas has been developed by the National Forest which includes pigs to improve the forest floor and fell ponies to graze the meadow and browse the woodlands.

The local demand for philosophy classes exceeds our current capacity. We have 5 groups with around 55 students attending classes on Tuesday and Wednesday evenings. Our first class began in January 2022, For the spring term of 2024, we had to close enrolment early due to unexpectedly high demand. We received 64 online enrolments and had to create a waiting list to manage the excess interest.

Growth is limited by classroom space and a shortage of tutors. Classes are currently held in the local Church chapter house and Home Farm when the hall is occupied by school or private groups. As a more permanent solution, we have proposed converting the six horse stables into five classrooms. Building plans are currently being developed for this project. If the project proceeds, the 'Nanpantan Hall Nurture Centre' has expressed interest in expanding their school by hiring the new building during the day. This would allow a much larger number of students to attend classes in the evenings and weekends.

Nanpantan students are currently served by a young team of four tutors and one assistant tutor. Recently two students have expressed an interest in becoming a tutor

and we are confident that others will follow.

Mark Dutton, Nanpantan Hall Estate Manager, has accepted an invitation from Joanna Herbert-Stepney (who donated Nanpantan Hall to the School) to become a member of the Paget Trust which oversees the management of four local farms and a number of private dwellings.

The Coach House continues to be leased to the 'Nanpantan Hall Nurture Centre', a school for high achieving autistic children under the age of 11, recently assessed as 'outstanding' by OFSTED across all their key assessments. This school is now looking to expand the number of children it can accept and are interested in any more accommodation we can offer.

We continue to support a man recovering from addiction. He volunteers regularly by working in the garden and grounds

Eight local people have allotments and manage the grounds within the walled garden. A couple occupy a small area within the walled garden to keep seven bee hives.

We have a good relationship with St. Mary's Church. The Church uses our car park and the grounds for a small number of events each year. The farmers at Home Farm in the valley are also part of an active and collaborative community.

Waterperry and Waterperry Gardens Limited

When the Waterperry Estate was acquired in the 1970s there was an established horticultural centre, which the School maintained and expanded consistently with Object Three (promote any arts or sciences). The horticultural centre is run as a separate trading entity known as Waterperry Gardens Limited (WGL). WGL is wholly owned by the Fellowship. Waterperry continues to command international renown for the formal gardens, which are supported by a garden shop, tea shop, gift shop, museum and arts and crafts gallery.

Investment in infrastructure at the Waterperry Estate is making it a much better visitor attraction, which in turn enables WGL to contribute more to the Fellowship's income, while also enhancing the Estate for the Fellowship's own retreat and teaching purposes.

WGL has developed strongly. There have been numerous enhancements that have contributed to significant increases in visitor numbers and more consistent profitability, notwithstanding meteorological challenges.

2024 was yet another challenging year. Prices rose fast and yet another minimum wage increase had its knock-on effect, along with poor weather during much of the year. However visitor numbers remained strong and the year ended with WGL making a profit of £46,000 (2023: £33,000).

Apart from serving the public, WGL also maintains the Waterperry estate grounds on behalf of the School and makes an important contribution to the local economy and

employment, employing 69 staff and turning over £2.3 million per annum. Students on the School's courses at Waterperry enjoy the benefit of the beautiful gardens and setting.

The major building project which started in September 2023 with en-suite bathrooms being installed on the top floor of the house was completed on time and under budget in 2024. Feedback from School students and private hirers about the new accommodation has been positive. There have been the inevitable glitches but overall a good job. A nice accessible toilet was installed downstairs at the same time.

During 2024, we hired the house out to 18 different groups. A mixture of wakes, senior birthday parties, charitable events, yoga days and the longer retreats for meditation, yoga, AI safety research group and arts and crafts, as well as the festivals with their teams. For 2025, all these longer retreats are repeat bookings with an additional booking from a huge Sufi group and a Jain group and a Shadow work weekend. We have had no corporate bookings despite the consultants and their work to tender the venue!

For nearly all the wakes and charity events the teashop does the catering. And for the Basketmakers Association and the AI retreat (both 4-day events) the teashop caters both lunch and supper staying on into the evening until late. They also cater or have a stall at the festival art events!

We have started to rent out the coach house, which is only occasionally required for School retreats. We are getting a mixture of holiday guests and guests who need accommodation in the area for events or visits to families or hospitals or even 3 weeks whilst a guest had their kitchen and bathroom renovated. We have had excellent reviews.

The future of the estate's energy supply has been explored this year and a consultant has been employed to design a solar array and use of heat pumps that will meet the needs of the School and Waterperry Gardens in as sustainable a way as possible. The design has been submitted as a planning pre-application with English Heritage and South Oxford District Council to see if planning approval is likely to be granted. A positive response has been received, subject to a number of surveys needing to be conducted.

As reported below in Section 6, Plan for the Future, the intention is to develop the Waterperry Estate further as a Centre for Philosophy, Horticulture and the Arts. This will require further planning application submissions. It is likely that the plans for the solar array will be incorporated, at least in part to minimise any repetition of surveys.

4.8. Achievement and Performance

The School is not a public fund-raising charity and does not set fund-raising targets or specific aims for expansion. The main sources of funding are fees from courses, gifts, legacies, and returns on investments. Steps continue to be taken to find supplementary

sources of income, primarily through rental of our buildings when not in use by the School.

During 2024, 142 new students enrolled for the national online philosophy course. In addition, 1299 students enrolled for in-person courses across the country an increase of 191 compared to 2023.

For the last term in 2024, the Autumn term, there were 175 students enrolled in national online philosophy courses, a decrease of 19 over the previous year.

In addition, for the in-person philosophy courses, in the Autumn term 2024, there were 2,143 students enrolled in London and the Branches, an increase of 70 over the previous year.

For the Economics course offered online and in-person in London, 184 new students enrolled in 2024 an increase of 91 compared to 2023.

There were 122 students enrolled in the Autumn 2024 term, an increase of 27 compared to Autumn 2023.

During 2024 an average of over 120 (Spring 151, Summer 130, Autumn 78) different students registered each term for the Horizons courses, many registering for more than one course each.

Since its foundation in 1937 the School has provided courses to tens of thousands of people in the UK. While the Executive Committee would always like to see larger numbers of enrolled students, the priority of the School is always to meet the needs of students attending courses.

The following activities have been undertaken:

- The School continues to organise courses, seminars and events to enable students to present the findings of their studies to a wider public.
- Contact continues to be made and maintained with like-minded organisations in order to collaborate with them in the development of common fields of study.
- Budgets continue to be carefully reviewed to enable the Charity to function within its means.
- The use of the School's residential properties has also been reviewed to identify means of making better use of the facilities.

5. Financial Review & Results

The consolidated Statement of Financial Activities which accompanies this report shows that the Group had a surplus in the 12 months to end December 2024 of £68,000 (2023: £1,748,000). There were a number of reasons for this reduction, including substantially lower unrealised gains of £432,000 (2023: £1,197,000), and Donations and Legacies of £242,000 (2023: £936,000).

The Charity's income from courses and retreats was slightly higher than in 2023, at £1,258,000 (2023: £1,220,000). Overall fee income increased to £1,260,000 (2023: £1,223,000). Total voluntary income for the year reduced substantially over the previous year to £242,000 (2023: £936,000), of which donations and gift aid were up at £161,000 (2023: £132,000), but legacy income decreased sharply to £81,000 (2023: £804,000).

Note that legacies are recognised as income in the year in which the value of the legacy can be reliably estimated, not when the charity receives the cash.

The Trustees are most grateful for students' donations, as well as legacy income.

5.1. Net Realised and Unrealised Changes in Investments

Three properties, St Oswald's Studios and 96 Sedlescombe Road in London and the cottage on the Isle of Arran, were sold during the year for a combined total of £3,240,000. There was an increase of £125,000 in revaluation. The total value of the remaining investment properties therefore reduced from £7,885,000 to £4,625,000.

There was a net increase in the value of Listed Investments from £4,042,000 to £7,081,000 including a net gain in value of £307,000 (2023: £382,000). This was principally due to the investment of the proceeds of the property sales above.

As noted last year, our investment managers, CCLA and P1 automatically reinvest income in the portfolios.

5.2. Investment Income from Property

Gross investment income for the year was £176,000 (2023: £273,000). This was partly the effect of the sale of the London properties early in the year, thus terminating the investment income, and partly the effect of a rent reduction and rent rebate for the tenants of 87 Brook Green, whose initial occupancy of the property was severely delayed by the late completion of refurbishment works undertaken by our managing agents.

5.3. Waterperry Gardens Limited

In 2024 global financial uncertainty was seen to have its effect on WGL. Larger size purchases such as furniture were again far less common than during Covid.

Visitor numbers remained high. The full programme of outdoor events went ahead. This led to a net profit of £46,000 (2023: £33,000) for the year before tax.

The WGL Board decided to donate half its eligible profit for 2024, £23,000 (2023: £59,000) to the charity with Gift Aid. As a result, WGL will pay Corporation Tax on half of its profit but will retain the balance for working capital.

5.4. Reserves Policy

The Charity requires financial reserves to maintain and advance its activities for the following reasons:

- to minimise the charity's requirement for debt;
- for operational purposes, to maintain properties, (with a net book value at 31 December 2024 of £16,001,000 (2023: £15,577,000), equipment, etc, which are used extensively for educational and residential purposes in accordance with the Charity's objects. Property ownership provides long term security of tenure, a measure of financial resilience, the opportunity for higher standards of maintenance, facilities adapted to the Charity's specific requirements, and for lower running costs in the long term than occurs with a dependency upon rented accommodation.
- To enable the charity to undertake capital investments, such as the Waterperry Development Programme

Free Reserve

The free reserve is the balance of total funds (£29,114,000) less the value of those funds already identified as:

- Restricted funds; £394,000
- Designated Funds; £4,600,000
- Tangible Fixed Assets; £16,001,000
- Investment properties; £4,625,000

Total free reserve: £3,494,000.

The Trustees consider that an adequate target level of Operating Reserve is approximately £2,500,000. This would provide sufficient reserves to meet the charity's running costs for a period of six months in the event of major disruption to its activities.

This reserve would also be used to provide financial support from the Charity fund to the Benevolent Fund. The balance is held to cover operating deficits, until such time as these can be eliminated.

The Trustees invest surplus funds in line with their investment policy.

5.5. Designated Funds

Building and Capital Asset Reserve – £3,600,000

This fund is used for the following purposes:

- To hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation.
- For buildings improvement and refurbishment. The project to upgrade the second floor of Waterperry House was funded from this reserve.
- The Trustees intend to finance the Waterperry Development Programme from this fund.

Opportunity Reserve – £1,000,000

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organizational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2025-2026 the Trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee.

The Trustees review the designated funds of the charity on a regular basis.

5.6. Investment Policy and Performance

Investment Policy and Performance

The School's investment in the CCLA Charities Ethical Investment Fund rose over the year from £2,502,000 to £5,912,000 at 31 December 2024, primarily reflecting the sale of the London properties. In addition the School centrally holds £102,000 in the CCLA COIF Charities Deposit Fund and four branches, Guildford, Kingston, North East and Scotland, hold deposits amounting to £391,000 in the Fund. It pays a competitive rate of interest and funds are available on demand. The School's P1 investment increased from £739,000 to £778,000.

The Investment Sub-Committee reviews the performance of both managers regularly, and currently concludes that they are managing our assets in the manner we had expected when we first invested with them. Whilst CCLA invests directly across a wide range of asset classes and geographies, P1 concentrates on relatively few investment managers who offer what are believed to be more eco-friendly and sustainable investments. The latter have recently not been as profitable as more widely spread

investments, but the expectation is that they will produce good long-term returns.

5.7. Fees

Historically fees for courses and for retreats have been kept as low as possible. There have been step changes in the early part fees, which have been difficult to explain. The decision was made for the London and national online courses in 2023 that all courses from Part 2 to Part 12 should be based consistently on a standard fee of £15 per session, which is both reasonable and in line with providers of comparable courses. The fee for Part 1 has been discounted so that it remains attractive for those who are interested in trying out the courses. Fees for online and in-person courses are the same, primarily to ensure that cost is not a factor for people choosing to attend online rather than in-person. These policies have been continued in 2024.

The daily fee for retreats at Waterperry and Nanpantan was also reviewed in light of running costs of the centres and compared to other similar retreats. The standard rate for retreats at both buildings and online was set at £65 a night for 2024. Reductions of £15 a night were offered to students attending retreats online, recognising that they should also contribute to the upkeep of the buildings but do not consume food or fuel.

5.8. Reserves

The Trustees believe the Charity has adequate reserves for the next twelve months, and we have made no changes to our reserves policy.

5.9. Post-Audit Events

Waterperry Development Programme

As explained more fully in Section 6, a Waterperry Strategy Working Group has been working for some time to develop a vision and strategy for the whole Waterperry estate, including Waterperry Gardens Ltd.

Their vision was endorsed by the Executive Committee and supported by the Fellowship at an EGM in April.

Initial work has started with the selected architecture practice. Members of the Executive have been obtaining accounting and legal advice on the most cost-effective methods of procuring the programme.

The Trustees anticipate that the costs of the programme will be met from a proportion of the current reserves, leaving sufficient reserves for contingencies and further investments in Waterperry and other School properties.

Trading Subsidiary

2025 could again be challenging due to wage inflation. However the weather in March, April, and May has been very good and the gardens are looking great, resulting in

higher turnover figures than in 2024.

Going Concern

Given the strength of the charity's cash balances and financial investments, and the budgets and cash flow forecasts that we have prepared, the Trustees are confident that the Charity remains a going concern.

Fundraising

The School does not carry out external fundraising activities or raise funds from the general public, with donations being received from students or others familiar with the School. Accordingly, it is not registered with the Fundraising Regulator.

6. *Plan for the Future*

The School's main aims are set out in Section 1. Historically, the Charity has aimed to respond to needs and demands on its services as they arise rather than seeking to generate new activities, beyond making those services known to as wide a community as possible. The aim was to allow for organic growth and development without the constraints of a structured long-term plan. Much depends on individuals responding to needs and to make the teaching known in ways that make use of their talents and interests.

6.1. Environmental Impact

A team led by the Executive has started setting up the School's Greenhouse Gas Emission (GHG) reporting. A new system and process is required, and initial steps have been made in pursuit of this. Due to the workload and team size, the activities will focus on the Scope 1 and 2 emissions of the School initially. These are for example emissions created directly for energy generation on one of our sites, and indirectly by some 3rd party to generate electricity we purchase.

Actual data collection is expected to be gathered during Q2-Q3 of this year across all locations and activities of the School. This data will be used to create a baseline of performance from which we will then set emission reduction targets and energy efficiency measures going forwards, aiming for Net Zero alignment by 2030 and a flourishing operation across all sites.

Setting up a triple pillar reporting approach is also being developed to support the identification of performance value and social impact across all School activities and offerings.

6.2. Tutor Training

Tutor training and support are key to the successful delivery of courses. A tutor training day was held at Mandeville. This will now be a regular annual event. At the Branch Leaders retreat various approaches were discussed concerning identifying and supporting new tutors and assistants.

6.3. Management of Risk

As discussed in Section 4.6 above, a major review of the workings of the Executive was prompted by the consideration of the management of risk. Current thinking is that the Executive Committee should be supported by four main sub-committees: marketing, operations, finance and property. Terms of reference for these sub-committees are being developed, which would include how the existing sub-committees would relate to each other and to the main Executive Committee.

6.4. Websites and Marketing

Most branches, and London, have updated their websites to present a more consistent look and feel. A new company has been hired to manage the London and national online social media marketing campaigns. Enrolments are steadily, but slowly, improving post pandemic although we are not back to pre-Covid levels.

6.5. Waterperry Development

The Waterperry Working Group (WWG) has completed its brief to present a vision for the development of the Waterperry Estate. This is supported by an architectural plan. The Working Group, supported by the Executive, made a decision to invite five leading U.K. architects into a competition in order to give the group a range of design options and fresh insights into Waterperry's unique offerings to its stakeholders. A brief was written by the WWG to guide the architects. All five invited firms accepted the invitation with great enthusiasm, having visited the site and seen its special qualities and potential. The architects selected were all recognised for their experience and understanding of combining a rural heritage site's features and sensitivities with modern architectural design and use of sustainable building materials and methods. They all had portfolios that matched the scale and requirements of the project for both a site masterplan and a specific design for a new catering facility.

Given the significance of the proposed development and the level of financial commitment and Extraordinary General Meeting was convened on 5th April 2025.

The proposal put forward to the Fellowship was to *"support the Executive Committee in their proposal to develop a Master Plan for the Waterperry Estate and the design and construction of a new catering facility."* At the EGM the Fellowship was presented with the details of the recommended architect, Cowper Griffith. Following questions and answer period, the resolution was put to the vote. The proposal was overwhelmingly accepted.

Detailed contract negotiations with the architect have now commenced to begin design of the new catering facility for completion in mid to end of 2026.

In addition, there are a number of options for the financial and legal arrangements between FSES and WGL. These will be finalised over the coming months. An update on all these matters will be given at the Annual General Meeting in July.

6.6. Branches

It is considered vital that the network of branches across the UK are maintained and strengthened. During the Covid lockdown, technology has enabled online groups to offer courses to new students and maintain contact with existing students. It has also enabled those who could not attend physically to join in the school community.

However, there is a richness in personal contact and wherever possible, the aim is to provide in-person groups and meetings, for those who wish and are able to take part.

It is expected that in-person and online groups and events will continue for the foreseeable future.

Approved by the Trustees on 20 June 2025 and signed on their behalf by:

S. Silver

Chair

C. Rees

Treasurer

Independent auditor's report

Opinion

We have audited the financial statements of The Fellowship of the School of Economic Science (the 'parent charity') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and 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
- 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Fellowship of the School of Economic Science'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept; or
- the 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 trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 trustees either intend 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 regulations made under section 154 of that Act.

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

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

30 June 2025

Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Fellowship of the School of Economic Science

Consolidated statement of financial activities

For the year ended 31st December 2024

	Note	Unrestricted £'000	Restricted £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Income from:							
Donations and legacies	2	240	2	242	930	6	936
Charitable activities							
Courses & Retreats	3	1,258	–	1,258	1,220	–	1,220
Other activities	3	2	–	2	3	–	3
Other trading activities	4	2,843	–	2,843	2,794	7	2,801
Other Income	5	359	–	359	–	–	–
Investments	6	188	–	188	294	–	294
Total income		4,891	2	4,893	5,241	13	5,254
Expenditure on:							
Raising funds:	7						
Costs of trading activity		2,407	–	2,407	2,361	–	2,361
Other costs of raising funds		41	–	41	44	–	44
Investments		294	–	294	180	–	180
Charitable activities							
Courses & Retreats	7	2,337	–	2,337	2,086	16	2,102
Other activities	7	7	–	7	12	4	16
Total expenditure		5,086	–	5,086	4,683	20	4,703
Net income/(expenditure) before net gains/(losses) on investments		(195)	2	(193)	558	(7)	551
Net gains/(losses) on investments properties		(171)	–	(171)	–	–	–
Net gains/(losses) on investments		432	–	432	1,197	–	1,197
Net Income/ (expenditure)		66	2	68	1,755	(7)	1,748
Transfers between funds		–	–	–	–	–	–
Net movement in funds		66	2	68	1,755	(7)	1,748
Reconciliation of funds:							
Total funds brought forward		28,652	394	29,046	26,897	401	27,298
Total funds carried forward		28,718	396	29,114	28,652	394	29,046

Please note: The data for the Financial Statements is derived from the School accounts system which produces actual numbers down to pounds and pence. The Financial Statements are shown as whole numbers rounded up or down to the nearest thousand. Therefore there may be small variances in addition in some rows or columns.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 24 to the financial statements.

The notes on pages 42 to 60 form part of these financial statements.

The Fellowship of the School of Economic Science

Balance sheets

As at 31st December 2024

		The group		The charity	
	Note	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets:					
Tangible assets	14	16,001	15,577	15,934	15,500
Investment properties	15	4,625	7,885	4,625	7,885
Investments	16	7,081	4,042	7,437	4,399
		27,707	27,504	27,996	27,784
Current assets:					
Stock	18	426	464	54	81
Debtors	19	646	704	654	715
Cash at bank and in hand		849	1,123	574	891
		1,921	2,291	1,282	1,687
Liabilities:					
Creditors: amounts falling due within one year	20	505	741	339	577
Net current assets		1,416	1,550	943	1,110
Total assets less current liabilities		29,123	29,054	28,939	28,894
Creditors: amounts falling due after one year	21	9	8	–	–
Total net assets		29,114	29,046	28,939	28,894
Funds:	24				
Restricted income funds		396	394	396	394
Unrestricted income funds:					
Designated funds		4,600	1,428	4,600	1,428
Fair value reserve		3,812	6,640	3,812	6,640
General funds		20,154	20,432	20,131	20,432
Non-charitable trading funds		152	152	–	–
Total unrestricted funds		28,718	28,652	28,543	28,500
Total charity funds		29,114	29,046	28,939	28,894

The notes on pages 42 to 60 form part of these financial statements.

Approved by the Trustees on 20 June 2025

S. Silver
Chair

C. Rees
Treasurer

The Fellowship of the School of Economic Science

Consolidated statement of cash flows

For the year ended 31st December 2024

	Note	2024 £'000	£'000	2023 £'000	£'000
Cash flows from operating activities	25				
Net cash provided by/(used in) operating activities			(353)		363
Cash flows from investing activities:					
Dividends, interest and rents from investments		188		294	
Purchase of fixed assets		(785)		(619)	
Transfer of assets to investment property cost		–		7	
Disposal of Fixed Assets (BV)		31		–	
Disposal of Investment Properties		3,385		–	
Purchase of investments		(2,741)		(692)	
Net cash provided by/(used in) investing activities			78		(1,010)
Change in cash and cash equivalents in the year			(274)		(647)
Cash and cash equivalents at the beginning of the year			1,123		1,770
Cash and cash equivalents at the end of the year			849		1,123

The notes on pages 42 to 60 form part of these financial statements.

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Waterperry Gardens Limited (company number 02233285) on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two organisations are disclosed in the notes to the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as the summary of the result for the year is disclosed in the notes to the financial statements.

b) Statutory information

The Fellowship of the School of Economic Science is an unincorporated charity (charity number 313115, OSCR number SC039950) registered in England and Wales, and Scotland. The registered office and main place of business is 11 Mandeville Place, London, W1U 3A.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees are confident that the Charity remains a going concern and, combined with the mitigating actions described in the Trustees' report, has sufficient cash, investment and property reserves to cope with any financial issues for the foreseeable future.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1 Accounting policies (continued)

Courses and retreats fees are included in the statement of financial activities during the year as earned.

Students attending the early parts of the philosophy course, which make up a majority of this income, pay a fee covering their attendance at these classes each term. However, most students in the senior parts of the School pay an annual composite fee that also includes the costs of their retreats accommodation and study days attendance. Any income received in advance is deferred.

Investment income is recognised as income during the year to which it relates.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Turnover from trading activities is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents revenue earned from the sale of goods and is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose and costs of trading activities.
- Expenditure on investments relates to investment management fees and maintenance costs for the properties.
- Expenditure on charitable activities includes the costs of courses, retreats and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

i) Allocation of support costs and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned directly to the appropriate activity except for some expense items that have been apportioned according to the space occupied.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Support and governance costs are apportioned as follows:

▪ Cost of raising funds	5.5%
▪ Investments	10.6%
▪ Courses & retreats	83.8%
▪ Other activities	0.2%

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Taxation

The Fellowship is a registered charity and therefore is not liable to income or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The subsidiary company is subject to corporation tax but any profits are normally Gift Aided either wholly/ partially to the parent charity. Tax will be payable on remaining profits.

l) Tangible fixed assets

The building element of the tangible fixed asset properties held by the school are depreciated over 100 years. An annual impairment review is also undertaken in accordance with Financial Reporting Standard 102.

For other tangible fixed assets depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

▪ Long leasehold property	1% on cost
▪ Improvements in building	1%–33.3% on cost
▪ Motor vehicles	25% on cost
▪ Equipment	10%–33.3% on cost

Items of equipment are capitalised where the purchase price exceeds £1,000, but there is some leeway for branches. Certain temporary items of equipment have been written off at the rate of 50% on cost.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

1 Accounting policies (continued)

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

Investments

Investments are valued in the balance sheet at their mid-market or bid price at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based, while investment income management costs are charged as expenditure out of the relevant income funds. Investment gains and losses are shown in the statement of the financial activities. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions and financial instruments

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

1 Accounting policies (continued)

s) Pensions

The charity operates a defined contribution scheme for the benefit of employees. Contributions payable are charged to the statement of financial activities in the year they are due.

t) Volunteers

In line with SORP 2015, the contribution of general volunteers is not be included as income in the accounts due to the absence of a reliable measurement basis. However the role of volunteers within the charity is disclosed in the report of the Trustees.

u) Charitable donations

From time to time the school makes donations to other charities and individuals whose activities are in line with its own charitable objects. These donations are made at the discretion of the Trustees.

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Legacies	81	–	81	804
Donations and gift aid	159	2	161	132
	<u>240</u>	<u>2</u>	<u>242</u>	<u>936</u>

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Courses & retreats	1,258	–	1,258	1,220
Other activities	2	–	2	3
Total income from charitable activities	<u>1,261</u>	<u>–</u>	<u>1,261</u>	<u>1,223</u>

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

4 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Waterperry Gardens income	2,358	–	2,358	2,324
Sales of:				
Books and CDs	28	–	28	28
Refreshments	29	–	29	21
Income from room hire	374	–	374	293
Various other sources of income	54	–	54	135
	<u>2,843</u>	<u>–</u>	<u>2,843</u>	<u>2,801</u>

5 Other Income

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Gain on sales of Fixed Assets	359	–	359	–
	<u>359</u>	<u>–</u>	<u>359</u>	<u>–</u>

6 Income from investments

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Rent – investment properties	176	–	176	273
Bank deposit and short term interest	13	–	13	8
	<u>17</u>	<u>–</u>	<u>188</u>	<u>294</u>

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

7a Analysis of expenditure (current year)

	Charitable activities						
	Cost of raising funds £'000	Investments £'000	Courses and retreats £'000	Other Activities £'000	Governance costs £'000	Support costs £'000	Total £'000
Staff costs (Note 10)	1,020	–	–	–	–	608	1,627
Direct supply costs	129	–	287	–	–	–	416
Cost of sales	829	–	–	–	–	–	829
Publicity	–	–	216	–	–	–	216
Premises – running costs	137	–	250	–	–	–	387
Premises – major repairs	–	–	275	–	–	–	275
Legal & professional	–	215	66	–	–	–	281
Audit and other fees	–	–	–	–	42	–	42
Administration	257	–	320	3	–	101	681
Depreciation	36	–	292	1	–	–	330
Charitable donations (note 8)	–	–	–	1	–	–	1
	2,408	215	1,707	5	42	709	5,086
Support costs	39	75	594	2	–	(709)	–
Governance costs	2	4	36	–	(42)	–	–
Total expenditure	2,449	294	2,337	7	–	–	5,086
Charity only total for % allocation	111,326 5.5%	215,173 10.6%	1,707,451 83.8%	4,609 0.2%			2,038,559 100%

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

7b Analysis of expenditure (prior year)

	Charitable						
	Cost of raising funds £'000	Investments £'000	Courses and retreats £'000	Other Activities £'000	Governance costs £'000	Support costs £'000	Total £'000
Staff costs (Note 9)	986	-	-	-	-	594	1,580
Direct supply costs	245	-	234	-	-	-	479
Cost of sales	853	-	-	-	-	-	853
Publicity	44	-	205	-	-	-	249
Premises – running costs	28	-	246	-	-	-	274
Premises – major repairs	-	-	177	-	-	-	177
Legal & professional	1	126	23	-	-	-	150
Audit and other fees	6	-	-	-	38	-	44
Administration	160	-	307	3	2	96	568
Depreciation	38	-	283	1	-	-	322
Charitable donations (note 8)	-	-	-	7	-	-	7
	2,361	126	1,475	11	40	690	4,703
Support costs	42	51	592	5	-	(690)	-
Governance costs	2	3	35	-	(40)	-	-
Total expenditure	2,405	180	2,102	16	-	-	4,703

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

8 Net income for the year

This is stated after charging:

	2024 £'000	2023 £'000
Depreciation	330	322
Auditor's remuneration (exclusive of VAT): Audit	33	32

9 Donation/Grant making

	2024 £'000	2023 £'000
Grant to A Purves – Economics Research	-	4
Donation to Ukrainian families	-	3
	-	7

Grants are given for education and research purposes. A Purves is a director of the trading subsidiary Waterperry Gardens Limited.

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £'000	2023 £'000
Salaries and wages	1,403	1,372
Social security costs	113	104
Employer's contribution to defined contribution pension schemes	112	104
	1,627	1,580

One employee (2023:1) earned between £70,000–£79,999 not including employer's National Insurance contributions during the year.

The total employee benefits including pension contributions and employer's National Insurance contributions of the key management personnel were £216,799 (2023: £211,648).

The Trustees were not paid and did not receive any other benefits from employment with the Charity in the year (2024: £Nil). One trustee (Richard Ibbett) was reimbursed for £23,970 in 2024. (2023: One Trustee was reimbursed £2,868).

Trustees' expenses are for attendance at meetings of the Trustees or business meetings on behalf of the charity. In 2024, two trustees had expenses of £301 (2023: Four trustees had expenses of £536).

Notes to the financial statements

For the year ended 31st December 2024

11 Staff numbers

The average number of employees (head count based on number of staff employed including full time and part time staff) during the year was as follows:

	2024 No.	2023 No.
Raising funds (trading activity)	67	69
Courses and retreats	18	18
	85	87

2004: 67 (2023: 69) employees above were employed by Waterperry Gardens Limited and the remaining 18 (2023: 18) were employed by the parent charity.

12 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are no related party transactions to disclose for this financial year (2023: none).

13 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Waterperry Gardens Limited is liable to pay corporation tax at 19% on any profits not gift aided to the parent charity. In 2024 it had a tax liability of £8,151 (2023: £4,200).

Notes to the financial statements

For the year ended 31st December 2024

14 Tangible fixed assets

The group

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	12,990	322	6,765	20,077
Additions in year	–	–	789	789
Reclassification	–	–	–	–
Transfer to investment property costs	–	–	–	–
Disposals in year	(19)	–	(73)	(92)
At the end of the year	12,971	322	7,481	20,774
Depreciation				
At the start of the year	491	297	3,712	4,500
Charge for the year	83	5	245	333
Eliminated on disposal	–	–	(60)	(60)
At the end of the year	574	302	3,897	4,773
Net book value				
At the end of the year	12,397	20	3,584	16,001
At the start of the year	12,499	25	3,053	15,577

The charity

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	12,990	11	5,704	18,705
Additions in year	–	–	762	762
Transfer to investment property costs	–	–	–	–
Disposals in year	(19)	–	(73)	(92)
At the end of the year	12,971	11	6,393	19,375
Depreciation				
At the start of the year	491	3	2,711	3,205
Charge for the year	83	–	213	296
Eliminated on disposal	–	–	(60)	(60)
At the end of the year	574	3	2,864	3,441
Net book value				
At the end of the year	12,397	8	3,529	15,934
At the start of the year	12,499	8	2,993	15,500

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31st December 2024

15 Investment properties

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Fair value at the start of the year	7,885	7,060	7,885	7,060
Purchase /Transfer from fixed assets	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Property sold during year	(3,385)	-	(3,385)	-
Revaluation during the year	125	825	125	825
Fair value at the end of the year	4,625	7,885	4,625	7,885

The investment properties have been valued by a qualified surveyor as part of a professional appraisal for the year end 31 December 2024.

16 Listed investments

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Investments at the start of the year	4,042	2,977	4,399	3,334
Deposits	3,371	780	3,370	780
Withdrawals	(630)	(88)	(630)	(88)
Fees	(9)	(9)	(9)	(9)
Net gain/(losses) on value of shares	307	382	307	382
Investments at the end of the year	7,081	4,042	7,437	4,399
Investments consist of				
Listed investments	7,081	4,042	7,080	4,042
Investment in Subsidiary	-	-	357	357
Cash held by broker	-	-	-	-
Market value at the end of the year	7,081	4,042	7,437	4,399

Notes to the financial statements

For the year ended 31st December 2024

17 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Waterperry Gardens Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. One trustee, Sherry Moran, was appointed a director in July 2021. Available profits are partially gift aided to the parent charity. A summary of the results of the subsidiary is shown below:

	2024 £'000	2023 £'000
Turnover	2,326	2,324
Turnover from sales to parent undertaking	56	32
Cost of sales	(1,910)	(1,929)
Gross profit	471	427
Administrative expenses	(375)	(353)
Management charge payable to parent undertaking	(39)	(37)
Operating profit / (loss)	57	37
Interest payable to parent undertaking	(3)	(3)
Profit / (loss) on ordinary activities	54	34
Tax on profit	(8)	(1)
Profit / (loss) for the financial year	46	33
The aggregate of the assets, liabilities and funds was:		
Assets	813	847
Donation to parent under gift aid	(23)	(59)
Liabilities	(259)	(279)
Funds	532	509

Amounts owed to/from the parent undertaking are shown in note 18.

18 Stock

	The group		The charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Books	54	81	54	81
Garden centre stock	372	383	–	–
	426	81	54	81

Notes to the financial statements

For the year ended 31st December 2024

19 Debtors

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts due from subsidiary	–	–	28	37
Trade debtors	129	97	109	113
H M Revenue & Customs	12	14	12	14
Prepayments	46	79	46	37
Other debtors	459	514	459	514
	646	715	654	715

Amounts due from subsidiary comprise a loan, current total £28,104, from the parent charity to the subsidiary to pay for expenditure on brown motorway tourist signs. It is repayable within 5 years at an interest rate of 2.25%. The loan is included at cost, as the impact of discounting would be immaterial to the financial statements.

20 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	285	109	120	124
Accruals	78	321	77	296
External loans	–	25	–	9
Taxes and social security costs	17	149	17	24
Deferred income	95	80	95	80
Other creditors	30	57	30	44
	505	577	339	577

21 Creditors: amounts falling due after one year

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
External loans payable in more than one year	–	–	–	–
Deferred Tax	9	8	–	–
	9	8	–	–

The external loan was a CBILS loan taken out by Waterperry Gardens Limited.

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

22 Pension scheme

The Fellowship operates a defined contribution scheme and contributes 7% of the salary of those staff who have decided to enter into a personal pension arrangement, direct to the insurer. The charge for the period was £75,371 (2023: £79,911).

23a Analysis of group net assets between funds (current year)

	Restricted £'000	Designated £'000	General funds £'000	Total funds £'000
Tangible fixed assets	–	–	16,001	16,001
Fixed asset investments	–	4,600	7,106	11,706
Net current assets	396	–	1,020	1,416
Creditors: amount falling due in over one year	–	–	(9)	(9)
Net assets at the end of the year	396	4,600	24,118	29,114

23b Analysis of group net assets between funds (prior year)

	Restricted £'000	Designated £'000	General funds £'000	Total funds £'000
Tangible fixed assets	–	–	15,577	15,577
Fixed asset investments	–	1,428	10,499	11,927
Net current assets	394	–	1,156	1,550
Creditors: amount falling due in over one year	–	–	(8)	(8)
Net assets at the end of the year	394	1,428	27,224	29,046

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

24a Movements in funds (current year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	267	2	–	–	269
Future branches properties	127	–	–	–	127
Total restricted funds	394	2	–	–	396
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	428	–	(428)	3,600	3,600
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	1,428	–	(428)	3,600	4,600
Fair value reserve	6,640	557	(3,385)	–	3,812
General funds	20,432	(491)	3,813	(3,600)	20,154
Non-charitable trading funds	152	–	–	–	152
Total unrestricted funds	28,652	66	–	–	28,718
Total funds	29,046	68	–	–	29,114

Purposes of restricted funds

Specific charitable activities relate to the activities of the various faculties and branches in the School. The Future branches properties fund comprises monies raised in prior years for the specific purpose of purchasing local buildings for two branches based in Berkshire and the Midlands.

Purposes of designated funds

Building and Capital Asset reserve

The purpose of this fund is to hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments.

This Fund can be used for building improvement and refurbishment. The project to upgrade the second floor of Waterperry House was funded from this reserve.

Opportunity Reserve

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2025 the Trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee. To protect the longer term interests of the charity, there is currently a review of the Waterperry Estate and operations ongoing, with a view to substantial developments of the estate, including the construction of a new catering facility. The Trustees intend to make the necessary decisions in order to ensure the financial stability for the Charity for the longer term.

Benevolent Fund

The charity also operates a benevolent fund called The School of Economic Science Benevolent Fund (Charity Number 313115-1). It is funded from the Operating reserve to provide financial assistance for elderly and vulnerable students attending any of the classes conducted by the charity.

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

24b Movements in funds (prior year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	274	13	(20)	–	267
Future branches properties	127	–	–	–	127
Total restricted funds	401	13	(20)	–	394
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	–	(572)	–	428
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	2,000	–	(572)	–	1,428
Fair value reserve	5,443	–	1,197	–	6,640
General funds	19,275	2,885	(1,728)	–	20,432
Non-charitable trading funds	179	2,356	(2,383)	–	152
Total unrestricted funds	26,897	5,241	(3,486)	–	28,652
Total funds	27,298	5,254	(3,506)	–	29,046

25 Reconciliation of net income to net cash flow from operating activities

	2024 £'000	2023 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	68	1,748
(Gains)/losses on investments	(432)	(1,207)
Investment manager fees	9	9
Depreciation	330	322
(Increase)/decrease in stocks	38	26
(Increase)/decrease in debtors	58	(419)
(Decrease)/increase in creditors	(235)	178
Investment income	(188)	(294)
Net cash provided by / (used in) operating activities	(353)	363

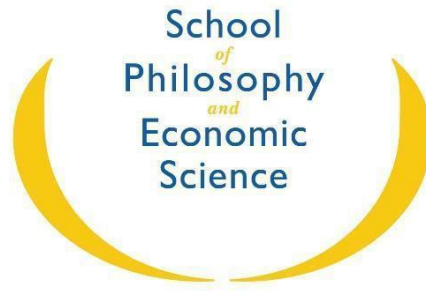
26 Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property 2024 £'000	2023 £'000
Less than one year	138	138
One to five years	111	111
Over five years	-	-
	<u>249</u>	<u>249</u>

27 Results of the parent charity

	2024 £'000	2023 £'000
Turnover	<u>2,706</u>	<u>4,226</u>
Net result of the charity	<u>49</u>	<u>1,775</u>



*The Fellowship
of the
School of Economic Science*

*Report and Financial Statements for
the year ended
31 December 2024*

The Fellowship of the School of Economic Science
11 Mandeville Place
London W1U 3AJ

Executive Committee (Trustees):

Stephen Silver (Principal)	Hilary Dover (from 11/10/24)
Chris Rees (Treasurer)	Kumar Kumara
Richard Ibbett (General Secretary)	Mark Toole (from 11/10/24)
David Woodhead (from 20/07/24)	Matt McNeill
Elina Grigoriou	Sherry Moran
Elizabeth Mazzola	Yolande Hesse

Communications should be sent to:

Stephen Silver, Principal
School of Philosophy and Economic Science
11 Mandeville Place
London W1U 3AJ

Statutory Auditor

Sayer Vincent
110 Golden Lane
London EC1Y 0TG

Insurance Broker

Access Insurance
Selsdon House
212-230 Addington Road
South Croydon CR2 8LD

Bankers

National Westminster Bank plc
38 The Strand London
WC2N 5JB

Solicitors

FieldFisher
Riverbank House
2 Swan Lane
London EC4R 3TT

Investment Managers

CCLA Investment Management Ltd	P1 Investment Management Ltd,
One Angel Lane	Winslade Manor
London	Clyst St Mary
EC4R 3AB	Exeter EX5 1FY

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1. Foundation and Vision

1.1. A Search for Truth

The Fellowship of the School of Economic Science (“the Charity”) was founded in 1937 to establish and maintain the School of Economic Science (“the School”) to teach ideas of economic justice derived and developed from the insights of the American economist Henry George. It soon became apparent that the answer to economic problems lay not just with economic systems but also with human understanding and in the early 1950’s philosophy courses were added to the economics programme. In 2019 the Fellowship adopted the new name, The School of Philosophy and Economic Science. Economics and philosophy courses were directed by the founder and Senior Tutor, Leon MacLaren from 1937 until his death in 1994. Since then, they have been led and directed by the present Senior Tutor, Donald Lambie.

“It became very clear to me that there was such a thing as Truth and there was such a thing as Justice; and that they could be found and being found could be taught.”

Leon MacLaren

Philosophy in the School quickly adopted a practical direction, focusing on the need to awaken human consciousness through coming to rest in stillness. This in turn led to a meeting in 1961 with the Maharishi Mahesh Yogi and the adoption of mantra meditation as a key feature of the School’s approach to the understanding and practice of philosophic principles.

Leon MacLaren later met with Shri Shantananda Saraswati, a teacher of the philosophy called Advaita or non-duality, which has since become central to the School’s work in both economics and philosophy. Parallels were found among many philosophers and writers from the world’s philosophical, theological and literary traditions which, through practical application in daily life, led to deepening understanding of human nature and the application of philosophic principles in personal and social life.

Courses in economics and philosophy continue to develop from a growing understanding of the philosophy of non-duality. They work by encouraging personal practice and observation and enquiry shared in groups of like-minded people, whose collective experience facilitates the development of individual understanding.

1.2. Aim of the School of Philosophy and Economic Science

The School aims to be a centre of spiritual and practical knowledge and enquiry for people leading everyday working and family lives. The intention is to help individuals lead full, rich and useful lives, to be of service in society and to evolve the spiritual aspect of their being in accordance with natural laws.

*“The Aim is Truth; and Truth as we now know is beyond creation.
It is the Self of every living creature. That is the aim. That is what it is all about.”*

Leon MacLaren

The School is committed to an ethic of lifelong learning and development. Many students continue to attend classes throughout their adult life, also providing the voluntary service upon which the School depends, and contributing to the wider community in whatever ways they can. The School’s educational aims and the study opportunities are all based on the philosophical view that humanity is united in a common conscious essence and that natural laws offer the possibility that human beings can live in freedom and prosperity without exploitation or misuse of nature. From those foundations, studies extend into many other fields including Language (particularly Sanskrit and Latin), Renaissance Studies, Plato, Art, Music, Law, Government and Education.

2. *Objects of the Charity*

2.1. The Rules set out the Objects of the Charity

The Objects are:

- 1) To promote understanding of the natural laws governing humanity through the study and practice of philosophy and economics and any other relevant subject, including the laws, customs and practices by which communities are governed.
- 2) To disseminate by all lawful means knowledge of the matters referred to in (1) hereof.
- 3) To promote any art or science, to produce, print, publish and circulate any periodicals, books and works of art.
- 4) To organise a School for the furtherance of these objects, such School to be known as the School of Philosophy and Economic Science.
- 5) To advance for the public benefit education in the United Kingdom and in particular by establishing or maintaining or assisting one or more schools for children.

Object 6 contains various provisions to assist the furtherance of the above objects, including the acquisition and holding of land and chattels, funding, the provision of library facilities, etcetera.

2.2. Carrying out the Objects of the Charity

The Objects of the Charity are carried out through the School of Philosophy and Economic Science, established and maintained in accordance with Object 4. Prior to the Covid-19 pandemic, the Fellowship offered its courses through the School in London and its regional Branches, throughout England and Scotland. The School had also been offering some courses online, available to students wherever they are. The courses themselves are directed by the Senior Tutor.

Since the restrictions associated with Covid-19 have relaxed, London and all branches have reintroduced in-person groups both for new and existing students. Online groups continue to be an important offering, locally and nationally. Regular retreats have also recommenced at the School's retreat centres; online provision is made for those students who cannot attend for mobility or health reasons.

The School also provides study materials and other support to many associated schools offering the same or similar courses in 14 overseas countries. Close contact is maintained with these Schools through regular visits by the Senior Tutor and others. The leaders of associated Schools attend meetings in the UK from time to time and students from associated Schools often attend residential events in the UK. Since early 2020 there have

been more international meetings online. These arrangements enable the work of the School to reach many thousands of students in the UK and other parts of the world.

Attracting new students to the School remains a high priority, as offering courses to the public is the main means of fulfilling the Charity's Objects and the most visible public benefit provided by the School.

Some retreats are now offered to the public, without the need to be enrolled on an existing philosophy or economics course.

Marketing continues to be directed through social media, both for the national online courses and for local in-person courses. The branch network uses various physical marketing initiatives, including leaflets and local newspapers.

As ever, the most effective marketing is by the students themselves. All students in the School are encouraged to make personal referrals and generally to promote the School's reputation.

2.3. Guiding principles – service without reward

The Charity and the School are guided by three core values or principles. They are:

- love of truth and justice;
- learning and teaching;
- voluntary service.

Service without seeking individual benefit or reward is central to the ethos of the Charity. The School's courses, based on the principle of learning and teaching and guided by a love of truth and justice, are provided voluntarily by students whose own studies have progressed sufficiently to enable them to pass on what they have learned to others. Much of the administration as well as renewal and maintenance of premises is also provided on the voluntary principle as part of the practical application of philosophy. Only the office staff at Mandeville Place and a few other persons are full or part-time paid employees of the charity. No-one is paid or allowed to derive financial benefit from providing teaching services in the School.

The day-to-day management of the Charity is undertaken voluntarily by members of the Executive Committee, Branch Leaders and advisers and assistants appointed from within the Fellowship and the student body. Student volunteers staff the refreshment and bookshop facilities that support classes and other events. Volunteers also support the care of the charity's properties used to deliver courses and other activities.

2.4. Charity

The Charity is registered in England and Wales as Educational Charity No. 313115. It is also registered with the Office of the Scottish Charity Regulator under registration number SC039950. The governing instrument of the Charity is the Rules of the

Fellowship of the School of Economic Science as amended at the Annual General Meeting of 24 July 2021.

2.5. Public Benefit

Practical Philosophy and Economics with Justice courses are open to everyone and are widely advertised. There are concessions for those on low incomes or experiencing financial hardship. Capital expenditure is largely met out of accrued financial resources together with bequests and from voluntary donations from students who can afford to contribute more than the regular fees.

Historically, courses have been offered throughout the UK. One of the benefits of moving courses online is that people have been able to attend a course even when they are not able to attend one of the physical centres. Now that in-person courses are generally available, online courses continue to be an important offering for those unwilling or unable to attend in-person.

The online Philosophy Café, which started in 2021, continues to grow in popularity. It now has over 2500 people registered, and attendance each week is often over 100. The café is open to anyone, whether or not existing students. The café now runs twice each Friday at 7pm Sydney time and 7pm London time.

The Waterperry Retreat Programme, now in its third year, is open to all students of the School, together with friends and family. These retreats are also available to those who are not students of the School, but have an interest in the focus of the retreat. The idea is to share fully the insights into a variety of subjects that have been acquired by members of the School over many years.

We reported previously that the two Ukrainian families that had been staying at Waterperry and one of the families in Leeds had moved out into local accommodation. We continue to support one family in Leeds.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning activities and setting policies for the year ahead.

3. *Delivering the Objects*

In accordance with the Objects and in response to observed needs, additional studies founded on the philosophy of non-duality have been developed.

3.1. Philosophy

The practical philosophy courses take inspiration from the principle of non-duality. They draw on the wisdom and practical experience of thinkers, writers and philosophers from many traditions and ages with particular reference to the philosophy of Advaita as expounded by His Holiness Shri Shantananda Saraswati and His Holiness Shri Vasudevananda Saraswati.

The courses treat philosophy as a personal and practical approach to life and its opportunities, enabling people to develop and deepen an understanding of life and of themselves, while maintaining a full and active family and working life. They are not academic courses such as would be followed in a university, but develop as far as possible based on practice and experience.

For this reason, the School's courses are delivered as weekly evening and daytime classes. These are supported by weekend activities and weekend and week-long retreats. Residential centres in the UK are located at Waterperry House in Oxfordshire, Nanpantan Hall in Leicestershire and Brinscall Hall in Lancashire. Because of the distances involved, retreats in Scotland are held at rented venues.

Most students recognise the value of attending retreats in person, where possible. Many retreats continue to run as hybrid events, with some students attending in-person and others on Zoom.

At all locations throughout the UK we have returned to offering in-person courses, both for introductory courses and more senior groups, reflecting the willingness of existing students to attend in-person groups. There are many students who are unwilling or unable to attend groups in-person and Zoom provides a necessary and valuable facility. Equally, there are many students who are very keen to attend in-person groups, at least in part because of the social advantages of being in the same room as other students again.

Regular group meetings and retreats, together with service and meditation are the four pillars of the School's approach to practical philosophy.

At many of our locations across the country the regular philosophy courses are supplemented by talks and presentations offered by students in various aspects of philosophy and related studies, based on their personal interests and experience. Many of these talks are open to friends, family and the wider public. A number are on the School's website, Facebook page and YouTube channel.

3.2. Meditation

The School has found that exploring natural laws governing the inner life requires a method of cultivating inner stillness and for this purpose students are offered an introduction to the practice of mantra meditation after a few terms' study of philosophy. Thereafter, regular practice of meditation is central to the study and practice of philosophy. The value of meditation has become widely accepted in recent years and the Fellowship is pleased to support and participate in that development with the benefit of 60 years' experience of continuous practice. Tutorials are always available for new and seasoned meditators, and these have continued in-person and online using Zoom.

3.3. Economics and Law

The study of economics and law within the School arises from a deep desire for society to enjoy a greater level of justice and equity than prevails today. It seeks to discover and understand laws and traditions that encourage prosperity, freedom, and happiness for all, without exclusion. It aims to understand and put into practice the principles upon which natural and just economic systems can be established and human-made laws clarified and made more accessible to all. Such study is necessarily human-centred and grounded in moral principle.

Public courses in Economics with Justice cover five terms. Participants gain an understanding of natural aspects of economics and are helped in applying these in their daily lives. On completion, students are invited to join any of the Further Economics classes which offer studies of particular topics in greater depth than would otherwise be possible. A Convivium of Further Economics is held each term whereby the fruits of such studies can be shared.

The Annual Economics Lectures are open to everyone. This year some of unique features of Singapore's economy were explored to illustrate how our own economy could be transformed for more to benefit, as well as explaining some of its shortcomings.

The 2024 Symposium was open to all and supported the School's 'This Spiritual Land' initiative. Several speakers were invited to speak on 'The Spirit of Law and Economics'.

Tutors and interested students gathered at the annual Economics and Law Conference for 6 days at Nanpantan Hall under the theme of 'Freedom and Reality'. They explored the contradictions of a universal aspiration for the freedom to enjoy those things most valued in life coexisting with the reality for many facing conditions that restrict such enjoyment. Life, law and economics in the city of Lichfield provided a useful focus for study.

Some classes are offered as in-person at one of our centres, or online. The ability to switch between these has been welcomed by participants with busy lives. For other events hybrid technology helps extend participation across the world, which enriches the experience and breadth of understanding for all involved.

For the study of law, a one term course was offered in Spring 2024 to the public under the Horizons programme: 'Freedom Under Law'. This presented an understanding of the UK's Common Law system, Equity, the Constitution, Human Rights, and International Law; timeless topics which always generate considerable interest.

Building upon this venture, the weekend Law Study Group has moved closer to the work of Economics in presenting joint sessions and ensuring greater availability of study. This increased appreciation of both subjects is to bring deeper understanding and in examining how the law came into being, and the operation of Parliament and the Courts today, a shift of focus may enable a vision of what is achievable to arise.

3.4. Promoting the Arts

To meet Object 3 (the promotion of the arts) supplementary studies undertaken by groups of students within the School include art, music, translation, dance and others. Calligraphy and geometry are practised both as fine arts and as reflective practices in fine attention.

Waterperry has been a centre of excellence in horticultural arts and science since before the Fellowship acquired it and has been maintained and developed as such. Through Waterperry Gardens Limited ("WGL") the School provides apprentice training, horticultural courses, recreational and horticultural facilities for public use and enjoyment. Waterperry is a Royal Horticultural Society Partner Garden. The ornamental gardens are recognised internationally. It is a well-known centre of expertise in herbaceous gardening, apple and pear cultivation and also houses two national collections of alpine plants. The gardens are now featured on the Silent Space website (silent.space.org.uk)

The fresco paintings created by the Art Group of the School at Waterperry House are open to the public each week. The guided tours are particularly popular. The second open weekend took place in the first weekend of September 2023 an event where the visitor can get a taste of what the School is all about, and this was even more popular than the first.

In addition, the Charity encourages and supports the arts through various activities at Waterperry Estate and elsewhere, including dramatic and operatic performances in the theatre. During 2024 a full programme of events took place which included the Oxford Storytelling Festival, Handmade Oxford, Celebrating Ceramics and Desire Jewellery, and the Waterperry Opera Festival.

In 2024 Make it at Market Series 3 was filmed again at Waterperry Gardens. This award-winning craft show, presented by Dom Chinae, films craftspeople at the start of their careers as they are mentored towards turning their craft into a sustainable business. The 15-part series will be shown on BBC1 in early 2025 and will be available on BBC iPlayer.

3.5. Sanskrit

The Sanskrit Faculty has nearly 200 members in the UK and continues to make a substantial contribution to philosophical studies in the School. Its courses range from introductory to advanced levels, including Vedic chanting, the study of Pāṇini grammar and the study of philosophical works in the original Sanskrit. Twenty-three international online groups, organised from London, are attended by some 150 students from Europe, Australasia, South Africa and the Americas. There were two International Sanskrit Conferences, one at Waterperry and one online, attended by over three hundred students in total, and also two residential weekends held mainly for UK students. Each week on Facebook a Sanskrit word has been presented and explained on Sanskrit Live. Similar such events are planned for 2025.

3.6. Renaissance Studies

Regular features of the calendar in the Faculty of Renaissance Studies have included world-wide '15 Minute' readings from Ficino each September and an online celebration of Ficino's birthday in October of each year.

Three online courses on Ficino have been given each term, as well as a Horizons Group dedicated to Ficino on Saturday mornings, and an annual Ficino retreat. Beyond the school, members of the group have, by invitation, presented various aspect of Ficino's work to the Fintry Trust, the Accademia Vivarium Novum, the First International Congress of Classics in Beijing, and a Conference on Letters at the University of Turin. The Ficino Lecture Series, with visiting speakers once or twice a term has also resumed, in hybrid form, at Mandeville Place and online.

Alongside these activities, work has continued in three groups on the final volume of the Ficino Letters which is moving steadily towards completion, thanks to the dedicated efforts of all concerned. Work is also ongoing on the preparation of some letters that Ficino wrote outside his twelve-book collection, using the Tuscan dialect rather than Latin, addressed to members of his family.

3.7. Publications

During the year the School published *What am I?*, a translation by Warwick and Elena Jessup of the final part of Shankara's *Svātmanirūpanam*.

The School publishes books as well as audio and video recordings of lectures and presentations given in the Philosophy, Sanskrit, Renaissance, Economics and Law faculties.

3.8. Online activities

At the time of writing in February 2025, our social media presence continues to expand gradually. We now reach over 36,000 followers on Instagram, Facebook, X, YouTube and Insight. A notable milestone was reaching 500,000 views on YouTube in February.

Our team is working well to advertise courses and events across platforms as appropriate. We have also taken steps in this last year to co-ordinate our branding so that there is a more consistent look for the School, no matter which platform someone finds us on.

The Live streams on Facebook and YouTube continue to go well, and attract many favourable comments. It also gives our presenters an excellent opportunity to develop their skills.

We started to release films on YouTube weekly in December. It remains to be seen if it is possible to keep up this level of engagement. As with many activities in the School we are dependent on the willing service of students.

4. Governance

4.1. Structure

Senior Tutor

The Senior Tutor, Donald Lambie, is responsible for the general philosophic and educational direction of the School's work and for the scope and content of study material. The Senior Tutor is also responsible for the appointment of tutors and Branch Leaders, all of whom are volunteers.

There is close communication with the Trustees in relation to these matters through regular meetings between the Senior Tutor and the Principal, meetings with the Executive Committee and through the Trustees' active participation in the work of the School. The Senior Tutor does not receive any salary from the Charity, although expenses are paid and accommodation and paid assistance are provided to enable him to fulfil his role. The Senior Tutor has no control over the finances of the Charity.

Trustees

The Trustees of the Charity are defined by the Fellowship Rules (12).

A new Executive Committee was elected. Stephen Silver was re-elected as Principal and Chris Rees was re-elected as Treasurer. Richard Ibbett was appointed as General Secretary at the first meeting following the AGM.

David Woodhead was co-opted onto the Committee at its meeting in July. Mark Toole and Hilary Dover were co-opted in October. As at December 2024, the trustees and their responsibilities are shown here:

Stephen Silver (Principal) (3) (4) (13)

Chris Rees (Treasurer) (1) (2) (3) (6)

Richard Ibbett (General Secretary)

David Woodhead (7)

Elizabeth Mazzola (4) (5) (11) (12)

Elina Grigoriou (9)

Kumar Kumara (7)

Matthew McNeill (6)

Sherry Moran (8)

Yolande Hesse (7) (10)

Hilary Dover

Mark Toole

Notes:

(1) Chair of the Finance Sub-Committee

(2) Attends the Investment Sub-Committee

(3) Member of the Staff Sub-Committee

- (4) Member of the Elderly and Vulnerable Students Committee
- (5) Member of the Membership Committee
- (6) Member of the Technology Sub-Committee
- (7) Member of the Estates Sub-Committee
- (8) Executive member on WGL Board (Waterperry Gardens Ltd)
- (9) Sustainability Policy development
- (10) Nanpantan Liaison
- (11) Liaison - Branches
- (12) Safeguarding Officer
- (13) Liaison - Senior Tutor & Stream Heads

The Fellowship meets in an Annual General Meeting to receive the Report of the Trustees and the Financial Statements, and to elect the Officers and other members of the Executive Committee and the Membership Committee for the following year. A quorum of two-thirds of Ordinary Members is required. Associate Members may attend General Meetings but may not vote.

The Principal and the Treasurer are elected annually under Rules 8 and 9 respectively. The Principal is also the Chair of the Executive Committee and of the Fellowship. Each of the Trustees can be contacted via the School's head office at 11 Mandeville Place, London W1U 3AJ.

Membership Committee

Four members of the Membership Committee are elected annually at the AGM and a Trustee is appointed by the Executive Committee to serve with them. The members of the Membership Committee are:

Sally Ostrowska (Chair)
David Nicholls (Secretary)
Sine Pickles
Barry Scott
Executive representative: Elizabeth Mazzola

Any person currently enrolled on a Philosophy or Economics course in the School of Philosophy and Economic Science (Rule 3) is eligible for membership of the Fellowship.

The Membership Committee continues to monitor the breadth and strength of the membership of the Fellowship. Prior to the 2024 AGM, four people accepted the invitation to join the Fellowship. Since the AGM, there have been no resignations but two members have died.

The membership of the Fellowship on 31 December 2024 consisted of 220 Ordinary Members and 57 Associate Members.

Fellowship members are appointed by the Executive Committee on the recommendation of the Membership Committee in accordance with Rule 3 and Rule 12(9).

Property Trustees

Because the Fellowship is an unincorporated association, Rule 15 provides for the appointment by the Trustees of not more than five nor less than three Property Trustees for the purpose of holding and dealing with "any freehold or leasehold properties from time to time acquired by the Fellowship and the proceeds of sale thereof and all monies or other property of the Fellowship in their hands upon the terms of a Trust Deed...".

The current Property Trustees appointed by the Executive Committee are:

Ian Mason

John Meltzer

Hugh Venables

Endowment Treasurer

Christine Tadd was appointed to the role of Endowment Treasurer following the AGM.

4.2. Trustee Election, Induction and Training

Under the Rules of the Fellowship, the Trustees are elected by and from the Ordinary Members of the Fellowship. They have invariably obtained considerable knowledge and experience of the work of the Charity, both before becoming members of the Fellowship and then through receiving annual reports and financial statements. On appointment Trustees may see past minutes and agendas of the Executive Committee and are encouraged to question any member of the Committee, and the Internal Auditor, about any aspects of the Committee's business or the general administration of the School. New trustees are also encouraged to read the Charity Commission guidance on the role and responsibilities of trustees. All trustees received training in the duties of a trustee.

From time-to-time external advice is sought as to the appropriateness and efficiency of the Charity's governance.

4.3. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England, Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;

- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees and staff, through the Finance Sub-committee meetings, continue to improve the financial accounting practices in recognition of their obligations and in response to the advice from the Charity's auditors. In particular, the property maintenance budget is renewed annually.

4.4. Management arrangements

The day-to-day management of the Charity is undertaken on a voluntary basis by the members of the Executive Committee, supported by the Branch Leaders, together with advisers and assistants appointed from within the Fellowship and the student body. The volunteers are supported by a small and dedicated team of full- and part-time paid staff.

The School year is divided into three terms. The Executive Committee meets online every other week during term time.

The Executive Committee has also met in-person and online several times at weekends for some hours, each time to consider matters of a more strategic nature outside the normal run of business.

The Branch Leaders, as local representatives of the Executive Committee, are provided with clear Terms of Reference. Branch Leaders typically meet around the end of January with the Senior Tutor and the Principal for a three-day period during which Trustees attend to speak about and discuss current issues and matters relating to the management and organisation of the School and Branch Leaders' roles as Trustees' representatives. The aim is to allow the Branches as much autonomy as possible while maintaining the unity of the School as a whole. The current Executive member with particular responsibility for liaison with the Branches is Elizabeth Mazzola.

Decisions on matters of policy and strategy are made by the Executive Committee on behalf of the Fellowship in consultation, where appropriate, with the Senior Tutor. Decisions relating to the day-to-day operations of the School are implemented by the relevant person within the management structure, and within the policy and strategy framework as set out by the Executive Committee.

There is provision in Rule 19 for an officer, or two or more members of the Executive Committee, or at least ten Ordinary Members to call an Extraordinary General Meeting of the Fellowship at any time to discuss and vote upon matters of major significance (e.g. major changes in policy or strategy, proposed actions outside the scope of established policy etc.).

4.5. Staff

The management support team continued to work well, led by the Director of Operations, Laura Counsell, under the direction of the Principal.

The Trustees extend their grateful thanks to Laura Counsell and her team for approaching their task with energy and efficiency while engaging fully with the ethos of the School.

Remuneration Policy

The Fellowship aims to pay its employees a fair salary commensurate with their skills and level of responsibility, comparable to the private sector. The School contributes 7% of gross salary to the pension fund of each employee and has offered all employees pension advice. One employee earned more than £70,000 during the year ending December 2023.

4.6. Committees & Sub-Committees

There are eight sub-committees appointed by the Executive under Rule 12 (7): Elderly and Vulnerable Students; Finance; Investment; Risk Management; Staff; Technology; Creative Projects and Estates.

Elderly and Vulnerable Students Sub-Committee

Whilst there is no legal obligation to support the needs of elderly and vulnerable students, kindness and care runs within all the principles and practices of the School. The Elderly and Vulnerable Students Sub-Committee (EVSSC) meets regularly to review a list of students no longer able to attend courses due to age, disability or other vulnerability. In order to ensure that they and their carers continue to receive spiritual and practical support from the School, regular visits are undertaken by friends in the School. No student who wishes to continue to be connected to the School and its teachings, should become invisible to the School, and enabling students to engage in spiritual work at all stages of life remains very important.

Risk Management Sub-Committee

The Trustees are required to certify each year that the major risks to which the Charity is exposed have been assessed and that appropriate steps are being taken to minimise those risks. The trustees have overall responsibility for risk within the Charity. Each Executive Committee meeting has Risk as an agenda item during which each member is given the opportunity to report on risks drawn to their attention.

The Trustees are required to certify each year that the major risks to which the Charity is exposed have been identified, assessed, and that appropriate steps are being taken to mitigate them. Risk remains a standing item at each Executive Committee meeting, where trustees are invited to report on any risks arising within their areas.

In 2024, risk management work advanced significantly. A Trustee workshop held in March, facilitated by our Audit Partner, led to an important recommendation that monitoring of major risks should be distributed across Executive sub-committees, aligning accountability with function (e.g. operations, finance, estates).

As a result, a major review of the Executive's structure has been initiated to improve oversight, responsiveness, and clarity of responsibilities. Risk ownership is now more explicitly integrated into the terms of reference and reporting practices of each sub-committee.

The four main Sub-Committees identifying, assessing and mitigating risks are:

- **Finance Sub-Committee** monitors budgetary risk closely, and investment risk continues to be reviewed by the **Investment Sub-Committee**
- **Marketing and Communications Sub-Committee**, monitors risk in relation to external messaging and participant experience
- **Operational Sub-Committee** has particular oversight of risk in retreats and safeguarding contexts)
- **Estates Sub-Committee** continues to build a more complete picture of compliance across all properties

Examples of risks being monitored and mitigation approaches are:

- The financial risks associated with the losses incurred by the Waterperry Estate (as distinct from WGL) have been considered in depth and a major investment programme instituted to improve the cohesiveness and attractiveness of the estate, but also to improve its finances
- Detailed procedures for handling any safeguarding risks have been implemented by escalation up the authority chain with independent evaluation of any complaint
- Fire risk procedures have been reviewed and responses to fire risk documented.

This distributed approach reflects the Charity's commitment to embedding risk awareness and control throughout its governance structure.

Policies of the Charity are kept under review by the trustees. They are made available online to all those with significant responsibilities such as Branch Leaders, Bursars and Trustees. These are reviewed at least every 3 years.

Finance Sub-Committee

The Executive Committee has appointed a Finance Sub-Committee chaired by the Treasurer. The sub-committee reviews the annual budget in advance of the Executive Committee's review and adoption of the budget. The sub-committee reviews the management accounts.

Investment Sub-Committee

The Investment Sub-Committee advises the Executive Committee on the management of the School's investment funds. The Executive Committee accepted its recommendation to change the School's investment managers in 2021 and the funds were transferred to CCLA Investment Management Ltd and P1 Investment Management Ltd. Following meetings with the investment managers in 2023, the decision was taken to stay with the existing funds for the time being.

Staff Sub-Committee

The Staff Sub-Committee, chaired by the Principal and including the Treasurer and attended by the Director of Operations, is responsible for staff policy, recruitment, disciplinary matters and other HR-related matters. It meets at least once a term and in addition the Principal and Director of Operations consider any staffing issues at their regular weekly meetings.

Technology Sub-Committee

The Technology Sub-Committee investigates technical matters of any sort when asked to do so by the Executive and may provide technical guidance or assurance to the General Manager as required.

Creative Projects Sub-Committee

The Executive occasionally gets requests for support to students in the School who wish to carry out particular creative projects. Currently, the sub-committee is suspended. There have been no new requests for over two years. The sub-committee could be revived if and when there are future projects to be evaluated. A proposal was made to publish some of the music produced by students in the School. Assessment of feasibility is ongoing.

Estates Sub-Committee

The Estates Sub-Committee has representatives from many of the branches around the UK. The Sub-Committee's role is to provide support to the property stewards for their

plans for property maintenance and improvement and to advise the Executive on proposals for major budget requests.

The Estates Sub-Committee maintains a property information schedule for each of the School's residential properties and the branch properties. The schedules, in the form of a standard template, are produced and updated by the property stewards. The different relevant regulations which apply to the House and other properties including rented properties at Waterperry, are all addressed, as well as Health and Safety issues.

4.7. Properties

The Fellowship owns a number of properties in the UK, which are mainly used for delivering the School's courses in furtherance of the Objects. Five cottages at Waterperry, the Lodge and the Coach House at Nanpantan, and other properties are used either to accommodate essential staff or to provide income to the Fellowship.

As reported last year, we sold St Oswald's Studios and we completed the sale of 96 Sedlescombe Road in 2024.

In addition to its residential premises, the Fellowship owns nine other freehold properties and one long-leasehold, used for the purpose of delivering its courses.

Otherwise, many Branches take premises on short leases or occupy premises under licence to deliver courses.

The Trustees consider that it is essential to find ways to create more income from spare capacity at all properties to help balance income and expenditure.

Mandeville Place

Mandeville Place is where the London in-person groups meet. The building is in a prime central London location. Meeting rooms are available to hire during the day on a commercial basis, with ad-hoc venue hire concentrating on the two largest rooms suitable for lectures and seminars. The team has been successful in finding primarily educational and charitable organisations that hire smaller rooms on a long-term basis, providing a reasonable income without being too demanding of the building's facilities and staff. Both of our long-term private college clients have continued to hire from us since returning in 2021 and we work closely with a nearby luxury hotel to accommodate their clients, resulting in regular bookings of our largest rooms. This has helped to keep bookings consistent.

Twice a year we offer in-person Taster Sessions for our introductory courses, which has helped to better introduce us to those who live and work near Mandeville Place.

We are able to offer regularly both meeting and rehearsal space at Mandeville Place to the Waterperry Opera Festival, a registered charity, at no cost.

Nanpantan Hall

Our vision for Nanpantan Hall is to provide an inspiring experience for our school groups and private guests. We work to create a warm and welcoming atmosphere that nurtures peace, introspection, and personal growth, amidst the beauty of the Charnwood Forest.

In 2024, Nanpantan Hall hosted 47 residential events, 21 school events, 24 private events, and 2 volunteer weekends.

Following the upgrading of Nanpantan Hall in early 2019, we continue to enhance the internal aesthetics making the Hall an attractive venue for the School's activities and those of like-minded organisations.

Nanpantan Hall's 31 acres of grounds, woodland and meadow, which are located within the Charnwood Forest and Charnwood Forest GeoPark, have been a valuable asset in attracting private events. The Geopark is being nominated as a UNESCO site due to its internationally significant geology and the discovery of the earliest known complex animal life form. The area also served as inspiration for a young David Attenborough.

Following a successful application Nanpantan Hall received a grant of £33,000 from the National Forest to improve the ecology of our meadow and forest areas. School students successfully planted 1200 trees (of ten different species) and 800 hedge plants (of 8 different species) for a new 130m hedge between the drive and meadow.

A ten-year plan to rewild the existing forest areas has been developed by the National Forest which includes pigs to improve the forest floor and fell ponies to graze the meadow and browse the woodlands.

The local demand for philosophy classes exceeds our current capacity. We have 5 groups with around 55 students attending classes on Tuesday and Wednesday evenings. Our first class began in January 2022, For the spring term of 2024, we had to close enrolment early due to unexpectedly high demand. We received 64 online enrolments and had to create a waiting list to manage the excess interest.

Growth is limited by classroom space and a shortage of tutors. Classes are currently held in the local Church chapter house and Home Farm when the hall is occupied by school or private groups. As a more permanent solution, we have proposed converting the six horse stables into five classrooms. Building plans are currently being developed for this project. If the project proceeds, the 'Nanpantan Hall Nurture Centre' has expressed interest in expanding their school by hiring the new building during the day. This would allow a much larger number of students to attend classes in the evenings and weekends.

Nanpantan students are currently served by a young team of four tutors and one assistant tutor. Recently two students have expressed an interest in becoming a tutor

and we are confident that others will follow.

Mark Dutton, Nanpantan Hall Estate Manager, has accepted an invitation from Joanna Herbert-Stepney (who donated Nanpantan Hall to the School) to become a member of the Paget Trust which oversees the management of four local farms and a number of private dwellings.

The Coach House continues to be leased to the 'Nanpantan Hall Nurture Centre', a school for high achieving autistic children under the age of 11, recently assessed as 'outstanding' by OFSTED across all their key assessments. This school is now looking to expand the number of children it can accept and are interested in any more accommodation we can offer.

We continue to support a man recovering from addiction. He volunteers regularly by working in the garden and grounds

Eight local people have allotments and manage the grounds within the walled garden. A couple occupy a small area within the walled garden to keep seven bee hives.

We have a good relationship with St. Mary's Church. The Church uses our car park and the grounds for a small number of events each year. The farmers at Home Farm in the valley are also part of an active and collaborative community.

Waterperry and Waterperry Gardens Limited

When the Waterperry Estate was acquired in the 1970s there was an established horticultural centre, which the School maintained and expanded consistently with Object Three (promote any arts or sciences). The horticultural centre is run as a separate trading entity known as Waterperry Gardens Limited (WGL). WGL is wholly owned by the Fellowship. Waterperry continues to command international renown for the formal gardens, which are supported by a garden shop, tea shop, gift shop, museum and arts and crafts gallery.

Investment in infrastructure at the Waterperry Estate is making it a much better visitor attraction, which in turn enables WGL to contribute more to the Fellowship's income, while also enhancing the Estate for the Fellowship's own retreat and teaching purposes.

WGL has developed strongly. There have been numerous enhancements that have contributed to significant increases in visitor numbers and more consistent profitability, notwithstanding meteorological challenges.

2024 was yet another challenging year. Prices rose fast and yet another minimum wage increase had its knock-on effect, along with poor weather during much of the year. However visitor numbers remained strong and the year ended with WGL making a profit of £46,000 (2023: £33,000).

Apart from serving the public, WGL also maintains the Waterperry estate grounds on behalf of the School and makes an important contribution to the local economy and

employment, employing 69 staff and turning over £2.3 million per annum. Students on the School's courses at Waterperry enjoy the benefit of the beautiful gardens and setting.

The major building project which started in September 2023 with en-suite bathrooms being installed on the top floor of the house was completed on time and under budget in 2024. Feedback from School students and private hirers about the new accommodation has been positive. There have been the inevitable glitches but overall a good job. A nice accessible toilet was installed downstairs at the same time.

During 2024, we hired the house out to 18 different groups. A mixture of wakes, senior birthday parties, charitable events, yoga days and the longer retreats for meditation, yoga, AI safety research group and arts and crafts, as well as the festivals with their teams. For 2025, all these longer retreats are repeat bookings with an additional booking from a huge Sufi group and a Jain group and a Shadow work weekend. We have had no corporate bookings despite the consultants and their work to tender the venue!

For nearly all the wakes and charity events the teashop does the catering. And for the Basketmakers Association and the AI retreat (both 4-day events) the teashop caters both lunch and supper staying on into the evening until late. They also cater or have a stall at the festival art events!

We have started to rent out the coach house, which is only occasionally required for School retreats. We are getting a mixture of holiday guests and guests who need accommodation in the area for events or visits to families or hospitals or even 3 weeks whilst a guest had their kitchen and bathroom renovated. We have had excellent reviews.

The future of the estate's energy supply has been explored this year and a consultant has been employed to design a solar array and use of heat pumps that will meet the needs of the School and Waterperry Gardens in as sustainable a way as possible. The design has been submitted as a planning pre-application with English Heritage and South Oxford District Council to see if planning approval is likely to be granted. A positive response has been received, subject to a number of surveys needing to be conducted.

As reported below in Section 6, Plan for the Future, the intention is to develop the Waterperry Estate further as a Centre for Philosophy, Horticulture and the Arts. This will require further planning application submissions. It is likely that the plans for the solar array will be incorporated, at least in part to minimise any repetition of surveys.

4.8. Achievement and Performance

The School is not a public fund-raising charity and does not set fund-raising targets or specific aims for expansion. The main sources of funding are fees from courses, gifts, legacies, and returns on investments. Steps continue to be taken to find supplementary

sources of income, primarily through rental of our buildings when not in use by the School.

During 2024, 142 new students enrolled for the national online philosophy course. In addition, 1299 students enrolled for in-person courses across the country an increase of 191 compared to 2023.

For the last term in 2024, the Autumn term, there were 175 students enrolled in national online philosophy courses, a decrease of 19 over the previous year.

In addition, for the in-person philosophy courses, in the Autumn term 2024, there were 2,143 students enrolled in London and the Branches, an increase of 70 over the previous year.

For the Economics course offered online and in-person in London, 184 new students enrolled in 2024 an increase of 91 compared to 2023.

There were 122 students enrolled in the Autumn 2024 term, an increase of 27 compared to Autumn 2023.

During 2024 an average of over 120 (Spring 151, Summer 130, Autumn 78) different students registered each term for the Horizons courses, many registering for more than one course each.

Since its foundation in 1937 the School has provided courses to tens of thousands of people in the UK. While the Executive Committee would always like to see larger numbers of enrolled students, the priority of the School is always to meet the needs of students attending courses.

The following activities have been undertaken:

- The School continues to organise courses, seminars and events to enable students to present the findings of their studies to a wider public.
- Contact continues to be made and maintained with like-minded organisations in order to collaborate with them in the development of common fields of study.
- Budgets continue to be carefully reviewed to enable the Charity to function within its means.
- The use of the School's residential properties has also been reviewed to identify means of making better use of the facilities.

5. Financial Review & Results

The consolidated Statement of Financial Activities which accompanies this report shows that the Group had a surplus in the 12 months to end December 2024 of £68,000 (2023: £1,748,000). There were a number of reasons for this reduction, including substantially lower unrealised gains of £432,000 (2023: £1,197,000), and Donations and Legacies of £242,000 (2023: £936,000).

The Charity's income from courses and retreats was slightly higher than in 2023, at £1,258,000 (2023: £1,220,000). Overall fee income increased to £1,260,000 (2023: £1,223,000). Total voluntary income for the year reduced substantially over the previous year to £242,000 (2023: £936,000), of which donations and gift aid were up at £161,000 (2023: £132,000), but legacy income decreased sharply to £81,000 (2023: £804,000).

Note that legacies are recognised as income in the year in which the value of the legacy can be reliably estimated, not when the charity receives the cash.

The Trustees are most grateful for students' donations, as well as legacy income.

5.1. Net Realised and Unrealised Changes in Investments

Three properties, St Oswald's Studios and 96 Sedlescombe Road in London and the cottage on the Isle of Arran, were sold during the year for a combined total of £3,240,000. There was an increase of £125,000 in revaluation. The total value of the remaining investment properties therefore reduced from £7,885,000 to £4,625,000.

There was a net increase in the value of Listed Investments from £4,042,000 to £7,081,000 including a net gain in value of £307,000 (2023: £382,000). This was principally due to the investment of the proceeds of the property sales above.

As noted last year, our investment managers, CCLA and P1 automatically reinvest income in the portfolios.

5.2. Investment Income from Property

Gross investment income for the year was £176,000 (2023: £273,000). This was partly the effect of the sale of the London properties early in the year, thus terminating the investment income, and partly the effect of a rent reduction and rent rebate for the tenants of 87 Brook Green, whose initial occupancy of the property was severely delayed by the late completion of refurbishment works undertaken by our managing agents.

5.3. Waterperry Gardens Limited

In 2024 global financial uncertainty was seen to have its effect on WGL. Larger size purchases such as furniture were again far less common than during Covid.

Visitor numbers remained high. The full programme of outdoor events went ahead. This led to a net profit of £46,000 (2023: £33,000) for the year before tax.

The WGL Board decided to donate half its eligible profit for 2024, £23,000 (2023: £59,000) to the charity with Gift Aid. As a result, WGL will pay Corporation Tax on half of its profit but will retain the balance for working capital.

5.4. Reserves Policy

The Charity requires financial reserves to maintain and advance its activities for the following reasons:

- to minimise the charity's requirement for debt;
- for operational purposes, to maintain properties, (with a net book value at 31 December 2024 of £16,001,000 (2023: £15,577,000), equipment, etc, which are used extensively for educational and residential purposes in accordance with the Charity's objects. Property ownership provides long term security of tenure, a measure of financial resilience, the opportunity for higher standards of maintenance, facilities adapted to the Charity's specific requirements, and for lower running costs in the long term than occurs with a dependency upon rented accommodation.
- To enable the charity to undertake capital investments, such as the Waterperry Development Programme

Free Reserve

The free reserve is the balance of total funds (£29,114,000) less the value of those funds already identified as:

- Restricted funds; £394,000
- Designated Funds; £4,600,000
- Tangible Fixed Assets; £16,001,000
- Investment properties; £4,625,000

Total free reserve: £3,494,000.

The Trustees consider that an adequate target level of Operating Reserve is approximately £2,500,000. This would provide sufficient reserves to meet the charity's running costs for a period of six months in the event of major disruption to its activities.

This reserve would also be used to provide financial support from the Charity fund to the Benevolent Fund. The balance is held to cover operating deficits, until such time as these can be eliminated.

The Trustees invest surplus funds in line with their investment policy.

5.5. Designated Funds

Building and Capital Asset Reserve – £3,600,000

This fund is used for the following purposes:

- To hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation.
- For buildings improvement and refurbishment. The project to upgrade the second floor of Waterperry House was funded from this reserve.
- The Trustees intend to finance the Waterperry Development Programme from this fund.

Opportunity Reserve – £1,000,000

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organizational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2025-2026 the Trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee.

The Trustees review the designated funds of the charity on a regular basis.

5.6. Investment Policy and Performance

Investment Policy and Performance

The School's investment in the CCLA Charities Ethical Investment Fund rose over the year from £2,502,000 to £5,912,000 at 31 December 2024, primarily reflecting the sale of the London properties. In addition the School centrally holds £102,000 in the CCLA COIF Charities Deposit Fund and four branches, Guildford, Kingston, North East and Scotland, hold deposits amounting to £391,000 in the Fund. It pays a competitive rate of interest and funds are available on demand. The School's P1 investment increased from £739,000 to £778,000.

The Investment Sub-Committee reviews the performance of both managers regularly, and currently concludes that they are managing our assets in the manner we had expected when we first invested with them. Whilst CCLA invests directly across a wide range of asset classes and geographies, P1 concentrates on relatively few investment managers who offer what are believed to be more eco-friendly and sustainable investments. The latter have recently not been as profitable as more widely spread

investments, but the expectation is that they will produce good long-term returns.

5.7. Fees

Historically fees for courses and for retreats have been kept as low as possible. There have been step changes in the early part fees, which have been difficult to explain. The decision was made for the London and national online courses in 2023 that all courses from Part 2 to Part 12 should be based consistently on a standard fee of £15 per session, which is both reasonable and in line with providers of comparable courses. The fee for Part 1 has been discounted so that it remains attractive for those who are interested in trying out the courses. Fees for online and in-person courses are the same, primarily to ensure that cost is not a factor for people choosing to attend online rather than in-person. These policies have been continued in 2024.

The daily fee for retreats at Waterperry and Nanpantan was also reviewed in light of running costs of the centres and compared to other similar retreats. The standard rate for retreats at both buildings and online was set at £65 a night for 2024. Reductions of £15 a night were offered to students attending retreats online, recognising that they should also contribute to the upkeep of the buildings but do not consume food or fuel.

5.8. Reserves

The Trustees believe the Charity has adequate reserves for the next twelve months, and we have made no changes to our reserves policy.

5.9. Post-Audit Events

Waterperry Development Programme

As explained more fully in Section 6, a Waterperry Strategy Working Group has been working for some time to develop a vision and strategy for the whole Waterperry estate, including Waterperry Gardens Ltd.

Their vision was endorsed by the Executive Committee and supported by the Fellowship at an EGM in April.

Initial work has started with the selected architecture practice. Members of the Executive have been obtaining accounting and legal advice on the most cost-effective methods of procuring the programme.

The Trustees anticipate that the costs of the programme will be met from a proportion of the current reserves, leaving sufficient reserves for contingencies and further investments in Waterperry and other School properties.

Trading Subsidiary

2025 could again be challenging due to wage inflation. However the weather in March, April, and May has been very good and the gardens are looking great, resulting in

higher turnover figures than in 2024.

Going Concern

Given the strength of the charity's cash balances and financial investments, and the budgets and cash flow forecasts that we have prepared, the Trustees are confident that the Charity remains a going concern.

Fundraising

The School does not carry out external fundraising activities or raise funds from the general public, with donations being received from students or others familiar with the School. Accordingly, it is not registered with the Fundraising Regulator.

6. *Plan for the Future*

The School's main aims are set out in Section 1. Historically, the Charity has aimed to respond to needs and demands on its services as they arise rather than seeking to generate new activities, beyond making those services known to as wide a community as possible. The aim was to allow for organic growth and development without the constraints of a structured long-term plan. Much depends on individuals responding to needs and to make the teaching known in ways that make use of their talents and interests.

6.1. Environmental Impact

A team led by the Executive has started setting up the School's Greenhouse Gas Emission (GHG) reporting. A new system and process is required, and initial steps have been made in pursuit of this. Due to the workload and team size, the activities will focus on the Scope 1 and 2 emissions of the School initially. These are for example emissions created directly for energy generation on one of our sites, and indirectly by some 3rd party to generate electricity we purchase.

Actual data collection is expected to be gathered during Q2-Q3 of this year across all locations and activities of the School. This data will be used to create a baseline of performance from which we will then set emission reduction targets and energy efficiency measures going forwards, aiming for Net Zero alignment by 2030 and a flourishing operation across all sites.

Setting up a triple pillar reporting approach is also being developed to support the identification of performance value and social impact across all School activities and offerings.

6.2. Tutor Training

Tutor training and support are key to the successful delivery of courses. A tutor training day was held at Mandeville. This will now be a regular annual event. At the Branch Leaders retreat various approaches were discussed concerning identifying and supporting new tutors and assistants.

6.3. Management of Risk

As discussed in Section 4.6 above, a major review of the workings of the Executive was prompted by the consideration of the management of risk. Current thinking is that the Executive Committee should be supported by four main sub-committees: marketing, operations, finance and property. Terms of reference for these sub-committees are being developed, which would include how the existing sub-committees would relate to each other and to the main Executive Committee.

6.4. Websites and Marketing

Most branches, and London, have updated their websites to present a more consistent look and feel. A new company has been hired to manage the London and national online social media marketing campaigns. Enrolments are steadily, but slowly, improving post pandemic although we are not back to pre-Covid levels.

6.5. Waterperry Development

The Waterperry Working Group (WWG) has completed its brief to present a vision for the development of the Waterperry Estate. This is supported by an architectural plan. The Working Group, supported by the Executive, made a decision to invite five leading U.K. architects into a competition in order to give the group a range of design options and fresh insights into Waterperry's unique offerings to its stakeholders. A brief was written by the WWG to guide the architects. All five invited firms accepted the invitation with great enthusiasm, having visited the site and seen its special qualities and potential. The architects selected were all recognised for their experience and understanding of combining a rural heritage site's features and sensitivities with modern architectural design and use of sustainable building materials and methods. They all had portfolios that matched the scale and requirements of the project for both a site masterplan and a specific design for a new catering facility.

Given the significance of the proposed development and the level of financial commitment and Extraordinary General Meeting was convened on 5th April 2025.

The proposal put forward to the Fellowship was to *"support the Executive Committee in their proposal to develop a Master Plan for the Waterperry Estate and the design and construction of a new catering facility."* At the EGM the Fellowship was presented with the details of the recommended architect, Cowper Griffith. Following questions and answer period, the resolution was put to the vote. The proposal was overwhelmingly accepted.

Detailed contract negotiations with the architect have now commenced to begin design of the new catering facility for completion in mid to end of 2026.

In addition, there are a number of options for the financial and legal arrangements between FSES and WGL. These will be finalised over the coming months. An update on all these matters will be given at the Annual General Meeting in July.

6.6. Branches

It is considered vital that the network of branches across the UK are maintained and strengthened. During the Covid lockdown, technology has enabled online groups to offer courses to new students and maintain contact with existing students. It has also enabled those who could not attend physically to join in the school community.

However, there is a richness in personal contact and wherever possible, the aim is to provide in-person groups and meetings, for those who wish and are able to take part.

It is expected that in-person and online groups and events will continue for the foreseeable future.

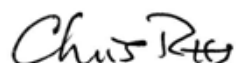
Approved by the Trustees on 20 June 2025 and signed on their behalf by:

S. Silver

A handwritten signature in black ink that reads "Stephen Silver". The script is cursive and fluid.

Chair

C. Rees

A handwritten signature in black ink that reads "Chris Rees". The script is cursive and fluid.

Treasurer

Independent auditor's report

Opinion

We have audited the financial statements of The Fellowship of the School of Economic Science (the 'parent charity') for the year ended 31 December 2024 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and 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
- 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Fellowship of the School of Economic Science'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept; or
- the 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 trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 trustees either intend 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 regulations made under section 154 of that Act.

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

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

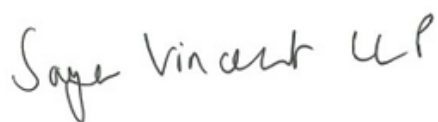
- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



30 June 2025

Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Fellowship of the School of Economic Science

Consolidated statement of financial activities

For the year ended 31st December 2024

	Note	Unrestricted £'000	Restricted £'000	2024 Total £'000	Unrestricted £'000	Restricted £'000	2023 Total £'000
Income from:							
Donations and legacies	2	240	2	242	930	6	936
Charitable activities							
Courses & Retreats	3	1,258	–	1,258	1,220	–	1,220
Other activities	3	2	–	2	3	–	3
Other trading activities	4	2,843	–	2,843	2,794	7	2,801
Other Income	5	359	–	359	–	–	–
Investments	6	188	–	188	294	–	294
Total income		4,891	2	4,893	5,241	13	5,254
Expenditure on:							
Raising funds:	7						
Costs of trading activity		2,407	–	2,407	2,361	–	2,361
Other costs of raising funds		41	–	41	44	–	44
Investments		294	–	294	180	–	180
Charitable activities							
Courses & Retreats	7	2,337	–	2,337	2,086	16	2,102
Other activities	7	7	–	7	12	4	16
Total expenditure		5,086	–	5,086	4,683	20	4,703
Net income/(expenditure) before net gains/(losses) on investments		(195)	2	(193)	558	(7)	551
Net gains/(losses) on investments properties		(171)	–	(171)	–	–	–
Net gains/(losses) on investments		432	–	432	1,197	–	1,197
Net Income/ (expenditure)		66	2	68	1,755	(7)	1,748
Transfers between funds		–	–	–	–	–	–
Net movement in funds		66	2	68	1,755	(7)	1,748
Reconciliation of funds:							
Total funds brought forward		28,652	394	29,046	26,897	401	27,298
Total funds carried forward		28,718	396	29,114	28,652	394	29,046

Please note: The data for the Financial Statements is derived from the School accounts system which produces actual numbers down to pounds and pence. The Financial Statements are shown as whole numbers rounded up or down to the nearest thousand. Therefore there may be small variances in addition in some rows or columns.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 24 to the financial statements.

The notes on pages 42 to 60 form part of these financial statements.

The Fellowship of the School of Economic Science

Balance sheets

As at 31st December 2024

		The group		The charity	
	Note	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fixed assets:					
Tangible assets	14	16,001	15,577	15,934	15,500
Investment properties	15	4,625	7,885	4,625	7,885
Investments	16	7,081	4,042	7,437	4,399
		27,707	27,504	27,996	27,784
Current assets:					
Stock	18	426	464	54	81
Debtors	19	646	704	654	715
Cash at bank and in hand		849	1,123	574	891
		1,921	2,291	1,282	1,687
Liabilities:					
Creditors: amounts falling due within one year	20	505	741	339	577
Net current assets		1,416	1,550	943	1,110
Total assets less current liabilities		29,123	29,054	28,939	28,894
Creditors: amounts falling due after one year	21	9	8	–	–
Total net assets		29,114	29,046	28,939	28,894
Funds:	24				
Restricted income funds		396	394	396	394
Unrestricted income funds:					
Designated funds		4,600	1,428	4,600	1,428
Fair value reserve		3,812	6,640	3,812	6,640
General funds		20,154	20,432	20,131	20,432
Non-charitable trading funds		152	152	–	–
Total unrestricted funds		28,718	28,652	28,543	28,500
Total charity funds		29,114	29,046	28,939	28,894

The notes on pages 42 to 60 form part of these financial statements.

Approved by the Trustees on 20 June 2025

Stephen Silver

S. Silver
Chair

Chris Rees

C. Rees
Treasurer

The Fellowship of the School of Economic Science

Consolidated statement of cash flows

For the year ended 31st December 2024

	Note	2024 £'000	£'000	2023 £'000	£'000
Cash flows from operating activities	25				
Net cash provided by/(used in) operating activities			(353)		363
Cash flows from investing activities:					
Dividends, interest and rents from investments		188		294	
Purchase of fixed assets		(785)		(619)	
Transfer of assets to investment property cost		–		7	
Disposal of Fixed Assets (BV)		31		–	
Disposal of Investment Properties		3,385		–	
Purchase of investments		(2,741)		(692)	
Net cash provided by/(used in) investing activities			78		(1,010)
Change in cash and cash equivalents in the year			(274)		(647)
Cash and cash equivalents at the beginning of the year			1,123		1,770
Cash and cash equivalents at the end of the year			849		1,123

The notes on pages 42 to 60 form part of these financial statements.

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Waterperry Gardens Limited (company number 02233285) on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two organisations are disclosed in the notes to the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as the summary of the result for the year is disclosed in the notes to the financial statements.

b) Statutory information

The Fellowship of the School of Economic Science is an unincorporated charity (charity number 313115, OSCR number SC039950) registered in England and Wales, and Scotland. The registered office and main place of business is 11 Mandeville Place, London, W1U 3A.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees are confident that the Charity remains a going concern and, combined with the mitigating actions described in the Trustees' report, has sufficient cash, investment and property reserves to cope with any financial issues for the foreseeable future.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1 Accounting policies (continued)

Courses and retreats fees are included in the statement of financial activities during the year as earned.

Students attending the early parts of the philosophy course, which make up a majority of this income, pay a fee covering their attendance at these classes each term. However, most students in the senior parts of the School pay an annual composite fee that also includes the costs of their retreats accommodation and study days attendance. Any income received in advance is deferred.

Investment income is recognised as income during the year to which it relates.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Turnover from trading activities is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents revenue earned from the sale of goods and is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose and costs of trading activities.
- Expenditure on investments relates to investment management fees and maintenance costs for the properties.
- Expenditure on charitable activities includes the costs of courses, retreats and other activities undertaken to further the purposes of the charity and their associated support costs.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

1 Accounting policies (continued)

i) Allocation of support costs and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned directly to the appropriate activity except for some expense items that have been apportioned according to the space occupied.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Support and governance costs are apportioned as follows:

▪ Cost of raising funds	5.5%
▪ Investments	10.6%
▪ Courses & retreats	83.8%
▪ Other activities	0.2%

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Taxation

The Fellowship is a registered charity and therefore is not liable to income or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The subsidiary company is subject to corporation tax but any profits are normally Gift Aided either wholly/ partially to the parent charity. Tax will be payable on remaining profits.

l) Tangible fixed assets

The building element of the tangible fixed asset properties held by the school are depreciated over 100 years. An annual impairment review is also undertaken in accordance with Financial Reporting Standard 102.

For other tangible fixed assets depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

▪ Long leasehold property	1% on cost
▪ Improvements in building	1%–33.3% on cost
▪ Motor vehicles	25% on cost
▪ Equipment	10%–33.3% on cost

Items of equipment are capitalised where the purchase price exceeds £1,000, but there is some leeway for branches. Certain temporary items of equipment have been written off at the rate of 50% on cost.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

1 Accounting policies (continued)

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

Investments

Investments are valued in the balance sheet at their mid-market or bid price at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based, while investment income management costs are charged as expenditure out of the relevant income funds. Investment gains and losses are shown in the statement of the financial activities. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

Investments in subsidiaries

Investments in subsidiaries are at cost.

n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions and financial instruments

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

1 Accounting policies (continued)

s) Pensions

The charity operates a defined contribution scheme for the benefit of employees. Contributions payable are charged to the statement of financial activities in the year they are due.

t) Volunteers

In line with SORP 2015, the contribution of general volunteers is not be included as income in the accounts due to the absence of a reliable measurement basis. However the role of volunteers within the charity is disclosed in the report of the Trustees.

u) Charitable donations

From time to time the school makes donations to other charities and individuals whose activities are in line with its own charitable objects. These donations are made at the discretion of the Trustees.

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Legacies	81	–	81	804
Donations and gift aid	159	2	161	132
	<u>240</u>	<u>2</u>	<u>242</u>	<u>936</u>

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Courses & retreats	1,258	–	1,258	1,220
Other activities	2	–	2	3
Total income from charitable activities	<u>1,261</u>	<u>–</u>	<u>1,261</u>	<u>1,223</u>

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

4 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Waterperry Gardens income	2,358	–	2,358	2,324
Sales of:				
Books and CDs	28	–	28	28
Refreshments	29	–	29	21
Income from room hire	374	–	374	293
Various other sources of income	54	–	54	135
	<u>2,843</u>	<u>–</u>	<u>2,843</u>	<u>2,801</u>

5 Other Income

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Gain on sales of Fixed Assets	359	–	359	–
	<u>359</u>	<u>–</u>	<u>359</u>	<u>–</u>

6 Income from investments

	Unrestricted £'000	Restricted £'000	2024 Total £'000	2023 Total £'000
Rent – investment properties	176	–	176	273
Bank deposit and short term interest	13	–	13	8
	<u>17</u>	<u>–</u>	<u>188</u>	<u>294</u>

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

7a Analysis of expenditure (current year)

	Charitable activities						
	Cost of raising funds £'000	Investments £'000	Courses and retreats £'000	Other Activities £'000	Governance costs £'000	Support costs £'000	Total £'000
Staff costs (Note 10)	1,020	-	-	-	-	608	1,627
Direct supply costs	129	-	287	-	-	-	416
Cost of sales	829	-	-	-	-	-	829
Publicity	-	-	216	-	-	-	216
Premises – running costs	137	-	250	-	-	-	387
Premises – major repairs	-	-	275	-	-	-	275
Legal & professional	-	215	66	-	-	-	281
Audit and other fees	-	-	-	-	42	-	42
Administration	257	-	320	3	-	101	681
Depreciation	36	-	292	1	-	-	330
Charitable donations (note 8)	-	-	-	1	-	-	1
	2,408	215	1,707	5	42	709	5,086
Support costs	39	75	594	2	-	(709)	-
Governance costs	2	4	36	-	(42)	-	-
Total expenditure	2,449	294	2,337	7	-	-	5,086
Charity only total for % allocation	111,326 5.5%	215,173 10.6%	1,707,451 83.8%	4,609 0.2%			2,038,559 100%

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

7b Analysis of expenditure (prior year)

			Charitable				
	Cost of raising funds £'000	Investments £'000	Courses and retreats £'000	Other Activities £'000	Governance costs £'000	Support costs £'000	Total £'000
Staff costs (Note 9)	986	-	-	-	-	594	1,580
Direct supply costs	245	-	234	-	-	-	479
Cost of sales	853	-	-	-	-	-	853
Publicity	44	-	205	-	-	-	249
Premises – running costs	28	-	246	-	-	-	274
Premises – major repairs	-	-	177	-	-	-	177
Legal & professional	1	126	23	-	-	-	150
Audit and other fees	6	-	-	-	38	-	44
Administration	160	-	307	3	2	96	568
Depreciation	38	-	283	1	-	-	322
Charitable donations (note 8)	-	-	-	7	-	-	7
	2,361	126	1,475	11	40	690	4,703
Support costs	42	51	592	5	-	(690)	-
Governance costs	2	3	35	-	(40)	-	-
Total expenditure	2,405	180	2,102	16	-	-	4,703

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

8 Net income for the year

This is stated after charging:

	2024 £'000	2023 £'000
Depreciation	330	322
Auditor's remuneration (exclusive of VAT): Audit	33	32

9 Donation/Grant making

	2024 £'000	2023 £'000
Grant to A Purves – Economics Research	-	4
Donation to Ukrainian families	-	3
	-	7

Grants are given for education and research purposes. A Purves is a director of the trading subsidiary Waterperry Gardens Limited.

10 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2024 £'000	2023 £'000
Salaries and wages	1,403	1,372
Social security costs	113	104
Employer's contribution to defined contribution pension schemes	112	104
	1,627	1,580

One employee (2023:1) earned between £70,000–£79,999 not including employer's National Insurance contributions during the year.

The total employee benefits including pension contributions and employer's National Insurance contributions of the key management personnel were £216,799 (2023: £211,648).

The Trustees were not paid and did not receive any other benefits from employment with the Charity in the year (2024: £Nil). One trustee (Richard Ibbett) was reimbursed for £23,970 in 2024. (2023: One Trustee was reimbursed £2,868).

Trustees' expenses are for attendance at meetings of the Trustees or business meetings on behalf of the charity. In 2024, two trustees had expenses of £301 (2023: Four trustees had expenses of £536).

Notes to the financial statements

For the year ended 31st December 2024

11 Staff numbers

The average number of employees (head count based on number of staff employed including full time and part time staff) during the year was as follows:

	2024 No.	2023 No.
Raising funds (trading activity)	67	69
Courses and retreats	18	18
	85	87

2004: 67 (2023: 69) employees above were employed by Waterperry Gardens Limited and the remaining 18 (2023: 18) were employed by the parent charity.

12 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are no related party transactions to disclose for this financial year (2023: none).

13 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Waterperry Gardens Limited is liable to pay corporation tax at 19% on any profits not gift aided to the parent charity. In 2024 it had a tax liability of £8,151 (2023: £4,200).

Notes to the financial statements

For the year ended 31st December 2024

14 Tangible fixed assets

The group

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	12,990	322	6,765	20,077
Additions in year	–	–	789	789
Reclassification	–	–	–	–
Transfer to investment property costs	–	–	–	–
Disposals in year	(19)	–	(73)	(92)
At the end of the year	12,971	322	7,481	20,774
Depreciation				
At the start of the year	491	297	3,712	4,500
Charge for the year	83	5	245	333
Eliminated on disposal	–	–	(60)	(60)
At the end of the year	574	302	3,897	4,773
Net book value				
At the end of the year	12,397	20	3,584	16,001
At the start of the year	12,499	25	3,053	15,577

The charity

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	12,990	11	5,704	18,705
Additions in year	–	–	762	762
Transfer to investment property costs	–	–	–	–
Disposals in year	(19)	–	(73)	(92)
At the end of the year	12,971	11	6,393	19,375
Depreciation				
At the start of the year	491	3	2,711	3,205
Charge for the year	83	–	213	296
Eliminated on disposal	–	–	(60)	(60)
At the end of the year	574	3	2,864	3,441
Net book value				
At the end of the year	12,397	8	3,529	15,934
At the start of the year	12,499	8	2,993	15,500

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31st December 2024

15 Investment properties

	The group		The charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Fair value at the start of the year	7,885	7,060	7,885	7,060
Purchase /Transfer from fixed assets	-	-	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Property sold during year	(3,385)	-	(3,385)	-
Revaluation during the year	125	825	125	825
Fair value at the end of the year	4,625	7,885	4,625	7,885

The investment properties have been valued by a qualified surveyor as part of a professional appraisal for the year end 31 December 2024.

16 Listed investments

	The group		The charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Investments at the start of the year	4,042	2,977	4,399	3,334
Deposits	3,371	780	3,370	780
Withdrawals	(630)	(88)	(630)	(88)
Fees	(9)	(9)	(9)	(9)
Net gain/(losses) on value of shares	307	382	307	382
Investments at the end of the year	7,081	4,042	7,437	4,399
Investments consist of				
Listed investments	7,081	4,042	7,080	4,042
Investment in Subsidiary	-	-	357	357
Cash held by broker	-	-	-	-
Market value at the end of the year	7,081	4,042	7,437	4,399

Notes to the financial statements

For the year ended 31st December 2024

17 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Waterperry Gardens Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. One trustee, Sherry Moran, was appointed a director in July 2021. Available profits are partially gift aided to the parent charity. A summary of the results of the subsidiary is shown below:

	2024 £'000	2023 £'000
Turnover	2,326	2,324
Turnover from sales to parent undertaking	56	32
Cost of sales	(1,910)	(1,929)
Gross profit	471	427
Administrative expenses	(375)	(353)
Management charge payable to parent undertaking	(39)	(37)
Operating profit / (loss)	57	37
Interest payable to parent undertaking	(3)	(3)
Profit / (loss) on ordinary activities	54	34
Tax on profit	(8)	(1)
Profit / (loss) for the financial year	46	33
The aggregate of the assets, liabilities and funds was:		
Assets	813	847
Donation to parent under gift aid	(23)	(59)
Liabilities	(259)	(279)
Funds	532	509

Amounts owed to/from the parent undertaking are shown in note 18.

18 Stock

	The group		The charity	
	2024 £'000	2023 £'000	2024 £'000	2023 £'000
Books	54	81	54	81
Garden centre stock	372	383	–	–
	426	81	54	81

Notes to the financial statements

For the year ended 31st December 2024

19 Debtors

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Amounts due from subsidiary	–	–	28	37
Trade debtors	129	97	109	113
H M Revenue & Customs	12	14	12	14
Prepayments	46	79	46	37
Other debtors	459	514	459	514
	646	715	654	715

Amounts due from subsidiary comprise a loan, current total £28,104, from the parent charity to the subsidiary to pay for expenditure on brown motorway tourist signs. It is repayable within 5 years at an interest rate of 2.25%. The loan is included at cost, as the impact of discounting would be immaterial to the financial statements.

20 Creditors: amounts falling due within one year

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
Trade creditors	285	109	120	124
Accruals	78	321	77	296
External loans	–	25	–	9
Taxes and social security costs	17	149	17	24
Deferred income	95	80	95	80
Other creditors	30	57	30	44
	505	577	339	577

21 Creditors: amounts falling due after one year

	The group		The charity	
	2024	2023	2024	2023
	£'000	£'000	£'000	£'000
External loans payable in more than one year	–	–	–	–
Deferred Tax	9	8	–	–
	9	8	–	–

The external loan was a CBILS loan taken out by Waterperry Gardens Limited.

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

22 Pension scheme

The Fellowship operates a defined contribution scheme and contributes 7% of the salary of those staff who have decided to enter into a personal pension arrangement, direct to the insurer. The charge for the period was £75,371 (2023: £79,911).

23a Analysis of group net assets between funds (current year)

	Restricted £'000	Designated £'000	General funds £'000	Total funds £'000
Tangible fixed assets	–	–	16,001	16,001
Fixed asset investments	–	4,600	7,106	11,706
Net current assets	396	–	1,020	1,416
Creditors: amount falling due in over one year	–	–	(9)	(9)
Net assets at the end of the year	396	4,600	24,118	29,114

23b Analysis of group net assets between funds (prior year)

	Restricted £'000	Designated £'000	General funds £'000	Total funds £'000
Tangible fixed assets	–	–	15,577	15,577
Fixed asset investments	–	1,428	10,499	11,927
Net current assets	394	–	1,156	1,550
Creditors: amount falling due in over one year	–	–	(8)	(8)
Net assets at the end of the year	394	1,428	27,224	29,046

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

24a Movements in funds (current year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	267	2	–	–	269
Future branches properties	127	–	–	–	127
Total restricted funds	394	2	–	–	396
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	428	–	(428)	3,600	3,600
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	1,428	–	(428)	3,600	4,600
Fair value reserve	6,640	557	(3,385)	–	3,812
General funds	20,432	(491)	3,813	(3,600)	20,154
Non-charitable trading funds	152	–	–	–	152
Total unrestricted funds	28,652	66	–	–	28,718
Total funds	29,046	68	–	–	29,114

Purposes of restricted funds

Specific charitable activities relate to the activities of the various faculties and branches in the School. The Future branches properties fund comprises monies raised in prior years for the specific purpose of purchasing local buildings for two branches based in Berkshire and the Midlands.

Purposes of designated funds

Building and Capital Asset reserve

The purpose of this fund is to hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments.

This Fund can be used for building improvement and refurbishment. The project to upgrade the second floor of Waterperry House was funded from this reserve.

Opportunity Reserve

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2025 the Trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee. To protect the longer term interests of the charity, there is currently a review of the Waterperry Estate and operations ongoing, with a view to substantial developments of the estate, including the construction of a new catering facility. The Trustees intend to make the necessary decisions in order to ensure the financial stability for the Charity for the longer term.

Benevolent Fund

The charity also operates a benevolent fund called The School of Economic Science Benevolent Fund (Charity Number 313115-1). It is funded from the Operating reserve to provide financial assistance for elderly and vulnerable students attending any of the classes conducted by the charity.

The Fellowship of the School of Economic Science

Notes to the financial statements

For the year ended 31st December 2024

24b Movements in funds (prior year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	274	13	(20)	–	267
Future branches properties	127	–	–	–	127
Total restricted funds	401	13	(20)	–	394
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	–	(572)	–	428
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	2,000	–	(572)	–	1,428
Fair value reserve	5,443	–	1,197	–	6,640
General funds	19,275	2,885	(1,728)	–	20,432
Non-charitable trading funds	179	2,356	(2,383)	–	152
Total unrestricted funds	26,897	5,241	(3,486)	–	28,652
Total funds	27,298	5,254	(3,506)	–	29,046

25 Reconciliation of net income to net cash flow from operating activities

	2024 £'000	2023 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	68	1,748
(Gains)/losses on investments	(432)	(1,207)
Investment manager fees	9	9
Depreciation	330	322
(Increase)/decrease in stocks	38	26
(Increase)/decrease in debtors	58	(419)
(Decrease)/increase in creditors	(235)	178
Investment income	(188)	(294)
Net cash provided by / (used in) operating activities	(353)	363

26 Operating lease commitments receivable as a lessor

Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property 2024 £'000	2023 £'000
Less than one year	138	138
One to five years	111	111
Over five years	-	-
	<u>249</u>	<u>249</u>

27 Results of the parent charity

	2024 £'000	2023 £'000
Turnover	<u>2,706</u>	<u>4,226</u>
Net result of the charity	<u>49</u>	<u>1,775</u>

The Fellowship of the School of Economic Science

Appendix 1 – Operational/Non Operational Income and expenditure Account – London/Centre & Branches

This appendix does not form part of the audited financial statements

As At Year end 2024

Prior to consolidation & excluding Waterperry Gardens Limited

	<u>London/Centre</u>	<u>Nanpantan</u>	<u>Waterperry</u>	<u>Branches</u>	<u>Other Activities</u>	<u>TOTAL</u>
Operating Income						
Course Fees	373,388	–	–	401,526	–	774,914
Residential/ Retreats Fees	–	212,393	441,216	13	–	653,622
Anciliary Income	181,258	107,735	69,427	92,351	–	450,771
Faculty Income	39,850	–	–	–	–	39,850
Other Income	426,036	25,075	39,378	–	–	490,489
Total Operating Income	1,020,531	345,203	550,021	493,890	–	2,409,645
Operating Expenditure						
Direct Costs	(246,721)	(27,682)	(17,225)	–	–	(291,627)
Anciliary Costs	(51,754)	(24,959)	(45,708)	(28,802)	–	(151,223)
Faculty Costs	(15,380)	–	–	–	–	(15,380)
Premises Costs	(163,509)	(112,916)	(281,546)	(311,972)	–	(869,943)
Salaries	(500,533)	(43,505)	(220,869)	–	–	(764,907)
Advertising & Communications	(140,417)	–	–	(76,056)	(3,406)	(219,879)
Administrative	(173,310)	(3,295)	(12,080)	(23,114)	–	(211,800)
Depreciation	(69,004)	(77,125)	(103,296)	(43,051)	(658)	(293,135)
Other Costs	–	–	–	(38,013)	–	(38,013)
	–	–	–	–	–	–
	–	–	–	–	–	–
Total Operating Expenditure	(1,360,628)	(289,482)	(680,724)	(521,008)	(4,064)	(2,855,907)
Total Operating Surplus/(deficit)	(340,097)	55,720	(130,703)	(27,118)	(4,064)	(446,261)
Non Operating Income						
Voluntary Income	205,105	180	2,045	57,759	–	265,089
Investment Income	10,543	–	–	18,755	–	29,298
Other Gains & Losses	–	–	–	–	2,149	2,149
NH Weddings	–	–	–	–	–	–
Other	–	–	–	–	–	–
Total Non Operating Income	215,648	180	2,045	76,514	2,149	296,536
Non Operating Expenditure						
Donations to Other Charities	(533)	–	–	–	–	(533)
Management Fees	(215,173)	–	–	–	–	(215,173)
Other	(16,600)	–	–	(1,094)	(12)	(17,706)
Other Gains & Losses	431,717	–	–	–	–	431,717
Total Non Operating Expenditure	199,412	–	–	(1,094)	(12)	198,306
Total Non Operating Surplus/(deficit)	415,060	180	2,045	75,420	2,137	494,842
Net Total Surplus/(deficit)	74,963	55,900	(128,658)	48,302	(1,927)	48,581

The Fellowship of the School of Economic Science

2. Appendix 2 – Branches and Student Numbers

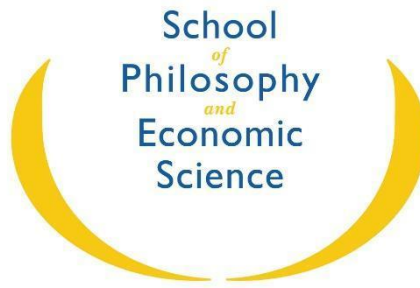
This appendix is for information and does not form part of the audited financial statements

Branch	Student Numbers				Gross	Total	Contrib.	Surplus	Surplus
	Parts 1 – 6		Parts 7+		Income	Costs	to Centre	/ (Deficit)	/ (Deficit)
	Dec-24	Dec-23	Dec-24	Dec-23	2024 £'000	2024 £'000	2024 £'000	2024 £'000	2023 £'000
Bath / Bristol	8	10	20	12	6.6	(5.4)	(0.9)	0.3	(0.9)
Berkshire	19	28	19	13	15.7	(11.5)	(1.6)	2.6	4.2
Cambridge	39	23	23	27	11.5	(9.3)	(1.8)	0.5	(0.2)
SOPSEL	38	6	45	52	48.9	(35.4)	(2.8)	10.7	(1.1)
Devon	–	–	5	5	–	–	–	–	–
East Anglia	14	12	30	33	18.6	(20.0)	(0.9)	(2.2)	(15.7)
Guildford	47	77	56	36	40.8	(32.6)	(2.7)	5.4	2.4
Kent	27	41	36	25	24.1	(14.9)	(3.2)	6.0	6.0
Kingston	16	7	8	7	7.0	(6.0)	(0.8)	0.2	(0.2)
Midlands	37	17	29	35	25.7	(19.5)	(1.4)	4.8	4.1
North East	259	256	95	75	133.2	(125.7)	(10.0)	(2.5)	4.2
North West	166	159	147	128	144.6	(120.6)	(5.9)	18.1	(7.2)
Oxford	46	46	23	23	26.0	(28.3)	(1.8)	(4.1)	(5.3)
Scotland	71	79	103	73	207.4	(194.1)	–	13.4	2.9
St Albans	7	19	13	15	10.5	(7.9)	(0.8)	1.8	(1.2)
Sussex	15	12	15	24	13.0	(12.8)	(0.9)	(0.7)	(0.2)
Wessex	47	71	68	59	45.5	(45.9)	(2.8)	(3.2)	1.6
Total	856	863	735	642	779.1	(689.9)	(38.3)	51.0	(6.6)
London	112	97	440	471					
National (online)	93	102	82	92	1,927.1	(1,929.4)	–	(2.4)	1,781.5
Charity Totals	1061	1062	1257	1205	2,706.2	(2,619.3)	(38.3)	48.6	1,774.9

Notes:

1. Student numbers are an approximate guide to philosophy attendees at the third week of Autumn Term 2024.
2. Contributions to Centre costs represent voluntary payments made by Branches towards the Centre's overhead expenses.
3. Charity totals for Gross Income 2024 and Total Costs 2024 shown above do not equal the totals for Income and Expenses in Appendix 1. This difference is caused by the elimination of transactions between London and the Branches.

Accounts



*The Fellowship
of the
School of Economic Science*

*Report and Financial Statements
for the year ended
31 December 2023*

The Fellowship of the School of Economic Science
11 Mandeville Place
London
W1U 3AJ

Executive Committee (Trustees):

Stephen Silver (Principal)	Elizabeth Mazzola
Chris Rees (Treasurer)	Kumar Kumara
Richard Ibbett (General Secretary)	Matt McNeill
David Woodhead (from September 2023)	Sherry Moran
Elina Grigoriou	Yolande Hesse

Communications should be sent to:

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School of Philosophy and Economic Science
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Solicitors

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Investment Managers

CCLA Investment Management Ltd,
Senator House,
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Date of Purchase – 29th July, 2021

P1 Investment Management Ltd,
Winslade Manor,
Clyst St Mary,
Exeter EX5 1FY
Date of Purchase – 23rd August, 2021

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1. Foundation and Vision

1.1. A Search for Truth

The Fellowship of the School of Economic Science (“the Charity”) was founded in 1937 to establish and maintain the School of Economic Science (“the School”) to teach ideas of economic justice derived and developed from the insights of the American economist Henry George. It soon became apparent that the answer to economic problems lay not just with economic systems but also with human understanding and in the early 1950’s philosophy courses were added to the economics programme. In 2019 the Fellowship adopted the new name, The School of Philosophy and Economic Science. Economics and philosophy courses were directed by the founder and Senior Tutor, Leon MacLaren from 1937 until his death in 1994. Since then, they have been led and directed by the present Senior Tutor, Donald Lambie.

“It became very clear to me that there was such a thing as Truth and there was such a thing as Justice; and that they could be found and being found could be taught.”

Leon MacLaren

Philosophy in the School quickly adopted a practical direction, focusing on the need to awaken human consciousness through coming to rest in stillness. This in turn led to a meeting in 1961 with the Maharishi Mahesh Yogi and the adoption of mantra meditation as a key feature of the School’s approach to the understanding and practice of philosophic principles.

Leon MacLaren later met with Shri Shantananda Saraswati, a teacher of the philosophy called Advaita or non-duality, which has since become central to the School’s work in both economics and philosophy. Parallels were found among many philosophers and writers from the world’s philosophical, theological and literary traditions which, through practical application in daily life, led to deepening understanding of human nature and the application of philosophic principles in personal and social life.

Courses in economics and philosophy continue to develop from a growing understanding of the philosophy of non-duality. They work by encouraging personal practice and observation and enquiry shared in groups of like-minded people, whose collective experience facilitates the development of individual understanding.

1.2. Aim of the School of Philosophy and Economic Science

The School aims to be a centre of spiritual and practical knowledge and enquiry for people leading everyday working and family lives. The intention is to help individuals

lead full, rich and useful lives, to be of service in society and to evolve the spiritual aspect of their being in accordance with natural laws.

*“The Aim is Truth; and Truth as we now know is beyond creation.
It is the Self of every living creature. That is the aim. That is what it is all about.”*

Leon MacLaren

The School is committed to an ethic of lifelong learning and development. Many students continue to attend classes throughout their adult life, also providing the voluntary service upon which the School depends, and contributing to the wider community in whatever ways they can. The School’s educational aims and the study opportunities are all based on the philosophical view that humanity is united in a common conscious essence and that natural laws offer the possibility that human beings can live in freedom and prosperity without exploitation or misuse of nature. From those foundations, studies extend into many other fields including Language (particularly Sanskrit and Latin), Renaissance Studies, Plato, Art, Music, Law, Government and Education.

2. *Objects of the Charity*

2.1. The Rules set out the Objects of the Charity

The Objects are:

- 1) To promote understanding of the natural laws governing humanity through the study and practice of philosophy and economics and any other relevant subject, including the laws, customs and practices by which communities are governed.
- 2) To disseminate by all lawful means knowledge of the matters referred to in (1) hereof.
- 3) To promote any art or science, to produce, print, publish and circulate any periodicals, books and works of art.
- 4) To organise a School for the furtherance of these objects, such School to be known as the School of Philosophy and Economic Science.
- 5) To advance for the public benefit education in the United Kingdom and in particular by establishing or maintaining or assisting one or more schools for children.

Object 6 contains various provisions to assist the furtherance of the above objects, including the acquisition and holding of land and chattels, funding, the provision of library facilities, etcetera.

2.2. Carrying out the Objects of the Charity

The Objects of the Charity are carried out through the School of Philosophy and Economic Science, established and maintained in accordance with Object 4. Prior to the Covid-19 pandemic, the Fellowship offered its courses through the School in London and its regional Branches, throughout England and Scotland. The School had also been offering some courses online, available to students wherever they are. The courses themselves are directed by the Senior Tutor.

Since the restrictions associated with Covid-19 have relaxed, all branches have reintroduced in-person groups both for new and existing students. Online groups continue to be an important offering, locally and nationally. The regular retreats have also recommenced at the School's retreat centres; online provision is made for those students who cannot attend for mobility or health reasons.

The School also provides study materials and other support to many associated schools offering the same or similar courses in 14 overseas countries. Close contact is maintained with these Schools through regular visits by the Senior Tutor and others. The leaders of associated Schools attend meetings in the UK from time to time and students from associated Schools often attend residential events in the UK. Since early 2020 there have been more international meetings online. These arrangements enable the work of the School to reach many thousands of students in the UK and other parts of the world.

Attracting new students to the School remains a high priority, as offering courses to the public is the main means of fulfilling the Charity's Objects and the most visible public benefit provided by the School.

Some retreats are now offered to the public, without the need to be enrolled on an existing philosophy or economics course.

Marketing continues to be directed through social media, both for the national online courses and for local in-person courses. Through the branch network various physical marketing initiatives are utilised, including leaflets and local newspapers.

As ever, the most effective marketing is by the students themselves. All students in the School are encouraged to make personal referrals and generally to promote the School's reputation.

2.3. Guiding principles – service without reward

The Charity and the School are guided by three core values or principles. They are:

- love of truth and justice;
- learning and teaching;
- voluntary service.

Service without seeking individual benefit or reward is central to the ethos of the Charity. The School's courses, based on the principle of learning and teaching and guided by a love of truth and justice, are provided voluntarily by students whose own studies have progressed sufficiently to enable them to pass on what they have learned to others. Much of the administration as well as renewal and maintenance of premises is also provided on the voluntary principle as part of the practical application of philosophy. Only the office staff at Mandeville Place and a few other persons are full or part-time paid employees of the charity. No-one is paid or allowed to derive financial benefit from providing teaching services in the School.

The day-to-day management of the Charity is undertaken voluntarily by members of the Executive Committee, Branch Leaders and advisers and assistants appointed from within the Fellowship and student body. Student volunteers staff the refreshment and bookshop facilities that support classes and other events. Volunteers also support the care of the charity's properties used to deliver courses and other activities.

2.4. Charity

The Charity is registered in England and Wales as Educational Charity No. 313115. It is also registered with the Office of the Scottish Charity Regulator under registration number SC039950. The governing instrument of the Charity is the Rules of the Fellowship of the School of Economic Science as amended at the Annual General Meeting of 24 July 2021.

2.5. Public Benefit

Practical Philosophy and Economics with Justice courses are open to everyone and are widely advertised. There are concessions for those on low incomes or experiencing financial hardship. Capital expenditure is largely met out of accrued financial resources together with bequests and from voluntary donations from students who can afford to contribute more than the regular fees.

Historically, courses have been offered throughout the UK. One of the benefits of moving all courses online is that people have been able to attend a course even when they are not able to attend one of the physical centres. Now that in-person courses are generally available, online courses continue to be an important offering for those unwilling or unable to attend in-person.

The online Philosophy Café, which started in 2021, continues to grow in popularity. It now has over 2500 people registered, and attendance each week is often over 100. The café is open to anyone, whether or not existing students. The café now runs twice each Friday at 7pm Sydney time and 7pm London time.

The Waterperry Retreat Programme, now in its second year, is open to all students of the School, together with friends and family. The idea is to share fully the insights into a variety of subjects that have been acquired by members of the School over many years.

In response to meeting the need of Ukrainian refugees, accommodation had been provided at Waterperry, for two families – two mothers and three children – and in the Leeds School building, also for two families – two mothers and four children. In November 2023, both families at Waterperry and one of the families in Leeds moved out into local rented accommodation.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning activities and setting policies for the year ahead.

3. *Delivering the Objects*

In accordance with the Objects and in response to observed needs, additional studies founded on the philosophy of non-duality have developed.

3.1. Philosophy

The practical philosophy courses take inspiration from the principle of non-duality. They draw on the wisdom and practical experience of thinkers, writers and philosophers from many traditions and ages with particular reference to the philosophy of Advaita as expounded by His Holiness Shri Shantananda Saraswati and His Holiness Shri Vasudevananda Saraswati.

The courses treat philosophy as a personal and practical approach to life and its opportunities, enabling people to develop and deepen an understanding of life and of themselves, while maintaining a full and active family and working life. They are not academic courses such as would be followed in a university, but develop as far as possible based on practice and experience.

For this reason, the School's courses are delivered as weekly evening and daytime classes. These are supported by weekend activities and weekend and week-long retreats. Residential centres in the UK are located at Waterperry House in Oxfordshire, Nanpantan Hall in Leicestershire and Brinscall Hall in Lancashire.

Most students recognise the value of attending retreats in person. For the autumn term 2023 with building works at Waterperry numbers had to be limited. Many retreats were run as hybrid events, with some students attending in-person and others on Zoom.

At all locations throughout the UK we have returned to offering in-person courses, both for introductory courses and more senior groups, reflecting the willingness of existing students to attend in-person groups. There are many students who are unwilling or

unable to attend groups in-person and Zoom provides a necessary and valuable facility. Equally, there are many students who are very keen to attend in-person groups, at least in part because of the social advantages of being in the same room as other students again.

Regular group meetings and retreats, together with service and meditation are the four pillars of the School's approach to practical philosophy.

At many of our locations across the country the regular philosophy courses are supplemented by talks and presentations offered by students in various aspects of philosophy and related studies, based on their personal interests and experience. Many of these talks are open to friends, family and the wider public. A number are on the School's website, Facebook page and YouTube channel.

3.2. Meditation

The School has found that exploring natural laws governing the inner life requires a method of cultivating inner stillness and for this purpose students are offered an introduction to the practice of mantra meditation after a few terms' study of philosophy. Thereafter, regular practice of meditation is central to the study and practice of philosophy. The value of meditation has become widely accepted in recent years and the Fellowship is pleased to support and participate in that development with the benefit of over 50 years' experience of continuous practice. Tutorials are always available for new and seasoned meditators, and these have continued in-person and online using Zoom.

3.3. Economics and Law

The study of economics and law within the School arises from a deep desire for society to enjoy a greater level of justice and equity than prevails today. It seeks to discover and understand laws and traditions that encourage prosperity, freedom, and happiness for all, without exclusion. It aims to understand and put into practice the principles upon which natural and just economic and legal systems can be established (and human-made laws simplified and made more understandable to all). Such study is necessarily human-centred and grounded in moral principle.

Public courses in Economics with Justice cover five terms. Participants gain an understanding of natural aspects of economics and apply this in their daily lives. Classes are offered in-person and, for those distant from our centres, online; this has been welcomed by participants with busy lives.

Advanced Economics classes continue to strengthen the collective understanding of this vast subject and its relevance to all our lives. These are open to anyone who has completed the formal five-term course so that various topics can be studied in more depth. A 2023 Colloquium provided a platform for the studies of each class to be presented to all the others.

The 2023 Annual Economics Lecture and the 2023 Symposium both explored the theme of Natural Taxation. These open events attract people who have not participated in any of the courses. The Symposium welcomed speakers from other organisations. Topics ranged across the effects of taxation on families, on international finance, and on the environment.

Tutors and students came together for the 2023 Economics and Law Conference over six days at Nanpantan Hall and on-line. The topic was 'Living Naturally.' At this and other events, the use of hybrid technology and the participation of those from associated schools around the world have helped strengthen and broaden studies and the course offerings.

A new one term course in law is being offered in Spring 2024 to the public under the Horizons programme: 'Freedom Under Law'. This presents an understanding of the UK's Common Law system, Equity, the Constitution, Human Rights, and International Law, topics that universal importance and timeless interest.

The Law Study Group has now been meeting for over 50 years and continues in good health. The focus remains Freedom Under Law. 2023 being the Coronation year, the Law group undertook a critical look at the role of the Monarchy in our Constitution. Subsequent presentations have dealt with present and historic law cases, and the lives of influential jurists. Consideration has been given to challenges and threats to our Constitution and the legal system as a whole.

3.4. Promoting the Arts

To meet Object 3 (the promotion of the arts) supplementary studies undertaken by groups of students within the School include art, music, translation, dance and others. Calligraphy is practised both as a fine art and as a reflective practice in fine attention.

Waterperry has been a centre of excellence in horticultural arts and science since before the Fellowship acquired it and has been maintained and developed as such. Through Waterperry Gardens Limited ("WGL") the School provides apprentice training, horticultural courses, recreational and horticultural facilities for public use and enjoyment. Waterperry is a Royal Horticultural Society Partner Garden. The ornamental gardens are recognised internationally. It is a well-known centre of expertise in herbaceous gardening, apple and pear cultivation and also houses two national collections of alpine plants. The gardens are now featured on the Silent Space website (silent.space.org.uk)

The fresco paintings created by the Art Group of the School at Waterperry House are open to the public each week. The guided tours are particularly popular. The second open weekend took place in the first weekend of September 2023 an event where the visitor can get a taste of what the School is all about, and this was even more popular than the first.

In addition, the Charity encourages and supports the arts through various activities at Waterperry Estate and elsewhere, including dramatic and operatic performances in the theatre. During 2023 a full programme of events took place which included the Oxford Storytelling Festival, Handmade Oxford, Celebrating Ceramics, and the Waterperry Opera Festival.

In 2023 Make it at Market Series 2 was filmed at Waterperry Gardens. This craft show, presented by Dom Chinae, filmed craftspeople at the start of their careers as they were mentored towards turning their craft into a sustainable business. The 15 part series was shown on BBC1 at the end of 2023 and is still available on BBC iPlayer.

3.5. Sanskrit

The Sanskrit Faculty has nearly 200 members in the UK and continues to make a substantial contribution to philosophical studies in the School. Its courses range from introductory to advanced levels, including Vedic chanting, the study of Panini grammar and the study of the original Sanskrit of philosophical works. Some twenty international online groups, organised from London, are attended by students from Europe, Australasia, South Africa and the Americas. There were two International Sanskrit Conferences, one at Waterperry and one online, attended by over three hundred students in total, and also two residential weekends held mainly for UK students. Similar such events are planned for 2024.

3.6. Renaissance Studies

Steady work has been the hallmark of our year in the Faculty of Renaissance Studies. Interest in Marsilio Ficino continues to spread in the School, in the academic world, and beyond. Ficino reading groups have been conducted online, and at Waterperry. A Horizons Group on Ficino meets regularly, as does a reading group in Scotland. Ficino Studies in Australia continue; the Irish school have been hosting online lectures on Ficino and a group in South Africa, based in Durban and Pietermaritzburg is compiling a new collection of readings.

A review of the past fifty years of Ficino studies, in which the School has played a significant part, will be published shortly in the *Proceedings of the International Association of Neo-Latin Studies*.

This year again we held an international online celebration of Ficino's birthday. We also collaborated with the Warburg Institute on a celebration of the life of the great Ficino scholar, Michael J.B. Allen, who died in February 2023. He had been a true friend to our group over many years.

But the main focus of attention during the year has been on completion of the translation of the final book of Ficino's letters. This is making steady progress, with three groups

working on it, two based in London and one in the Northwest. Discussions on the content of these letters lead students into deep considerations of Platonic philosophy.

3.7. Publications

During the year the School published *Language*, containing Mr S.M. Jaiswal's sixteen annual language lectures.

The School publishes books as well as audio and video recordings of lectures and presentations given in the Philosophy, Sanskrit, Renaissance, Economics and Law faculties.

3.8. Online activities

Over the last couple of years, we have continued to develop our social media presence. We now post regularly on Instagram, X (Twitter), Facebook and YouTube, reaching around 32,000 people. Moreover these efforts are co-ordinated, so that good news stories are pushed through all these platforms quickly and easily. This is also most helpful for promotion of courses, lectures, events etc.

Livestreaming continues on Facebook and YouTube. On YouTube we now have a number of filmed lectures, as well as 'shorts', one-minute videos. Additionally we are now working to develop animations of short quotes. Writing in March 2024, we have had 300,000 views, with 8,400 subscribers to our channel. Viewers are watching around 1000 hours of content each month. Our work on YouTube is attracting many kind comments from current students but also from people who were previously attending classes as well as people new to the School. Here's just one example: *'Recently found this channel and very glad I did. These videos get right at the heart of philosophy as a way of life. Keep them coming!'*

4. Governance

4.1. Structure

Senior Tutor

The Senior Tutor, Donald Lambie, is responsible for the general philosophic and educational direction of the School's work and for the scope and content of study material. The Senior Tutor is also responsible for the appointment of tutors and Branch Leaders, all of whom are volunteers.

There is close communication with the Trustees in relation to these matters through regular meetings between the Senior Tutor and the Principal, meetings with the Executive Committee and through the Trustees' active participation in the work of the School. The Senior Tutor does not receive any salary from the Charity, although

expenses are paid and accommodation and paid assistance are provided to enable him to fulfil his role. The Senior Tutor has no control over the finances of the Charity.

Trustees

The Trustees of the Charity are defined by the Fellowship Rules (12). At the AGM 2023 the outgoing elected trustee was Ed Saunders, after many years of devoted service.

A new Executive Committee was elected. Stephen Silver was re-elected as Principal and Chris Rees was re-elected as Treasurer. Richard Ibbett was appointed as General Secretary at the first meeting following the AGM.

David Woodhead was co-opted onto the Committee at its meeting in September 2023.

As at December 2023, the trustees and their responsibilities are shown here:

Stephen Silver (Principal) (3) (4) (5) (14)	Chris Rees (Treasurer) (1) (2) (3) (7)
Richard Ibbett (General Secretary)	David Woodhead (8)
Elizabeth Mazzola (4) (6) (12) (13)	Elina Grigoriou (10)
Kumar Kumara (8)	Matthew McNeill (7)
Sherry Moran (9)	Yolande Hesse (8) (11)

Notes:

- (1) Chair of the Finance Sub-Committee
- (2) Attends the Investment Sub-Committee
- (3) Member of the Staff Sub-Committee
- (4) Member of the Elderly and Vulnerable Students Committee
- (5) Member of the UK Marketing Working Group
- (6) Member of the Membership Committee
- (7) Member of the Technology Sub-Committee
- (8) Member of the Estates Sub-Committee
- (9) Executive member on WGL Board (Waterperry Gardens Ltd)
- (10) Sustainability Policy development
- (11) Nanpantan Liaison
- (12) Liaison - Branches
- (13) Safeguarding Officer
- (14) Liaison - Senior Tutor & Stream Heads

The Fellowship meets in an Annual General Meeting to receive the Report of the Trustees and the Financial Statements, and to elect the Officers and other members of the Executive Committee and the Membership Committee for the following year. A quorum of two-thirds of Ordinary Members is required. Associate Members may attend General Meetings but may not vote.

The Principal and the Treasurer are elected annually under Rules 8 and 9 respectively. The Principal is also the Chair of the Executive Committee and of the Fellowship. Each

of the Trustees can be contacted via the School's head office at 11 Mandeville Place, London W1U 3AJ.

Membership Committee

Four members of the Membership Committee are elected annually at the AGM and a Trustee is appointed by the Executive Committee to serve with them. The members of the Membership Committee are:

Sally Ostrowska (Chair)
David Nicholls (Secretary)
Sine Pickles
Barry Scott
Executive representative: Elizabeth Mazzola

Any person currently enrolled on a Philosophy or Economics course in the School of Philosophy and Economic Science (Rule 3) is eligible for membership of the Fellowship.

The Membership Committee continues to monitor the breadth and strength of the membership of the Fellowship. Prior to the 2023 AGM, one person moved from Associate to Ordinary Membership and three people accepted the invitation to join the Fellowship. Since the AGM, no people have resigned and six members have died.

The membership of the Fellowship on 31 December 2023 consisted of 236 Ordinary Members and 50 Associate Members.

Fellowship members are appointed by the Executive Committee on the recommendation of the Membership Committee in accordance with Rule 3 and Rule 12 (9).

Property Trustees

Because the Fellowship is an unincorporated association, Rule 15 provides for the appointment by the Trustees of not more than five nor less than three Property Trustees for the purpose of holding and dealing with "any freehold or leasehold properties from time to time acquired by the Fellowship and the proceeds of sale thereof and all monies or other property of the Fellowship in their hands upon the terms of a Trust Deed...".

The current Property Trustees appointed by the Executive Committee are:

Ian Mason
John Meltzer
Hugh Venables

Endowment Treasurer

Bart Dunlea was re-appointed to the role of Endowment Treasurer following the AGM.

4.2. Trustee Election, Induction and Training

Under the Rules of the Fellowship, the Trustees are elected by and from the Ordinary Members of the Fellowship. They have invariably obtained considerable knowledge and experience of the work of the Charity, both before becoming members of the Fellowship and then through receiving annual reports and financial statements. On appointment Trustees may see past minutes and agendas of the Executive Committee and are encouraged to question any member of the Committee, and the Internal Auditor, about any aspects of the Committee's business or the general administration of the School. New trustees are also encouraged to read the Charity Commission guidance on the role and responsibilities of trustees. All trustees received training in the duties of a trustee.

From time-to-time external advice is sought as to the appropriateness and efficiency of the Charity's governance.

4.3. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England, Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for

safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees and staff, through the Finance Sub-committee meetings, continue to improve the financial accounting practices in recognition of their obligations and in response to the advice from the Charity's auditors. In particular, the property maintenance budget is renewed annually. A Finance Manual was adopted in 2017. An exercise to review and document the finance processes was started in 2022. When complete this may supersede the current Finance Manual.

4.4. Management arrangements

The day-to-day management of the Charity is undertaken on a voluntary basis by the members of the Executive Committee, supported by the Branch Leaders, together with advisers and assistants appointed from within the Fellowship and the student body. The volunteers are supported by a small and dedicated team of full- and part-time paid staff.

The School year is divided into three terms. The Executive Committee meets online every other week during term time.

The Executive Committee has also met in-person and online several times at weekends for some hours, each time to consider matters of a more strategic nature outside the normal run of business.

The Branch Leaders, as local representatives of the Executive Committee, are provided with clear Terms of Reference. Branch Leaders typically meet around the end of January with the Senior Tutor and the Principal for a three-day period during which Trustees attend to speak about and discuss current issues and matters relating to the management and organisation of the School and Branch Leaders' roles as Trustees' representatives. The aim is to allow the Branches as much autonomy as possible while maintaining the unity of the School as a whole. The current Executive member with particular responsibility for liaison with the Branches is Elizabeth Mazzola.

Decisions on matters of policy and strategy are made by the Executive Committee on behalf of the Fellowship in consultation, where appropriate, with the Senior Tutor. Decisions relating to the day-to-day operations of the School are implemented by the relevant person within the management structure, and within the policy and strategy framework as set out by the Executive Committee.

There is provision in Rule 19 for an officer, or two or more members of the Executive Committee, or at least ten Ordinary Members to call an Extraordinary General Meeting of the Fellowship at any time to discuss and vote upon matters of major significance (e.g. major changes in policy or strategy, proposed actions outside the scope of established policy etc.).

There was no Extraordinary General Meeting in 2023.

4.5. Staff

The management support team continued to work well, led by the General Manager, Laura Counsell, under the direction of the Principal.

The Trustees extend their grateful thanks to Laura Counsell and her team for approaching their task with energy and efficiency while engaging fully with the ethos of the School.

Ralph Lennard, a long time School student and member of the accounts team, died and is missed. On a happier note, Yanhua Oh (Hua) is on maternity leave, having given birth to a baby daughter.

Remuneration Policy

The Fellowship aims to pay its employees a fair salary commensurate with their skills and level of responsibility, comparable to the private sector. The School contributes 7% of gross salary to the pension fund of each employee and has offered all employees pension advice. One employee earned more than £70,000 during the year ending December 2023.

4.6. Committees & Sub-Committees

There are seven sub-committees appointed by the Executive under Rule 12 (7): Finance; Investment; Risk Management; Staff; Technology; Creative Projects and Estates. The Trustees are also represented on the Elderly and Vulnerable Students Committee, which is otherwise appointed from among the student body.

Elderly and Vulnerable Students Sub-Committee

Whilst there is no legal obligation to support the needs of elderly and vulnerable students, kindness and care runs within all the principles and practices of the School. The Elderly and Vulnerable Students Sub-Committee (EVSSC) meets regularly to review a list of students no longer able to attend courses due to age, disability or other vulnerability. In order to ensure that they and their carers continue to receive spiritual and practical support from the School, regular visits are undertaken by friends in the School. No student who wishes to continue to be connected to the School and its teachings, should become invisible to the School, and enabling students to engage in spiritual work at all stages of life remains very important.

Risk Management Sub-Committee

The Trustees are required to certify each year that the major risks to which the Charity is exposed have been assessed and that appropriate steps are being taken to minimise those risks. The trustees have overall responsibility for risk within the Charity. Each Executive Committee meeting has Risk as an agenda item during which each member is given the opportunity to report on risks drawn to their attention.

As with previous years, responding appropriately to Covid-19 was a major risk mitigation activity, especially for the running of retreats. At all times government and NHS guidelines were followed in terms of social distancing and hygiene.

The Estates Sub-Committee has gathered much of the basic information for each of the School's properties, which includes evidence of compliance with regulatory requirements.

Financial risk is mitigated by the Finance Sub-Committee's detailed review of the budget. The Investment Sub-Committee considers investment risk.

No progress was made in 2023 on establishing a new Risk Management Committee, nor updating the risk register.

Following discussion with our Auditor a revised approach is being undertaken to document the major risks and assurance measures. This has started, in March 2024, with a workshop of all trustees facilitated by our Audit Partner.

Policies of the Charity are kept under review by the trustees. They are made available online to all those with significant responsibilities such as Branch Leaders, Bursars and Trustees. These are reviewed at least every 3 years.

Finance Sub-Committee

The Executive Committee has appointed a Finance Sub-Committee chaired by the Treasurer. The sub-committee reviews the annual budget in advance of the Executive Committee's review and adoption of the budget. The sub-committee reviews the management accounts.

Investment Sub-Committee

The Investment Sub-Committee advises the Executive Committee on the management of the School's investment funds. The Executive Committee accepted its recommendation to change the School's investment managers in 2021 and the funds were transferred to CCLA Investment Management Ltd and P1 Investment Management Ltd. Following meetings with the investment managers in 2023, the decision was taken to stay with the existing funds for the time being.

Staff Sub-Committee

The Staff Sub-Committee, chaired by the Principal and including the Treasurer and attended by the General Manager, is responsible for staff policy, recruitment, disciplinary matters and other HR-related matters. It meets at least once a term and in addition the Principal and General Manager consider any staffing issues at their regular weekly meetings.

Technology Sub-Committee

The Technology Sub-Committee investigates technical matters of any sort when asked to do so by the Executive and may provide technical guidance or assurance to the General Manager as required.

Creative Projects Sub-Committee

The Executive occasionally gets requests for support to students in the School who wish to carry out particular creative projects. Currently, the sub-committee is suspended. There have been no new requests for over two years. The sub-committee could be revived if and when there are future projects to be evaluated.

Estates Sub-Committee

The Estates Sub-Committee has representatives from many of the branches around the UK. The Sub-Committee's role is to provide support to the property stewards for their plans for property maintenance and improvement and to advise the Executive on proposals for major budget requests.

The Estates Sub-Committee maintains a property information schedule for each of the School's residential properties and the branch properties. The schedules, in the form of a standard template, are produced and updated by the property stewards. The different relevant regulations which apply to the House and other properties including rented properties at Waterperry, are all addressed, including Health and Safety issues.

4.7. Properties

The Fellowship owns a number of properties in the UK, which are mainly used for delivering the School's courses in furtherance of the Objects. Five cottages at Waterperry, the Lodge and the Coach House at Nanpantan, and other properties are used either to accommodate essential staff or to provide income to the Fellowship.

The decision was made in 2023 to sell two of the School's investment properties: St Oswald's Studios and 96 Sedlescombe Road. St Oswald's Studios had been used extensively in the past to support artists in the School. For a while one of the studios was used to house the Art in Action office. Most recently four of the five studios had been rented out commercially, although the rental income did not represent a decent return. There are increasing requirements for energy performance that landlords have to meet; St Oswald's, given its age and construction, fell a long way short. The cost to bring the studios up to those standards was prohibitive. The decision was to sell the property as a development site. There was significant interest from developers and the property was sold for just under £2 million.

After Mr Bernard Saunders died, 96 Sedlescombe Road had been rented out on a multiple occupancy basis. During 2023, the local authority advised that to continue to rent out on a multiple occupancy basis significant investment would have to be made to

meet the necessary building regulations. It was determined that the cost to meet those regulations would not be recovered in any reasonable timeframe and the house has been put on the market. At the time of writing we have an agreed sale, subject to contract.

In addition to its residential premises, the Fellowship owns nine other freehold properties and one long-leasehold, used for the purpose of delivering its courses. Otherwise, many Branches take premises on short leases or occupy premises under licence to deliver courses.

The Trustees consider that it is essential to find ways to create more income from spare capacity at all properties to help balance income and expenditure.

Mandeville Place

Mandeville Place is where the London in-person groups meet and where classes have recommenced following the Covid restrictions. The building is in a prime central London location. Meeting rooms are available to hire during the day on a commercial basis, with ad-hoc venue hire concentrating on the two largest rooms suitable for lectures and seminars. The team has been successful in finding primarily educational and charitable organisations that hire smaller rooms on a long-term basis, providing a reasonable income without being too demanding of the building's facilities and staff. Both of our long-term private college clients have continued to hire from us since returning in 2021 and we work closely with a nearby luxury hotel to accommodate their clients, resulting in regular bookings of our largest rooms. This has helped us to secure bookings at times that have traditionally been very quiet for us.

We continue to keep under review the 2021 working group report. There were several recommendations that might be attractive for potential hirers, including investigating improving the WiFi capability in the building. This would also support the growing demand for hybrid group meetings at Mandeville Place, and provide the necessary infrastructure for an upgrade to the telephone system. In 2023, the WiFi capability in the basement was improved.

We are able to offer regularly, at no cost both meeting and rehearsal space at Mandeville Place to the Waterperry Opera Festival, a registered charity.

We improved security at Mandeville Place during 2023.

Nanpantan Hall

Following the upgrading of Nanpantan Hall in early 2019, we continue to enhance the internal aesthetics making the Hall an attractive venue for the School's activities and those of like-minded organisations, and other events.

In 2023 we hosted 19 private and 24 School events.

Nanpantan Hall is growing as a centre for philosophy classes. Our first class started in January 2022. We now have 5 groups with approximately 50 students attending on Tuesday and Wednesday evenings.

Nanpantan Hall has 31 acres of grounds, woodland and meadow which have proven to be an important asset for attracting private events to the Hall. The grounds are within the boundaries of the Charnwood Forest and also within the Charnwood Forest GeoPark. The Charnwood Geopark is to be nominated as a UNESCO site because of its internationally important geology. Approximately ½ mile from the Hall the first discovery was made of the earliest known complex animal life form. There are only three places in the world where the 560-million-year-old fossils have been found. The area is also the landscape that inspired the young David Attenborough.

Because Nanpantan Hall is part of this special landscape we have been able to apply for a grant for tree planting and the general ecological improvements of the grounds. We have now received confirmation that our application has been approved for a £33,000 grant from the National Forest. A scheme has been developed for the planting of 1,200 trees and 130m of new hedge.

The scheme had to be fully implemented by 28 February 2024 for the School to receive the grant. Volunteer weekends have been planned to complete the planting.

The Coach House continues to be leased to the 'Nanpantan Hall Nurture Centre', a school for high achieving autistic children under the age of 11, recently assessed as 'outstanding' by OFSTED across all their key assessments.

We intend to produce a proposal for developing the six horse stables as three classrooms, which could be used by the 'Nanpantan Hall Nurture Centre' during the day and for philosophy classes in the evenings and weekends.

The relationship continues with a local Christian addiction recovery centre, 'The Carpenter's Arms'. Small groups of men visited throughout the year to volunteer in the grounds and forest. By clearing bramble, self-sown trees and scrub we are bringing more light and air to the forest floor allowing the understory and its fauna and flora to flourish.

Eight local people have allotments and manage the grounds within the walled garden.

A couple occupy a small area within the walled garden to keep five bee hives. A local pig keeper keeps two of her Tamworth pigs within the woods. In return the pigs, as forest gardeners, are bringing the forest floor back to full health.

We have a good relationship with St. Mary's Church. The Church uses our car park and the grounds for a small number of events each year. The farmers at Home Farm in the valley are also part of an active and collaborative community.

Waterperry and Waterperry Gardens Limited

When the Waterperry Estate was acquired in the 1970s there was an established horticultural centre, which the School maintained and expanded consistently with Object Three (promote any arts or sciences). The horticultural centre is run as a separate trading entity known as Waterperry Gardens Limited (WGL). WGL is wholly owned by the Fellowship. Waterperry continues to command international renown for the formal gardens, which are supported by a garden shop, tea shop, gift shop, museum and arts and crafts gallery.

Investment in infrastructure at the Waterperry Estate is making it a much better visitor attraction, which in turn enables WGL to contribute more to the Fellowship's income, while also enhancing the Estate for the Fellowship's own retreat and teaching purposes.

WGL has developed strongly. There have been numerous enhancements that have contributed to significant increases in visitor numbers and more consistent profitability, notwithstanding meteorological challenges.

2023 was yet another challenging year. Prices rose fast and yet another minimum wage increase had its knock-on effect. However visitor numbers remained strong and the year ended with WGL making a profit of £33,000 (2022: £85,000).

Sustainability has been very much in mind in 2023 as we move towards going peat-free in the plant area and nursery. Two large rainwater catchment tanks have been installed in the garden centre and nursery. The rainwater is used for watering the plants in both areas.

Apart from serving the public, WGL also maintains the Waterperry estate and makes an important contribution to the local economy and employment, employing 69 staff and turning over £2.3 million per annum. Students on the School's courses at Waterperry enjoy the benefit of the beautiful gardens and setting.

A major building project started in September 2023 with en-suite bathrooms being installed on the top floor of the house. Completion is due in April 2024. This will make the house more attractive both for School students' accommodation and for private hire.

4.8. Achievement and Performance

The School is not a public fund-raising charity and does not set fund-raising targets or specific aims for expansion. The main sources of funding are fees from courses, gifts, legacies, and returns on investments. Steps continue to be taken to find supplementary sources of income, primarily through rental of our buildings when not in use by the School.

During 2023, 168 new students enrolled for the national online philosophy course. In addition, 1108 students enrolled for in-person courses across the country.

For the last term in 2023, the Autumn term, there were 194 students enrolled in national online philosophy courses, a decrease of 61 over the previous year.

In addition, for the in-person philosophy courses, in the Autumn term 2023, there were 1,968 students enrolled in London and the Branches, an increase of 415 on the previous year.

For the Economics course offered online and in-person in London, 92 new students enrolled in 2023.

There were 95 students enrolled in the Autumn 2023 term, a decrease of 87 compared to Autumn 2022.

During 2023 an average of over 110 different students registered each term for the Horizons courses, many registering for more than one course each.

Since its foundation in 1937 the School has provided courses to tens of thousands of people in the UK. While the Executive Committee would always like to see larger numbers of enrolled students, the priority of the School is always to meet the needs of students attending courses.

The following activities have been undertaken:

- The School continues to organise courses, seminars and events to enable students to present the findings of their studies to a wider public.
- Contact continues to be made and maintained with like-minded organisations in order to collaborate with them in the development of common fields of study.
- Budgets continue to be carefully reviewed to enable the Charity to function within its means.
- The use of the School's residential properties has also been reviewed to identify means of making better use of the facilities.

4.9. Development Plan

As reported in previous years, the Strategy Working Group (SWG) ran from 2020 to 2022, following which a Development Group was established under the leadership of the Senior Tutor. This group meets termly to review major initiatives across the tutorial and student body.

The updated code of conduct, that resulted from discussion with senior students was published on the School's website.

A major piece of work from the SWG was the document: *Principles Guiding the Purpose and Form of the School*. This resulted from extensive research on the four pillars of the School: Group Satsanga, Service, Meditation and Retreats. The document is an extensive reference document. Following review and comments from senior students, it will be

updated and consideration will be given to a summary being made available on the School's website.

A Tutor Manual was developed. It has been used as a reference document for local training for tutors and assistant tutors. A Tutor training day was run at Mandeville Place, attended by about 50 tutors and assistants from around the country. This will be repeated in 2024.

Work continues on the 'service as a way of life' initiative. The early part material has been updated with more reference to integrating service into one's daily life.

The new budget control process implemented in 2021 has proved useful and is now established on an annual basis, as is the new capital expenditure budget process. The branch leaders and budget holders meet online with the Executive Committee during a weekend in November, so that they can present their proposed budgets to the members of the Executive Committee. This gives them a greater understanding of Branch activities, more visibility of potential future expenditure and a process whereby competing demands on financial resources can be assessed against published criteria.

5. *Financial Review & Results*

The consolidated Statement of Financial Activities which accompanies this report shows that the Group had a surplus in the 12 months to end December 2023 of £1,748,000 (2022: deficit of £1,461,000). The principal reason for this was unrealised gains of £1,197,000 (2022: unrealised losses of £1,457,000).

The Charity's income from courses and retreats was slightly higher than in 2022, at £1,220,000 (2022: £1,123,000), primarily because of a gradual return to retreats, an increase in retreat charges, and an increase in branch student numbers, and despite a sharp drop in online student numbers. Overall fee income increased to £1,223,000 (2022: £1,126,000). Total voluntary income for the year increased substantially over the previous year at £936,000 (2022: £434,000), of which donations and gift aid were down at £132,000 (2022: £145,000), but legacy income increased to £804,000 (2022: £289,000). The Trustees are most grateful for students' donations, as well as legacy income.

5.1. Net Unrealised Gains on Investments

The total unrealised gains for the year included an increase in the valuation of investment properties from £7,060,000 to £7,885,000.

This was due principally to an increase in the valuations of

- St. Oswald's Studios from £1,000,000 to £1,950,000, of which 80%, four of the five studios, were classed as investments;
- 96 Sedlescombe Road from £1,525,000 to £1,700,000 (in the event an offer of

£1,550,000 has been accepted recently, which will result in a further adjustment in the 2024 accounts).

There was a net gain of £382,000 (2022: net loss of £317,000) on Listed Investments from £2,977,000 to £4,042,000. The increase in the value of the investment funds, was due to positive conditions in the market, as well as the investment of £780,000 of temporarily surplus cash in a Deposit fund at CCLA. Four branches also placed funds in the same account, which was paying between 4.9% and 5.1% interest in the period in which the funds were invested. No funds were drawn down from listed investments during the year.

As noted last year, our investment managers, CCLA and P1 automatically reinvest income in the portfolios.

5.2. Investment Income from Property

Gross investment income for the year was higher at £273,000 (2022: £223,000). This included rent unpaid by the tenants of two studios at St Oswald's, written off last year, but which was collected in 2023.

5.3. Waterperry Gardens Limited

In 2023 global financial uncertainty was seen to have its effect on WGL. Larger size purchases such as furniture were again far less common than in 2021. Visitor numbers remained high. The full programme of outdoor events went ahead. This led to a net profit of £34,000 (2022: £91,000) for the year before tax.

The WGL Board decided to donate half its eligible profit for 2023 to the charity with Gift Aid. This amounts to £23,000. As a result WGL will pay Corporation Tax on half its profit but will retain the balance for working capital. This will be reflected in the 2024 results. In the year to 31 December 2023, the charity benefited from the £59,000 gift aid from WGL announced last year.

5.4. Reserves Policy

The Charity requires financial reserves to maintain and advance its activities for the following reasons:

- to minimise the charity's requirement for debt;
- for operational purposes, to maintain properties, (with a net book value at 31 December 2023 of £15,577,000 (2022: £15,287,000), equipment, etc, which are used extensively for educational and residential purposes in accordance with the Charity's objects.

Property ownership provides long term security of tenure, a measure of financial resilience, the opportunity for higher standards of maintenance, facilities adapted to the

Charity's specific requirements, and for lower running costs in the long term than occurs with a dependency upon rented accommodation.

Free Reserve

The free reserve is the balance of total funds (£29,046,000) less the value of those funds already identified as:

- Restricted funds; £394,000
- Designated Funds; £1,428,000
- Tangible Fixed Assets; £15,577,000
- Investment properties; £7,885,000

Total free reserve: £3,762,000.

The Trustees consider that an adequate target level of Operating Reserve is approximately £2,350,000. This would provide sufficient reserves to meet the charity's running costs for a period of six months in the event of major disruption to our activities.

This reserve would also be used to provide financial support from the Charity fund to the Benevolent Fund. The balance is held to cover operating deficits, until such time as these can be eliminated.

The Trustees invest the surplus funds in line with our investment policy.

5.5. Designated Funds

Building and Capital Asset Reserve – £428,000

This fund is used for the following purposes:

- To hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments.
- This Fund can be used for buildings improvement and refurbishment. The project to upgrade the second floor of Waterperry House is being funded from this reserve.

Opportunity Reserve – £1,000,000

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational

capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2024 the Trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee.

The Trustees review the designated funds of the charity on a regular basis.

5.6. Investment Policy and Performance

Investment Policy and Performance

No funds were added to or drawn down from the CCLA Investment Fund or the P1 Fund in 2023. The School's investment in CCLA rose over the year from £2,211,000 to £2,502,000 at 31 December 2023. This was a rise of 13.2%, reflecting substantial increases in equity values around the world. Bond prices also rose, but the biggest rises were in overseas equities, especially US equities. The School's P1 investments were also up, from £683,000 to £739,000, an 8.2% increase. The Investment Sub-Committee reviews the performance of both managers regularly, and currently concludes that they are managing our assets in the manner we had expected when we first invested with them. Whilst CCLA invest directly across a wide range of asset classes and geographies, P1 concentrates on relatively few investment managers who offer what are believed to be more eco-friendly and sustainable investments. The latter have recently not been as profitable as more widely spread investments, but the expectation is that they will produce good long-term returns.

As noted in section 5.1 above, the Executive Committee decided to put both St Oswald's Studios and 96 Sedlescombe Road on the market, the former because it was becoming increasingly uneconomic to maintain, the latter because the property can no longer be let on a multi-occupier basis as it has been.

5.7. Fees

Historically fees for courses and for retreats have been kept as low as possible. There have been step changes in the early part fees, which have been difficult to explain. The decision was made for the London and national online courses that all courses from Part 2 to Part 12 should be based consistently on a standard fee of £15 per session, which is both reasonable and in line with providers of comparable courses. The fee for Part 1 has been discounted so that it remains attractive for those who are interested in the courses. Fees for online and in-person courses are the same, primarily to ensure that cost is not a factor for people choosing to attend online rather than in-person.

There are still many historical anomalies in the fees structure, which are difficult to justify. The plan is to review the fees, with the aim of developing a structure that is more consistent and transparent.

The daily fee for retreats at Waterperry and Nanpantan was also reviewed in light of running costs of the centres and compared to other similar retreats. The standard rate for retreats at both buildings and online was set at £60 a night for 2023.

5.8. Reserves

The Trustees believe the Charity has adequate reserves for the next twelve months, and we have made no changes to our reserves policy.

5.9. Post-Audit Events

Sale of properties

St Oswald's Studios in Hammersmith was becoming increasingly uneconomic to run as an investment property and required significant investment. The Trustees decided to put it on the market. Interest in the property was intense and a sale was agreed, subject to contract, at the end of 2023 at £1,950,000. Completion took place in February 2024.

96 Sedlescombe Road was also put on the market in 2024, having been unsuccessfully marketed the previous year. An offer has been accepted, subject to contract, of £1,550,000.

Trading Subsidiary

2024 could again be challenging due to wage inflation. It has been an incredibly wet start to the year. Turnover figures for WGL are 5% up on last year for the first quarter.

Going Concern

Given the strength of the charity's cash balances and financial investments, and the budgets and cash flow forecasts that we have prepared, the Trustees are confident that the Charity remains a going concern.

Fundraising

The School does not carry out external fundraising activities or raise funds from the general public, with donations being received from students or others familiar with the School. Accordingly, it is not registered with the Fundraising Regulator.

6. *Plan for the Future*

The School's main aims are set out in Section 1. Historically, the Charity has aimed to respond to needs and demands on its services as they arise rather than seeking to generate new activities, beyond making those services known to as wide a community as possible. The aim was to allow for organic growth and development without the constraints of a structured long-term plan. As discussed in Section 4.9 above, this

approach has been superseded initially by the work of the SWG and now the Development Group.

Work has started on developing a Sustainability Policy and Plan. This is looking at the impact of the School's activities in terms of costs and value, as well as the impact, positive or negative, on the environment and society. This is a major initiative which will influence our thinking over the coming years. One project already started in 2023 is to consider the feasibility of installing a solar farm at Waterperry that could provide power to the house and to WGL.

Most branches, and London, have updated their website to present a more consistent look and feel. A new company has been hired to manage the London and national online social media marketing campaigns. It is too early to measure any improvement.

The Waterperry estate composed of WGL and the House and grounds, is a key and unique asset supporting and contributing to the main objectives and purpose of the School, 'The general uplift of society remains the immediate aim, while help on the way to liberation remains the ultimate aim.' WGL, a commercial horticulture and art centre, with high visitor numbers of approximately 170,000 visitors a year, is wholly owned by the Fellowship. Its public profile is a media-featured visitor destination. In the last ten years WGL has delivered a year-on-year profit. The House is used as a retreat centre for the School's programmes, but declining student numbers and popular online preferences have reduced full capacity bookings and therefore paid usage is subsidized by the School.

The Executive formed a Waterperry Business Plan Working Group in December 2023 to investigate and deliver an ongoing development strategy, plan, and budget for the unified site.

The outreach vision formulated by the Working Group for Waterperry is: 'A unique contemplative retreat, horticulture and arts centre: a place of peace and beauty that awakens, feeds and nourishes the Body, Mind and Soul'. Waterperry is, and can be further developed to be a showcase for living the Advaita teachings and principles, financially sustainable through its mix of offerings, delivering a unique and inspirational venue to the students of the School and the broader community.

Specific building projects to be included in this plan and budget proposal will be a solar farm for site energy efficiency, a new catering facility and a roof for the amphitheatre.

The Working Group will enlist specialist knowledge from the School as needed, e.g. sustainability planning, property management and marketing.

It is considered vital that the network of branches across the UK are maintained and strengthened. During the Covid lockdown, technology has enabled online groups to offer courses to new students and maintain contact with existing students. It has also enabled those who could not attend physically to join in the school community.

However, there is a richness in personal contact and wherever possible, the aim is to provide in-person groups and meetings, for those who wish and are able to take part.

It is expected that in-person and online groups and events will continue for the foreseeable future.

Approved by the Trustees on 7 June 2024 and signed on their behalf by:

S. Silver

Chair

C. Rees

Treasurer

Independent auditor's report

Opinion

We have audited the financial statements of The Fellowship of the School of Economic Science (the 'parent charity') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and 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
- 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Fellowship of the School of Economic Science'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept; or
- the 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 trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 trustees either intend 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 regulations made under section 154 of that Act.

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

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent 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 parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date 18 June 2024

Sayer Vincent LLP, Statutory Auditor
110 Golden Lane, LONDON, EC1Y 0TG

Sayer Vincent LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

Consolidated statement of financial activities**For the year ended 31st December 2023**

	Note	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Income from:							
Donations and legacies	2	930	6	936	423	11	434
Charitable activities							
Courses & Retreats	3	1,220	–	1,220	1,123	–	1,123
Other activities	3	3	–	3	3	–	3
Other trading activities	4	2,794	7	2,801	2,475	2	2,477
Investments	5	294	–	294	224	–	224
Total income		5,241	13	5,254	4,248	13	4,261
Expenditure on:							
Raising funds:	6						
Costs of trading activity		2,361	–	2,361	2,160	–	2,160
Other costs of raising funds		44	–	44	46	–	46
Investments		180	–	180	120	–	120
Charitable activities							
Courses & Retreats	6	2,086	16	2,102	1,917	18	1,935
Other activities	6	12	4	16	4	–	4
Total expenditure		4,683	20	4,703	4,247	18	4,265
Net income/(expenditure) before net gains/(losses) on investments		558	(7)	551	1	(5)	(4)
Net gains/(losses) on investments		1,197	–	1,197	(1,457)	–	(1,457)
Net Income/ (expenditure)		1,755	(7)	1,748	(1,456)	(5)	(1,461)
Transfers between funds		–	–	–	–	–	–
Net movement in funds		1,755	(7)	1,748	(1,456)	(5)	(1,461)
Reconciliation of funds:							
Total funds brought forward		26,897	401	27,298	28,353	406	28,759
Total funds carried forward		28,652	394	29,046	26,897	401	27,298

Please note: The data for the Financial Statements is derived from the School accounts system which produces actual numbers down to pounds and pence. The Financial Statements are shown as whole numbers rounded up or down to the nearest thousand. Therefore there may be small variances in addition in some rows or columns.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 23 to the financial statements.

The notes on pages 39 to 55 form part of these financial statements.

Balance sheets

As at 31st December 2023

		The group		The charity	
	Note	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets:					
Tangible assets	13	15,577	15,287	15,500	15,197
Investment properties	14	7,885	7,060	7,885	7,060
Investments	15	4,042	2,977	4,399	3,334
		<u>27,504</u>	<u>25,324</u>	<u>27,784</u>	<u>25,591</u>
Current assets:					
Stock	17	464	490	81	78
Debtors	18	704	285	715	292
Cash at bank and in hand		1,123	1,770	891	1,501
		<u>2,291</u>	<u>2,545</u>	<u>1,687</u>	<u>1,871</u>
Liabilities:					
Creditors: amounts falling due within one year	19	741	543	577	343
		<u>1,550</u>	<u>2,002</u>	<u>1,110</u>	<u>1,528</u>
Net current assets					
		<u>29,054</u>	<u>27,326</u>	<u>28,894</u>	<u>27,119</u>
Total assets less current liabilities					
Creditors: amounts falling due after one year	20	8	28	–	–
		<u>29,046</u>	<u>27,298</u>	<u>28,894</u>	<u>27,119</u>
Total net assets					
		<u><u>29,046</u></u>	<u><u>27,298</u></u>	<u><u>28,894</u></u>	<u><u>27,119</u></u>
Funds:	23				
Restricted income funds		394	401	394	401
Unrestricted income funds:					
Designated funds		1,428	2,000	1,428	2,000
Fair value reserve		6,640	5,443	6,640	5,443
General funds		20,432	19,275	20,432	19,275
Non-charitable trading funds		152	179	–	–
		<u>28,652</u>	<u>26,897</u>	<u>28,500</u>	<u>26,718</u>
Total unrestricted funds					
		<u>29,046</u>	<u>27,298</u>	<u>28,894</u>	<u>27,119</u>
Total charity funds					
		<u><u>29,046</u></u>	<u><u>27,298</u></u>	<u><u>28,894</u></u>	<u><u>27,119</u></u>

The notes on pages 39 to 55 form part of these financial statements.

Approved by the Trustees on 7 June 2024

S. Silver
Chair

C. Rees
Treasurer

Consolidated statement of cash flows

For the year ended 31st December 2023

	Note	2023 £'000	2022 £'000
Cash flows from operating activities	24		
Net cash provided by/(used in) operating activities		363	(62)
Cash flows from investing activities:			
Dividends, interest and rents from investments		294	224
Purchase of fixed assets		(619)	(122)
Transfer of assets to investment property cost		7	–
Purchase of investments		(692)	–
Net cash provided by/(used in) investing activities		(1,010)	102
Change in cash and cash equivalents in the year		(647)	40
Cash and cash equivalents at the beginning of the year		1,770	1,730
Cash and cash equivalents at the end of the year		1,123	1,770

The notes on pages 39 to 55 form part of these financial statements.

Notes to the financial statements

For the year ended 31st December 2023

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Waterperry Gardens Limited (company number 02233285) on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two organisations are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as the summary of the result for the year is disclosed in the notes to the financial statements.

b) Statutory information

The Fellowship of the School of Economic Science is an unincorporated charity (charity number 313115, OSCR number SC039950) and registered in England and Wales, and Scotland. The registered office and main place of business is 11 Mandeville Place, London, W1U 3A.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees are confident that the Charity remains a going concern and, combined with the mitigating actions described in the Trustees' report, has sufficient cash, investment and property reserves to cope with any financial issues for the foreseeable future. To protect the longer term interests of the charity, there is currently a review of the estate and operations ongoing, and the Trustees intend to make the necessary decisions in order to ensure the financial stability of the Charity for the longer term.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Notes to the financial statements

For the year ended 31st December 2023

1 Accounting policies (continued)

Courses and retreats fees are included in the statement of financial activities during the year as earned.

Students attending the early parts of the philosophy course, which make up a majority of this income, pay a fee covering their attendance at these classes each term. However, students in the senior parts of the School pay an annual composite fee that also includes the costs of their retreats accommodation and study days attendance. Any income received in advance is deferred.

Investment income is recognised as income during the year to which it relates.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Turnover from trading activities is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents revenue earned from the sale of goods and is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose and costs of trading activities.
- Expenditure on investments relates to investment management fees incurred by the School
- Expenditure on charitable activities includes the costs of courses, retreats and other activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned directly to the appropriate activity except for some expense items that have been apportioned according to the space occupied.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Support and governance costs are apportioned as follows:

▪ Cost of raising funds	6.1%
▪ Investments	7.4%
▪ Courses & retreats	85.9%
▪ Other activities	0.7%

Notes to the financial statements

For the year ended 31st December 2023

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Taxation

The Fellowship is a registered charity and therefore is not liable to income or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The subsidiary company is subject to corporation tax but any profits arising will normally be Gift Aided to the parent charity, so generally no tax charge will arise.

l) Tangible fixed assets

The building element of the tangible fixed asset properties held by the school are depreciated over 100 years. An annual impairment review is also undertaken in accordance with Financial Reporting Standard 102.

For other tangible fixed assets depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

▪ Long leasehold property	1% on cost
▪ Improvements in building	1%–33.3% on cost
▪ Motor vehicles	25% on cost
▪ Equipment	10%–33.3% on cost

Items of equipment are capitalised where the purchase price exceeds £1,000, but there is some leeway for branches. Certain temporary items of equipment have been written off at the rate of 50% on cost.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

Investments

Investments are valued in the balance sheet at their mid-market or bid price at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based, while investment income management costs are charged as expenditure out of the relevant income funds. Investment gains and losses are shown in the statement of the financial activities. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

Investments in subsidiaries

Investments in subsidiaries are at cost.

Notes to the financial statements

For the year ended 31st December 2023

1 Accounting policies (continued)

n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions and financial instruments

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

s) Pensions

The charity operates a defined contribution scheme for the benefit of employees. Contributions payable are charged to the statement of financial activities in the year they are due.

t) Volunteers

In line with SORP 2015, the contribution of general volunteers is not be included as income in the accounts due to the absence of a reliable measurement basis. However the role of volunteers within the charity is disclosed in the report of the Trustees.

u) Charitable donations

From time to time the school makes donations to other charities and individuals whose activities are in line with its own charitable objectives. These donations are made at the discretion of the Trustees.

Notes to the financial statements

For the year ended 31st December 2023

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Legacies	804	–	804	289
Donations and gift aid	126	6	132	145
	<u>930</u>	<u>6</u>	<u>936</u>	<u>434</u>

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Courses & retreats	1,220	–	1,220	1,123
Other activities	3	–	3	3
Total income from charitable activities	<u>1,223</u>	<u>–</u>	<u>1,223</u>	<u>1,126</u>

4 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Waterperry Gardens income	2,324	–	2,324	2,185
Sales of:				
Books and CDs	28	–	28	40
Refreshments	21	–	21	16
Income from room hire	293	–	293	213
Various other sources of income	128	7	135	23
	<u>2,794</u>	<u>7</u>	<u>2,801</u>	<u>2,477</u>

5 Income from investments

	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Rent – investment properties	273	–	273	223
Gain on sales of investment	13	–	13	–
Bank deposit and short term interest	8	–	8	1
	<u>294</u>	<u>–</u>	<u>294</u>	<u>224</u>

Notes to the financial statements

For the year ended 31st December 2023

6a Analysis of expenditure (current year)

	Cost of raising funds £'000	Investments £'000	Charitable activities		Governance costs £'000	Support costs £'000	Total £'000
			Courses and retreats £'000	Other Activities £'000			
Staff costs (Note 9)	986	–	–	–	–	594	1,580
Direct supply costs	245	–	234	–	–	–	479
Cost of sales	853	–	–	–	–	–	853
Publicity	44	–	205	–	–	–	249
Premises – running costs	28	–	246	–	–	–	274
Premises – major repairs	–	–	177	–	–	–	177
Legal & professional	1	126	23	–	–	–	150
Audit and other fees	6	–	–	–	38	–	44
Administration	160	–	307	3	2	96	568
Depreciation	38	–	283	1	–	–	322
Charitable donations (note 8)	–	–	–	7	–	–	7
	<u>2,361</u>	<u>126</u>	<u>1,475</u>	<u>11</u>	<u>40</u>	<u>690</u>	<u>4,703</u>
Support costs	42	51	592	5	–	(690)	–
Governance costs	2	3	35	–	(40)	–	–
Total expenditure	<u>2,405</u>	<u>180</u>	<u>2,102</u>	<u>16</u>	<u>–</u>	<u>–</u>	<u>4,703</u>

Notes to the financial statements

For the year ended 31st December 2023

6b Analysis of expenditure (prior year)

	Cost of raising funds £'000	Investments £'000	Charitable activities		Governance costs £'000	Support costs £'000	Total £'000
			Courses and retreats £'000	Other Activities £'000			
Staff costs (Note 9)	829	–	–	–	–	601	1,430
Direct supply costs	200	–	237	–	–	–	437
Cost of sales	783	–	–	–	–	–	783
Publicity	41	–	166	–	–	–	207
Premises – running costs	140	–	221	–	–	–	361
Premises – major repairs	11	–	146	–	–	–	157
Legal & professional	–	80	19	–	–	–	99
Audit and other fees	10	–	–	–	35	–	45
Administration	102	–	213	1	–	91	407
Depreciation	44	–	286	2	–	–	332
Charitable donations (note 8)	–	–	7	–	–	–	7
	2,160	80	1,295	3	35	692	4,265
Support costs	44	38	609	1	–	(692)	–
Governance costs	2	2	31	–	(35)	–	–
Total expenditure	2,206	120	1,935	4	–	–	4,265

Notes to the financial statements

For the year ended 31st December 2023

7 Net income for the year

This is stated after charging:

	2023 £'000	2022 £'000
Depreciation	322	332
Auditor's remuneration: Audit	44	44

8 Donation/Grant making

	2023 £'000	2022 £'000
Grant to A Purves – Economics Research	4	7
Donation to Ukrainian families	3	–
	7	7

Grants are given for education and research purposes. A Purves is a director of the trading subsidiary Waterperry Gardens Limited.

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2023 £'000	2022 £'000
Salaries and wages	1,372	1,242
Social security costs	104	96
Employer's contribution to defined contribution pension schemes	104	92
	1,580	1,430

One employee (2022: 1) earned between £70,000–£79,999 not including employer's National Insurance contributions during the year.

The total employee benefits including pension contributions and employer's National Insurance contributions of the key management personnel were £211,648 (2022: £210,020).

The Trustees were not paid and did not receive any other benefits from employment with the Charity in the year (2022: £Nil). One Trustee was reimbursed £2,868 for planning application fees paid on behalf of the charity (2022: One Trustee was reimbursed £3,234).

Trustees' expenses are for attendance at meetings of the Trustees or business meetings on behalf of the charity. In 2023, four trustees had expenses of £536 (2022: One Trustee had expenses of £85).

Notes to the financial statements

For the year ended 31st December 2023

10 Staff numbers

The average number of employees (head count based on number of staff employed including full time and part time staff) during the year was as follows:

	2023 No.	2022 No.
Raising funds (trading activity)	69	66
Courses and retreats	18	18
	<u>87</u>	<u>84</u>

69 (2022: 66) employees above were employed by Waterperry Gardens Limited and the remaining 18 (2022: 18) were employed by the parent charity.

11 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are no related party transactions to disclose for this financial year (2022: none).

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Waterperry Gardens Limited is liable to pay corporation tax at 19% on any profits not gift aided to the parent charity. In 2023 it had a tax liability of £4,200 (2022: £10,900).

Notes to the financial statements

For the year ended 31st December 2023

13 Tangible fixed assets

The group

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	12,990	322	6,170	19,482
Additions in year	–	–	619	619
Transfer to investment property costs	–	–	(7)	(7)
Disposals in year	–	–	(17)	(17)
At the end of the year	12,990	322	6,765	20,077
Depreciation				
At the start of the year	410	291	3,494	4,195
Charge for the year	81	6	235	322
Eliminated on disposal	–	–	(17)	(17)
At the end of the year	491	297	3,712	4,500
Net book value				
At the end of the year	12,499	25	3,053	15,577
At the start of the year	12,580	31	2,676	15,287

The charity

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	12,990	11	5,134	18,136
Additions in year	–	–	594	594
Transfer to investment property costs	–	–	(7)	(7)
Disposals in year	–	–	(17)	(17)
At the end of the year	12,990	11	5,704	18,705
Depreciation				
At the start of the year	410	2	2,527	2,939
Charge for the year	81	1	201	283
Eliminated on disposal	–	–	(17)	(17)
At the end of the year	491	3	2,711	3,205
Net book value				
At the end of the year	12,499	8	2,993	15,500
At the start of the year	12,580	9	2,607	15,197

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31st December 2023

14 Investment properties

	The group		The charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Fair value at the start of the year	7,060	8,212	7,060	8,212
Revaluation during the year	825	(1,152)	825	(1,152)
Fair value at the end of the year	<u>7,885</u>	<u>7,060</u>	<u>7,885</u>	<u>7,060</u>
Historic cost at the end of the year	<u>4,363</u>	<u>4,363</u>	<u>4,363</u>	<u>4,363</u>

The investment properties have been valued by a qualified surveyor as part of a professional appraisal for the year end 31 December 2023.

15 Listed investments

	The group		The charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Investments at the start of the year	2,977	3,306	3,334	3,663
Deposits	780	–	780	–
Withdrawals	(88)	–	(88)	–
Fees	(9)	(12)	(9)	(12)
Net gain/(losses) on value of shares	382	(317)	382	(317)
Investments at the end of the year	<u>4,042</u>	<u>2,977</u>	<u>4,399</u>	<u>3,334</u>
Investments consist of				
Listed investments	4,042	2,977	4,042	2,977
Investment in Subsidiary	–	–	357	357
Market value at the end of the year	<u>4,042</u>	<u>2,977</u>	<u>4,399</u>	<u>3,334</u>

Notes to the financial statements

For the year ended 31st December 2023

16 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Waterperry Gardens Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. One trustee, Sherry Moran, was appointed a director in July 2021. Available profits are partially gift aided to the parent charity. A summary of the results of the subsidiary is shown below:

	2023 £'000	2022 £'000
Turnover	2,324	2,186
Turnover from sales to parent undertaking	32	27
Cost of sales	(1,929)	(1,734)
Gross profit	427	479
Administrative expenses	(353)	(352)
Management charge payable to parent undertaking	(37)	(34)
Operating profit / (loss)	37	93
Interest payable to parent undertaking	(3)	(2)
Profit / (loss) on ordinary activities	34	91
Tax on profit	(1)	(6)
Profit / (loss) for the financial year	33	85
The aggregate of the assets, liabilities and funds was:		
Assets	847	1,059
Donation to parent under gift aid	(59)	(200)
Liabilities	(279)	(323)
Funds	509	536

Amounts owed to/from the parent undertaking are shown in note 18.

17 Stock

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Books	81	78	81	78
Garden centre stock	383	412	–	–
	464	490	81	78

Notes to the financial statements

For the year ended 31st December 2023

18 Debtors

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts due from subsidiary	–	–	37	47
Trade debtors	97	100	113	112
H M Revenue & Customs	14	26	14	26
Prepayments	79	86	37	34
Other debtors	514	73	514	73
	704	285	715	292

Amounts due from subsidiary comprise a loan, current total £37,472, from the parent charity to the subsidiary to pay for expenditure on brown motorway tourist signs. It is repayable within 5 years at an interest rate of 2.25%. The loan is included at cost, as the impact of discounting would be immaterial to the financial statements.

Other debtors include two legacies totalled £492,962 bequeathed to the charity but not yet received during the year.

19 Creditors: amounts falling due within one year

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	109	92	124	94
Accruals	321	94	296	57
External loans	25	59	9	9
Taxes and social security costs	149	117	24	19
Deferred income	80	85	80	85
Other creditors	57	96	44	79
	741	543	577	343

Accruals include Waterperry House upgrade project costs, estimated based on completion assessment carried out by architects and surveyors which had not been billed to the charity by end of the year, totalled £247,376. The invoices have been received and fully settled by March 2024.

Notes to the financial statements

For the year ended 31st December 2023

20 Creditors: amounts falling due after one year

	The group		The charity	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
External loans payable in more than one year	–	17	–	–
Deferred Tax	8	11	–	–
	8	28	–	–

The external loan was a CBILS loan taken out by Waterperry Gardens Limited.

21 Pension scheme

The Fellowship operates a defined contribution scheme and contributes 7% of the salary of those staff who have decided to enter into a personal pension arrangement, direct to the insurer. The charge for the period was £79,911 (2022: £74,166).

22a Analysis of group net assets between funds (current year)

	Restricted	Designated	General funds	Total funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	–	–	15,577	15,577
Fixed asset investments	–	1,428	10,499	11,927
Net current assets	394	–	1,156	1,550
Creditors: amount falling due in over one year	–	–	(8)	(8)
Net assets at the end of the year	394	1,428	27,224	29,046

22b Analysis of group net assets between funds (prior year)

	Restricted	Designated	General funds	Total funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	–	–	15,287	15,287
Fixed asset investments	–	2,000	8,037	10,037
Net current assets	401	–	1,601	2,002
Creditors: amount falling due in over one year	–	–	(28)	(28)
Net assets at the end of the year	401	2,000	24,897	27,298

Notes to the financial statements

For the year ended 31st December 2023

23a Movements in funds (current year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	274	13	(20)	–	267
Future branches properties	127	–	–	–	127
Total restricted funds	401	13	(20)	–	394
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	–	(572)	–	428
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	2,000	–	(572)	–	1,428
Fair value reserve	5,443	–	1,197	–	6,640
General funds	19,275	2,885	(1,728)	–	20,432
Non-charitable trading funds	179	2,356	(2,383)	–	152
Total unrestricted funds	26,897	5,241	(3,486)	–	28,652
Total funds	27,298	5,254	(3,506)	–	29,046

Purposes of restricted funds

Specific charitable activities relate to the activities of the various faculties and branches in the School. The Future branches properties fund comprises monies raised in prior years for the specific purpose of purchasing local buildings for two branches based in Berkshire and the Midlands.

Purposes of designated funds

Building and Capital Asset reserve

The purpose of this fund is to hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments.

This Fund can be used for buildings improvement and refurbishment. The project to upgrade the second floor of Waterperry House is being funded from this reserve.

Notes to the financial statements

For the year ended 31st December 2023

Opportunity Reserve

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2024 the Trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee.

Benevolent Fund

The charity also operates a benevolent fund called The School of Economic Science Benevolent Fund (Charity Number 313115-1). It is funded from the Operating reserve to provide financial assistance for elderly and vulnerable students attending any of the classes conducted by the charity.

23b Movements in funds (prior year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	279	13	(18)	–	274
Future branches properties	127	–	–	–	127
Total restricted funds	406	13	(18)	–	401
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	–	–	–	1,000
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	2,000	–	–	–	2,000
Fair value reserve	6,900	–	(1,457)	–	5,443
General funds	19,152	2,035	(1,912)	–	19,275
Non-charitable trading funds	301	2,213	(2,335)	–	179
Total unrestricted funds	28,353	4,248	(5,704)	–	26,897
Total funds	28,759	4,261	(5,722)	–	27,298

Notes to the financial statements

For the year ended 31st December 2023

24 Reconciliation of net income to net cash flow from operating activities

	2023 £'000	2022 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,748	(1,461)
(Gains)/losses on investments	(1,207)	1,469
Investment manager fees	9	12
Depreciation	322	332
(Increase)/decrease in stocks	26	(120)
(Increase)/decrease in debtors	(419)	72
(Decrease)/increase in creditors	178	(142)
Investment income	(294)	(224)
Net cash provided by / (used in) operating activities	<u>363</u>	<u>(62)</u>

25 Operating lease commitments receivable as a lessor

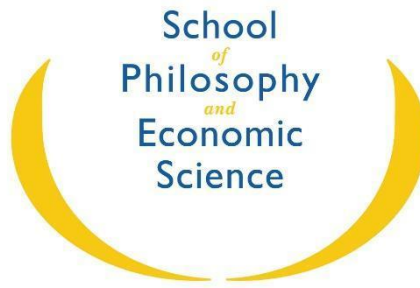
Amounts receivable under non-cancellable operating leases are as follows for each of the following periods

	Property 2023 £'000	2022 £'000
Less than one year	138	76
One to five years	111	–
Over five years	–	–
	<u>249</u>	<u>76</u>

26 Results of the parent charity

	2023 £'000	2022 £'000
Turnover	<u>4,226</u>	<u>2,317</u>
Net result of the charity	<u>1,775</u>	<u>(1,338)</u>

Accounts



*The Fellowship
of the
School of Economic Science*

*Report and Financial Statements
for the year ended
31 December 2022*

The Fellowship of the School of Economic Science
11 Mandeville Place
London
W1U 3AJ

Executive Committee (Trustees):

Stephen Silver (Principal)	Elina Grigoriou
Chris Rees (Treasurer)	Elizabeth Mazzola
Richard Ibbett (General Secretary)	Kumar Kumara
David Nock (from July 2022)	Matt McNeill
David Woodhead (from September 2022)	Sherry Moran
Edward Saunders	Yolande Hesse (from September 2022)

Communications should be sent to:

Stephen Silver, Principal
School of Philosophy and Economic Science
11 Mandeville Place
W1U 3AJ

Statutory Auditor

Sayer Vincent LLP
Invicta House
108-114 Golden Lane
London EC1Y 0TL

Insurance Broker

Access Insurance
Selsdon House
212-230 Addington Road
South Croydon CR2 8LD

Bankers

National Westminster Bank plc
38 The Strand
London WC2N 5JB

Solicitors

Fieldfisher
Riverbank House
2 Swan Lane
London EC34R 3TT

Investment Managers

CCLA Investment Management Ltd, Senator House, 85, Queen Victoria Street, London EC4V 4ET.	P1 Investment Management Ltd, Winslade Manor, Clyst St Mary, Exeter EX5 1FY

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1. Foundation and Vision

1.1. A Search for Truth

The Fellowship of the School of Economic Science (“the Charity”) was founded in 1937 to establish and maintain the School of Economic Science (“the School”) to teach ideas of economic justice derived and developed from the insights of the American economist Henry George. It soon became apparent that the answer to economic problems lay not just with economic systems but also with human understanding and in the early 1950’s philosophy courses were added to the economics programme. In 2019 the Fellowship adopted the new name, The School of Philosophy and Economic Science. Economics and philosophy courses were directed by the founder and Senior Tutor, Leon MacLaren from 1937 until his death in 1994. Since then, they have been led and directed by the present Senior Tutor, Donald Lambie.

“It became very clear to me that there was such a thing as Truth and there was such a thing as Justice; and that they could be found and being found could be taught.”

Leon MacLaren

Philosophy in the School quickly adopted a practical direction, focusing on the need to awaken human consciousness through coming to rest in stillness. This in turn led to a meeting in 1961 with the Maharishi Mahesh Yogi and the adoption of mantra meditation as a key feature of the School’s approach to the understanding and practice of philosophic principles.

Leon MacLaren later met with Shri Shantananda Saraswati, a teacher of the philosophy called Advaita or non-duality, which has since become central to the School’s work in both economics and philosophy. Parallels were found among many philosophers and writers from the world’s philosophical, theological and literary traditions which, through practical application in daily life, led to deepening understanding of human nature and the application of philosophic principles in personal and social life.

Courses in economics and philosophy continue to develop from a growing understanding of the philosophy of non-duality. They work by encouraging personal practice and observation and enquiry shared in groups of like-minded people, whose collective experience facilitates the development of individual understanding.

1.2. Aim of the School of Philosophy and Economic Science

The School aims to be a centre of spiritual and practical knowledge and enquiry for people leading everyday working and family lives. The intention is to help individuals

lead full, rich and useful lives, to be of service in society and to evolve the spiritual aspect of their being in accordance with natural laws.

*“The Aim is Truth; and Truth as we now know is beyond creation.
It is the Self of every living creature. That is the aim. That is what it is all about.”*

Leon MacLaren

The School is committed to an ethic of lifelong learning and development. Many students continue to attend classes throughout their adult life, also providing the voluntary service upon which the School depends, and contributing to the wider community in whatever ways they can. The School’s educational aims and the study opportunities are all based on the philosophical view that humanity is united in a common conscious essence and that natural laws offer the possibility that human beings can live in freedom and prosperity without exploitation or misuse of nature. From those foundations, studies extend into many other fields including Language (particularly Sanskrit and Latin), Renaissance Studies, Plato, Art, Music, Law, Government and Education.

2. *Objects of the Charity*

2.1. The Rules set out the Objects of the Charity

The Objects are:

- 1) To promote understanding of the natural laws governing humanity through the study and practice of philosophy and economics and any other relevant subject, including the laws, customs and practices by which communities are governed.
- 2) To disseminate by all lawful means knowledge of the matters referred to in (1) hereof.
- 3) To promote any art or science, to produce, print, publish and circulate any periodicals, books and works of art.
- 4) To organise a School for the furtherance of these objects, such School to be known as the School of Philosophy and Economic Science.
- 5) To advance for the public benefit education in the United Kingdom and in particular by establishing or maintaining or assisting one or more schools for children.

Object 6 contains various provisions to assist the furtherance of the above objects, including the acquisition and holding of land and chattels, funding, the provision of library facilities, etcetera.

2.2. Carrying out the Objects of the Charity

The Objects of the Charity are carried out through the School of Philosophy and Economic Science, established and maintained in accordance with Object 4. Prior to the Covid-19 pandemic, the Fellowship offered its courses through the School in London and its regional Branches, throughout England and Scotland. The School had also been offering courses online, available to students wherever they are. The courses themselves are directed by the Senior Tutor.

As the restrictions associated with Covid-19 have relaxed, most branches have reintroduced in-person groups both for new and existing students. Online groups continue to be an important offering. The regular retreats have also recommenced although with reduced numbers and increased hygiene routines.

The School also provides study materials and other support to many associated schools offering the same or similar courses in 14 overseas countries. Close contact is maintained with these Schools through regular visits by the Senior Tutor and others. The leaders of associated Schools attend meetings in the UK from time to time and students from associated Schools often attend residential events in the UK. Since early 2020 there have been more international meetings online. These arrangements enable the work of the School to reach many thousands of students in the UK and other parts of the world.

Attracting new students to the School remains a high priority, as offering courses to the public is the main means of fulfilling the Charity's Objects and the most visible public benefit provided by the School.

Some retreats are now offered to the public, without the need to be enrolled on an existing philosophy or economics course.

Once the decision was made only to offer national online courses in 2020, all of the advertising effort was focused on social media. The Executive Committee established a UK Marketing Working Group (UKMWG), consisting of students from around the country with experience and expertise based on their professional work and their involvement in marketing for the School. The UKMWG produced campaign material that was used in the national social media campaign and was made available to the Branches, so that the offering of the courses could be extended through their existing channels.

Notwithstanding the reach of social media advertising, all students in the School are encouraged to make personal referrals and generally to promote the School's reputation.

2.3. Guiding principles – service without reward

The Charity and the School are guided by three core values or principles. They are:

- love of truth and justice;
- learning and teaching;

- voluntary service.

Service without seeking individual benefit or reward is central to the ethos of the Charity. The School's courses, based on the principle of learning and teaching and guided by a love of truth and justice, are provided voluntarily by students whose own studies have progressed sufficiently to enable them to pass on what they have learned to others. Much of the administration as well as renewal and maintenance of premises is also provided on the voluntary principle as part of the practical application of philosophy. Only the office staff at Mandeville Place and a few other persons are full or part-time paid employees of the charity. No-one is paid or allowed to derive financial benefit from providing teaching services in the School.

The day-to-day management of the Charity is undertaken voluntarily by members of the Executive Committee, Branch Leaders and advisers and assistants appointed from within the Fellowship and student body. Student volunteers also staff the refreshment and bookshop facilities that support classes and other events. Volunteers also support the care of the charity's properties used to deliver courses and other activities.

2.4. Charity

The Charity is registered in England and Wales as Educational Charity No. 313115. It is also registered with the Office of the Scottish Charity Regulator under registration number SC039950. The governing instrument of the Charity is the Rules of the Fellowship of the School of Economic Science as amended at the Annual General Meeting of 24 July 2021.

2.5. Public Benefit

Practical Philosophy and Economics with Justice courses are open to everyone and are widely advertised. There are concessions for those on low incomes or experiencing financial hardship. Capital expenditure is largely met out of accrued financial resources together with bequests and from voluntary donations from students who can afford to contribute more than the regular fees.

Historically, courses have been offered throughout the UK. One of the benefits of moving all courses online is that people have been able to attend a course even when they are not able to attend one of the physical centres. Now that in-person courses are generally available, online courses continue to be an important offering for those unwilling or unable to attend in-person.

The online Philosophy Café, which started in 2021, continues to grow in popularity. It now has over 1700 people registered, and attendance each week is often over 100. The café is open to anyone, whether or not existing students.

The Waterperry Retreat Programme is open to all students of the School, together with friends and family. The idea is to share fully the insights into a variety of subjects that have been acquired by members of the School over many years.

On School retreats, care of the house including catering is normally undertaken by the attendees themselves. This is an important aspect of service and putting the philosophic principles into practice in a structured and supportive environment. A new initiative was started in 2022, to run a Wisdom Within retreat at Nanpantan, as a fully serviced retreat open to anyone, whether or not attending one of the School's courses.

In response to meeting the need of Ukrainian refugees, accommodation has been provided at Waterperry, for two families – two mothers and three children – and in the Leeds School building, also for two families – two mothers and four children.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning activities and setting policies for the year ahead.

3. *Delivering the Objects*

In accordance with the Objects and in response to observed needs, additional studies founded on the philosophy of non-duality have developed.

3.1. *Philosophy*

The practical philosophy courses take inspiration from the principle of non-duality. They draw on the wisdom and practical experience of thinkers, writers and philosophers from many traditions and ages with particular reference to the philosophy of Advaita as expounded by His Holiness Shri Shantananda Saraswati and His Holiness Shri Vasudevananda Saraswati.

The courses treat philosophy as a personal and practical approach to life and its opportunities, enabling people to deepen and develop an understanding of life and of themselves, while maintaining a full and active family and working life. They are not academic courses such as would be followed in a university, but develop as far as possible based on practice and experience.

For this reason, the School's courses are based on weekly evening and daytime classes. These are supported by weekend activities and weekend and week-long retreats. Residential centres in the UK are located at Waterperry House in Oxfordshire, Nanpantan Hall in Leicestershire and Brinscall Hall in Lancashire.

Most residential retreats returned in 2022. All the time we have followed government guidelines and have been mindful of good practice in terms of health and safety. Retreats were run with substantially reduced numbers. In some cases, these were run as hybrid events, with some students attending in-person and others on Zoom.

The UK branches have taken varying approaches to returning to regular in-person courses, reflecting the willingness of existing students to attend in-person groups. There are many students who are unwilling or unable to attend groups in-person and Zoom provides a necessary and valuable tool. Equally, there are many students who are very keen to attend in-person groups, at least in part because of the social advantages of being in the same room as other students again. A full programme has been offered in 2022.

At many of our locations across the country the regular philosophy courses are supplemented by talks and presentations offered by students in various aspects of philosophy and related studies, based on their personal interests and experience. Many of these talks are open to friends, family and the wider public. A number are on the School's website and Facebook page.

3.2. Meditation

The School has found that exploring natural laws governing the inner life requires a method of cultivating inner stillness and for this purpose students are offered an introduction to the practice of mantra meditation after a few terms' study of philosophy. Thereafter, regular practice of meditation is central to the study and practice of philosophy. The value of meditation has become very widely accepted in recent years and the Fellowship is pleased to support and participate in that development with the benefit of over 50 years' experience of continuous practice. Tutorials are always available for new and seasoned meditators, and these have continued in-person and online using Zoom.

3.3. Economics and Law

The study of economics and law within the School arises from a deep desire for society to enjoy a greater level of justice and equity than prevails today. It seeks to discover and understand laws and traditions that encourage prosperity, freedom and happiness for all, without exclusion. It aims to formulate principles upon which more natural and just economic systems can be established and human-made laws codified. Such study is necessarily human-centred and grounded in moral principle.

Public courses in Economics with Justice cover five terms. Participants gain an understanding of natural aspects of economics and apply this in their daily lives. Whilst some in-person classes have returned, online courses continue to be offered for those who are based too far from our centres. Hybrid technology has helped bring in-person and online together for some events.

Advanced Economics classes continue to strengthen in number and depth of study; they are open to those completing the formal course and help develop understanding of particular topics of interest. Tutors benefit from regular meetings to develop their own understanding of this challenging subject, and this is enhanced by the participation of those from the associated schools around the world.

The annual Symposium is a public all-day event which gathers presenters from other organisations, as part of the effort to foster informal links with like-minded people and organisations.

A new course in law has been made available to the public under the Horizons programme: 'Law: A Philosophical Approach in Practice'. This presents an understanding of the UK's Common Law system and Constitution, and Human Rights, topics that remain of universal importance and timeless interest.

The Law Study Group has now been meeting for 50 years and continues in good health. The focus has been 'The Common Law – A Law for all Time' and participants present on current and historic law cases and individual jurists, giving some guide to ongoing law directions. Consideration is given to challenges and threats to the Common Law system. Studies have drawn from Shakespeare's plays to illustrate the 'king-becoming graces' and consider the place of the monarchical ideal in today's world.

3.4. Promoting the Arts

To meet Object 3 (the promotion of the arts) supplementary studies undertaken by groups of students within the School including art, music, translation, dance and others. Calligraphy is practised both as a fine art and as a reflective practice in fine attention.

Waterperry has been a centre of excellence in horticultural, arts and science since before the Fellowship acquired it and has been maintained and developed as such. Through Waterperry Gardens Limited ("WGL") the School provides training, recreational and horticultural facilities for public use and enjoyment. At the end of 2022 Waterperry Gardens restarted horticultural courses after having suspended them during 2020/2021 Covid restrictions and now has a limited but popular offering focussed around its core strengths. Waterperry is a Royal Horticultural Society Partner Garden. The ornamental gardens are recognised nationally. It is a well-known centre of expertise in herbaceous gardening, apple and pear cultivation and also houses two national collections of alpine plants, one of which, in a joint exhibit at the 2017 RHS Hampton Court Palace Flower Show, was awarded a Silver Gilt Medal. In October 2021 Waterperry was named as one of the top 25 gardens in the country. The gardens are now featured on the Silent Space website (silent.space.org.uk)

The fresco paintings created by the Art Group of the School at Waterperry House are open to the public each week. The guided tours are particularly popular. An open weekend took place in the first weekend of September 2022 and this is set to become an annual event where the visitor can get a taste of what the School is all about.

In addition, the Charity encourages and supports the arts through various activities at Waterperry Estate and elsewhere, including dramatic and operatic performances in the theatre. During 2022 a full programme of events took place including the return of the Oxford Storytelling Festival, Handmade Oxford, Celebrating Ceramics, and the Waterperry Opera Festival.

Nanpantan Hall hosted a public event entitled 'Labours Lost' in May 2022 in collaboration with the former owner, Johanna Herbert Stepney, and local artists. Historical sources, such as the National Census and first hand accounts were used to provide an artist's response to life in service at Nanpantan Hall. The farm provided refreshments and the St Mary's Church and local volunteers helped run the event. Over 500 people attended the three-day event.

In spring 2021, we initiated the first Philosophy Poetry Prize, which was well received. We had planned to repeat this in 2022, but it became too difficult administratively. We aim to repeat the prize in the future.

3.5. Language

The Sanskrit Faculty continues to make a substantial contribution to philosophical studies in the School through its established courses. These range from introductory to advanced levels, including the study of Panini grammar and of classical philosophical works composed in Sanskrit. A number of students are now participating in traditional Vedic chanting. In 2022 there were two International Sanskrit Conferences, one at Waterperry and one online, attended by several hundred people. Similar conferences are planned for 2023. Some twenty international online groups are organised from London, principally for Introductory Sanskrit.

Work on translating the final volume of Marsilio Ficino's *Letters* continues. There are regular online translation and discussion groups in addition to those on the Horizons programme, and the Renaissance Groups continues to use Zoom, enabling it to accommodate meetings across regions and across continents. Participation in academic conferences on the Renaissance has resumed in person, with presentations in Dublin, Leuven and Florence, and forthcoming events in Budapest and Rome. There has been collaboration with the Warburg Institute in London, and the Cambridge Centre for the Study of Platonism, part of Cambridge University, for both in-person and on-line events.

3.6. Publications

During the year the School published *Search for Reality*, a translation of a Sanskrit text attributed to Adi Shankara.

The twelfth and final volume of the Ficino *Letters* is in preparation, eagerly awaited by a wide audience within the School and beyond. The Letters continue to be valued for their spiritual and philosophical content as well as for their cultural and historical significance.

The School publishes books as well as audio and video recordings of lectures and presentations given in the Philosophy, Sanskrit, and Economics and Law faculties.

The School also gave financial support to Dr David Horan for a new translation into English of the complete works of Plato. This work has been completed and was

published online in 2021. Through the Foundation for Platonic Studies, it is expected to be published in book form at an affordable price in 2024.

Online activities

Students in the School have conducted short Facebook Live broadcasts several times a week, in term time, covering philosophy, economics and Sanskrit and a live guided practice in simple awareness. As well as being watched live, the recordings available through the School's Facebook page are watched by hundreds of people every week.

2022 was a great year for our YouTube channel. In Sept 2021 we had 1,250 subscribers; by the end of 2022 we had over 6,000. The channel also got an additional 40,000 views. During 2022, there was a complete overhaul of the appearance of the homepage, and over 20 new 10-minute videos from contributors around the world were released.

Continuous engagement with viewers' comments, as well as posts on the 'community' tab, helps build a new community.

An additional benefit of creating the 10-minute videos on philosophy subjects is that these have become a 'resource library' for both tutors and students who want information on any subject.

None of this would have been possible without the outstanding work of our volunteer video editor.

4. Governance

4.1. Structure

Senior Tutor

The Senior Tutor, Donald Lambie, is responsible for the general philosophic and educational direction of the School's work and for the scope and content of study material. The Senior Tutor is also responsible for the appointment of tutors and Branch Leaders, all of whom are volunteers.

There is close communication with the Trustees in relation to these matters through regular meetings between the Senior Tutor and the Principal, meetings with the Executive Committee and through the Trustees' active participation in the work of the School. The Senior Tutor does not receive any salary from the Charity, although expenses are paid and accommodation and paid assistance are provided to enable him to fulfil his role. The Senior Tutor has no control over the finances of the Charity.

Trustees

The Trustees of the Charity are defined by the Fellowship Rules (12). At the AGM 2022 the outgoing elected trustee was Anthea Douglas, after many years of devoted service. Paul Moss, who had been elected in 2021 had resigned during the year. Co-opted

members who had served throughout the year were David Nock, Kumar Kumara and Elizabeth Mazzola.

A new Executive Committee was elected. Stephen Silver was re-elected as Principal and Chris Rees was re-elected as Treasurer. Richard Ibbett was appointed as General Secretary at the first meeting following the AGM.

Co-options were decided at two subsequent Executive meetings: David Nock in July 2022 and David Woodhead and Yolande Hesse in September.

As at December 2022, the trustees and their responsibilities are shown here:

Stephen Silver (Principal) (3) (4) (6) (16)	Chris Rees (Treasurer) (1) (2) (4) (8)
Richard Ibbett (General Secretary)	David Nock (14)
David Woodhead	Edward Saunders (10)
Elina Grigoriou (12)	Elizabeth Mazzola (7) (15) (17)
Kumar Kumara (9)	Matthew McNeill (8)
Sherry Moran (11)	Yolande Hesse

Notes:

- (1) Chair of the Finance Sub-Committee
- (2) Attends the Investment Sub-Committee
- (3) Member of the Risk Management Sub-Committee
- (4) Member of the Staff Sub-Committee
- (5) Member of the Elderly and Vulnerable Students Committee
- (6) Member of the UK Marketing Working Group
- (7) Member of the Membership Committee
- (8) Member of the Technology Sub-Committee
- (9) Chair of the Estates Sub-Committee
- (10) Legal matters
- (11) Executive member on WGL Board (Waterperry Gardens Ltd)
- (12) Sustainability Policy development
- (13) Nanpantan Liaison
- (14) Liaison - Branches
- (15) Safeguarding
- (16) Liaison - Senior Tutor & Stream Heads
- (17) Mental Health Policy development

The Fellowship meets in an Annual General Meeting to receive the Report of the Trustees and the Financial Statements, and to elect the Officers and other members of the Executive Committee and the Membership Committee for the following year. A quorum of two-thirds of Ordinary Members is required. Associate Members may attend General Meetings but may not vote.

The Principal and the Treasurer are elected annually under Rules 8 and 9 respectively. The Principal is also the Chair of the Executive Committee and of the Fellowship. Each

of the Trustees can be contacted via the School's head office at 11 Mandeville Place, London W1U 3AJ.

Membership Committee

Four members of the Membership Committee are elected annually at the AGM and a Trustee is appointed by the Executive Committee to serve with them. The members of the Membership Committee are:

Sally Ostrowska (Chair)
Bartholomew O'Toole (Secretary)
Sine Pickles
Barry Scott
Executive representative: Elizabeth Mazzola

Any person currently enrolled on a Philosophy or Economics course in the School of Philosophy and Economic Science (Rule 3) is eligible for membership of the Fellowship.

The Membership Committee continues to monitor the breadth and strength of the membership of the Fellowship. Prior to the 2022 AGM, three people moved from Associate to Ordinary Membership and eight people accepted the invitation to join the Fellowship. Since the AGM, two people have resigned and four members have died.

The membership of the Fellowship on 31 December 2022 consisted of 240 Ordinary Members and 53 Associate Members.

Fellowship members are appointed by the Executive Committee on the recommendation of the Membership Committee in accordance with Rule 3 and Rule 12 (9).

Property Trustees

Because the Fellowship is an unincorporated association, Rule 15 provides for the appointment by the Trustees of not more than five nor less than three Property Trustees for the purpose of holding and dealing with "any freehold or leasehold properties from time to time acquired by the Fellowship and the proceeds of sale thereof and all monies or other property of the Fellowship in their hands upon the terms of a Trust Deed...".

The current Property Trustees appointed by the Executive Committee are:

Ian Mason
John Meltzer
Hugh Venables

Endowment Treasurer

Bart Dunlea was re-appointed to the role of Endowment Treasurer following the AGM.

4.2. Trustee Election, Induction and Training

Under the Rules of the Fellowship, the Trustees are elected by and from the Ordinary Members of the Fellowship who have invariably obtained considerable knowledge and experience of the work of the Charity, both before becoming members of the Fellowship and then through receiving annual reports and financial statements. On appointment Trustees may see past minutes and agendas of the Executive Committee and are encouraged to question any member of the Committee, and the Internal Auditor, about any aspects of the Committee's business or the general administration of the School. New trustees are also encouraged to read the Charity Commission guidance on the role and responsibilities of trustees. All trustees received training in the duties of a trustee. From time-to-time external advice is sought as to the appropriateness and efficiency of the Charity's governance.

4.3. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England, Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements comply with the Charities Act 2011 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees and staff, through the Finance Sub-committee meetings, continue to improve the financial accounting practices in recognition of their obligations and in

response to the advice from the Charity's auditors. In particular, the property maintenance budget is renewed annually. A Finance Manual was adopted in 2017. An exercise to review and document the finance processes was started in 2022. When complete this may supersede the current Finance Manual.

4.4. Management arrangements

The day-to-day management of the Charity is undertaken on a voluntary basis by the members of the Executive Committee, supported by the Branch Leaders, together with advisers and assistants appointed from within the Fellowship and the student body. The volunteers are supported by a small and dedicated team of full- and part-time paid staff.

The School year is divided into three terms. Since the onset of the pandemic the Executive Committee has met online, initially weekly and now every other week during term time.

The Executive Committee has also met in-person and online several times at weekends for some hours, each time to consider matters of a more strategic nature outside the normal run of business.

The Branch Leaders, as local representatives of the Executive Committee, are provided with clear Terms of Reference. Branch Leaders typically meet around the end of January with the Senior Tutor and the Principal for a three-day period during which Trustees attend to speak about and discuss current issues and matters relating to the management and organisation of the School and Branch Leaders' roles as Trustees' representatives. The aim is to allow the Branches as much autonomy as possible while maintaining the unity of the School as a whole. The current Executive member with particular responsibility for liaison with the Branches is David Nock, who is himself a Branch Leader.

Decisions on matters of policy and strategy are made by the Executive Committee on behalf of the Fellowship in consultation, where appropriate, with the Senior Tutor. Decisions relating to the day-to-day operations of the School are implemented by the relevant person within the management structure, and within the policy and strategy framework as set out by the Executive Committee.

There is provision in Rule 19 for an officer, or two or more members of the Executive Committee, or at least ten Ordinary Members to call an Extraordinary General Meeting of the Fellowship at any time to discuss and vote upon matters of major significance (e.g. major changes in policy or strategy, proposed actions outside the scope of established policy etc.).

There was no Extraordinary General Meeting in 2022.

4.5. Staff

The management support team continued to work well, led by the General Manager, Laura Counsell, under the direction of the Principal.

The Trustees extend their grateful thanks to Laura Counsell and her team for approaching their task with energy and efficiency while engaging fully with the ethos of the School.

Remuneration Policy

The Fellowship aims to pay its employees a fair salary commensurate with their skills and level of responsibility, comparable to the private sector. The School contributes 7% of gross salary to the pension fund of each employee and has offered all employees pension advice. One employee earned more than £70,000 during the year ending December 2022.

4.6. Committees & Sub-Committees

There are seven sub-committees appointed by the Executive under Rule 12 (7): Finance; Investment; Risk Management; Staff; Technology; Creative Projects and Estates. The Trustees are also represented on the Elderly and Vulnerable Students Committee, which is otherwise appointed from among the student body.

Elderly and Vulnerable Students Sub-Committee

Whilst there is no legal obligation to support the needs of elderly and vulnerable students, kindness and care runs within all the principles and practices of the School. The Elderly and Vulnerable Students Sub-Committee (EVSSC) meets regularly to review a list of students no longer able to attend courses due to age, disability or other vulnerability. In order to ensure that they and their carers continue to receive spiritual and practical support from the School, regular visits are undertaken by friends in the School. No student who wishes to continue to be connected to the School and its teachings should become invisible to the School, and enabling students to engage in spiritual work at all stages of life remains very important.

Risk Management Sub-Committee

The Trustees are required to certify each year that the major risks to which the Charity is exposed have been assessed and that appropriate steps are being taken to minimise those risks. A comprehensive risk management structure is in place and is kept under regular review. The trustees have overall responsibility for risk within the Charity. Each Executive Committee meeting has Risk as an agenda item during which each member is given the opportunity to report on risks drawn to their attention.

As with previous years, responding appropriately to Covid-19 was a major risk mitigation activity, especially for the running of retreats. At all times government and NHS guidelines were followed in terms of social distancing and hygiene.

During 2022, a new approach to risk management has been developed.

The Estates Sub-Committee has gathered much of the basic information for each of the School's properties, which includes evidence of compliance with regulatory requirements.

Financial risk is mitigated by the Finance Sub-Committee's detailed review of the budget. The Investment Sub-Committee considers investment risk.

A risk training workshop was run by the School's insurers. The existing Health & Safety Risk Policy was reviewed and improvements suggested. The revised policy has been shared with property stewards, the Estates Sub-committee and the Executive. It will be finalised and adopted in 2023.

The contents of the existing risk register will be transferred to the new recommended format and reviewed and updated by the Executive.

During 2023, the constitution of the Risk Management Sub-Committee will be reviewed.

Policies of the Charity are kept under review by the trustees. They are made available online to all those with significant responsibilities such as Branch Leaders, Bursars and Trustees. These are reviewed at least every 3 years.

Finance Sub-Committee

The Executive Committee has appointed a Finance Sub-Committee chaired by the Treasurer. The sub-committee reviews the annual budget in advance of the Executive Committee's review and adoption of the budget. The sub-committee reviews the management accounts.

Investment Sub-Committee

The Investment Sub-Committee advises the Executive Committee on the management of the School's investment funds. The Executive Committee accepted its recommendation to change the School's investment managers in 2021 and the funds were transferred to CCLA Investment Management Ltd and P1 Investment Management Ltd.

Staff Sub-Committee

The Staff Sub-Committee, chaired by the Principal and including the Treasurer and attended by the General Manager, is responsible for staff policy, recruitment, disciplinary matters and other HR related matters. It meets at least once a term and in addition the Principal and General Manager consider any staffing issues at their regular weekly meetings.

Technology Sub-Committee

The Technology Sub-Committee investigates technical matters of any sort when asked to do so by the Executive and may provide technical guidance or assurance to the General Manager as required.

Creative Projects Sub-Committee

The Executive occasionally gets requests for support to students in the School who wish to carry out particular projects. Currently, the sub-committee is suspended. There have been no new requests for over two years. The sub-committee could be revived if and when there are future projects to be evaluated.

Estates Sub-Committee

The Estates sub-committee has representatives from many of the branches around the UK. The sub-committee's role is to provide support to the property stewards for their plans for property maintenance and improvement and to advise the Executive on proposals for major budget requests.

The Estates sub-committee maintains a property information schedule for each of the School's residential properties and the branch properties. The different relevant regulations which apply to the House and other properties including rented properties at Waterperry, are all addressed, including Health and Safety issues.

4.7. Properties

The Fellowship owns a number of properties in the UK, which are mainly used for delivering the School's courses in furtherance of the Objects. Five cottages at Waterperry, the Lodge and the Coach House at Nanpantan, and other properties are used either to accommodate essential staff or to provide income to the Fellowship.

In addition to its residential premises, the Fellowship owns nine other freehold properties and one long-leasehold, used for the purpose of delivering its courses. Otherwise, many Branches take premises on short leases or occupy premises under licence to deliver courses.

The Trustees consider that it is essential to find ways to create more income from spare capacity at all properties to help balance income and expenditure.

Mandeville Place

Mandeville Place is where the London in-person groups meet and where classes have recommenced following the Covid restrictions. The building is in a prime central London location. Meeting rooms are available to hire during the day on a commercial basis, with ad-hoc venue hire concentrating on the two largest rooms suitable for lectures and seminars. The team has been successful in finding primarily educational and charitable organisations that hire smaller rooms on a long-term basis, providing a reasonable income without being too demanding on the building's facilities and staff. Both of our long-term private college clients have continued to hire from us since returning in 2021 and we work closely with a nearby luxury hotel to accommodate their clients, resulting in regular bookings of our largest rooms.

We continue to keep under review the 2021 working group report. There were several recommendations that might be attractive for potential hirers, including investigating improving the Wifi capability in the building. This would also support the growing demand for hybrid group meetings at Mandeville Place, and provide the necessary infrastructure for an upgrade to the telephone system. During 2022 we have also been planning improvements to the security at Mandeville Place.

Nanpantan Hall

Following the upgrading of Nanpantan Hall in early 2019, we continue to enhance the internal ambience, making the Hall an attractive venue for the School's activities, like-minded organisations, weddings and other events.

The coach house continues to be rented out to the 'Nanpantan Hall Nurture Centre', a school for high achieving autistic children under the age of 11. The Nurture Centre continues to grow and flourish and has now 10 children in education. A section of the Hall's woodland is used by the Nurture Centre as a forest school and the children and staff are able to walk and enjoy the rest of grounds when the hall is not hosting an event. We have strong personal relationships with the Centre, which benefits both parties.

Nanpantan Hall has 31 acres of grounds, woodland and meadow. We have developed a plan to enhance the ecology and biodiversity, following advice from Leicestershire's environmental officer and English Nature.

A well qualified local man, who is also a student of the school, has helped us further develop the plans and implement the improvements.

We have developed a good relationship with a local Christian addiction recovery centre. Small groups of men visited throughout the year to volunteer in the grounds and forest. By clearing bramble, self-sown trees and scrub we are bringing more light and air to the forest floor allowing the understory and its fauna and flora to flourish.

Nanpantan Hall is a centre for local employment and voluntary work. Eleven people regularly work at the Hall throughout the year. A lady living in the village is our decorator who maintains the decorations to a good standard throughout the building. A local builder was engaged to refurbish the conservatory floor and it is now a usable space.

A local farmer manages the 7-acre paddock area that is now a wildflower meadow. During the Spring and Summer months the grasses and flowers are allowed to grow. In late summer the meadow is mowed and collected in bales. In the winter months Aberdeen Angus cows graze the remaining growth to complete the annual plan to slowly improve the soil and allow the herbs and flowers to compete with the grasses, allowing the meadow to flourish.

Eight local people have allotments and manage the grounds within the walled garden.

We employ a man from Shepshed, two days a week to manage the gardens, grounds and forest areas. We have a good relationship with St. Mary's Church and neighbouring farms and work together to support projects. St. Mary's Church changed the parish boundary in 2021 to include Nanpantan Hall.

Waterperry and Waterperry Gardens Limited

When the Waterperry Estate was acquired in the 1970s there was an established horticultural centre, which the School maintained and expanded consistently with Object Three (promote any arts or sciences). The horticultural centre is now run as a separate trading entity known as Waterperry Gardens Limited (WGL). WGL is wholly owned by the Fellowship. Waterperry continues to command international renown for the formal gardens, which are supported by a garden shop, tea shop, gift shop, museum and arts and crafts gallery.

Investment in infrastructure at the Waterperry Estate is making it a much better visitor attraction, which in turn enables WGL to contribute more to the Fellowship's income, while also enhancing the Estate for the Fellowship's own retreat and teaching purposes. Work is already underway to develop third party rentals for day use and retreats, which requires additional investment in the House.

WGL has developed strongly. There have been numerous enhancements that have contributed to significant increases in visitor numbers and more consistent profitability, notwithstanding meteorological challenges.

2022 was another challenging year. Prices rose fast and the minimum wage increase had its knock-on effect. However visitor numbers remained strong and the year ended with WGL's profits being comfortably in the black. The same challenges remain for 2023.

Significant development has gone on in the gardens 2022/2023 with the major areas being redeveloping the Virgins Walk, now renamed the Winter Walk, and complete renovation of the Rose Garden.

Apart from serving the public, WGL also maintains the Waterperry estate and makes an important contribution to the local economy and employment. Students on the School's courses at Waterperry enjoy the benefit of the beautiful gardens and setting. Although WGL makes a significant positive contribution, the Waterperry estate still makes an operating loss. A number of measures are in hand to reduce this loss by increasing the revenue streams at Waterperry.

4.8. Achievement and Performance

The School is not a public fund-raising charity and does not set fund-raising targets or specific aims for expansion. The main sources of funding are fees from courses, gifts, legacies, and returns on investments. Steps continue to be taken to find supplementary sources of income, primarily through rental of our buildings when not in use by the School.

During 2022, 548 new students enrolled for the national online philosophy course. In addition, 953 students enrolled for in-person courses across the country.

For the last term in 2022, the Autumn term, there were 255 students enrolled in national online philosophy courses, a decrease of 102 over the previous year. This excludes the Part 1 introductory course because of the high drop out rate in the first term.

In addition, for the in-person philosophy courses, in the Autumn term 2022, there were 1,553 students enrolled in London and the Branches. This was an increase of 57, compared with 2021.

For the Economics course offered online and in-person in London, 262 new students enrolled. Excluding Part 1, there were 182 students enrolled in the Autumn 2021 term, an increase of 17.

During the year over 140 students registered each term for the Horizons courses.

Since its foundation in 1937 the School has provided courses to tens of thousands of people in the UK. While the Executive Committee would always like to see larger numbers of enrolled students, the priority of the School is always to meet the needs of students attending courses.

The following activities have been undertaken:

- The School continues to organise courses, seminars and events to enable students to present the findings of their studies to a wider public.
- Contact continues to be made and maintained with like-minded organisations in order to collaborate with them in the development of common fields of study.
- Budgets continue to be carefully reviewed to enable the Charity to function within its means.
- The use of the School's residential properties has also been reviewed to identify means of making better use of the facilities.

4.9. Development Plan

Work had started late in 2019 to review and renew the strategic vision for the charity. There are three interrelated factors: the lower than hoped enrolment numbers, a continuing drain on the financial reserves and the cost of some of the properties.

The need for this review was accentuated by the impact of the Covid-19 pandemic and the lockdown restrictions imposed by the government.

The Strategy Working Group (SWG), set up in 2020, continued its work through to September 2022. A second open meeting with all students in the Senior School was held, on Zoom, in May 2022, a key element of the SWG's communication activities. The core SWG team consisted of representatives from the Executive Committee, the tutorial teams

and Branch Leaders. A number of newsletters were published covering the work outputs and inviting and responding to comments from the students.

A significant strand of SWG work was to look at the culture of the School. A draft code of conduct was discussed in all senior groups and feedback gathered. The resulting code of conduct has been published on the School's website in 2023.

As the SWG came to a close a new Development Group, under the leadership of the Senior Tutor, was formed to oversee continuing initiatives that were started under the SWG, as well as any others that might emerge. The Development Group also has responsibility for continuing the communication activities initiated by the SWG.

To date, the following initiatives are underway:

- Emphasising 'service as a way of life' with early part students. Service is one of the four core pillars of the School's approach, along with Group, Meditation and Retreats. The aim is to integrate the approach to service in one's daily life into the material and group meetings.
- Establishing a General Studies course for those students who are not yet ready to take up meditation by the end of the second year.
- Drawing together existing tutor support material to provide an online tutor support resource.
- Introducing new retreats that are open to people not enrolled on the School's courses.

The new budget control process implemented for 2021 has proved useful and was repeated for 2022. A new capital expenditure budget process was introduced during 2022 for the 2023 budget. This gives the Executive Committee more visibility of potential future expenditure together with a process whereby competing demands on financial resources can be assessed against published criteria.

5. Financial Review & Results

The consolidated Statement of Financial Activities which accompanies this report shows that the Group had a deficit in the 12 months to end December 2022 of £1,461,000 (2021: surplus of £2,191,000). The principal reason for this was unrealised losses of £1,457,000 (2021: unrealised gains of £1,956,000).

The Charity's income from courses and retreats was higher than in 2021, primarily because of an increase in retreats, meetings and events made possible by the ending of Covid-19 restrictions, and increases in branch student numbers. Overall fee income increased to £1,126,000 (2021: £968,000). Total voluntary income for the year increased slightly over the previous year at £434,000 (2021: £425,000), of which donations and gift aid were down at £145,000 (2021: £208,000), but legacy income increased substantially to

£289,000 (2021: £217,000), principally thanks to one substantial legacy. The Trustees are grateful for students' generous donations, as well as legacy income.

5.1. Net Unrealised Losses on Investments

The total unrealised losses for the year included:

- a reduction in the valuation of investment properties of £1,152,000 from £8,212,000 to £7,060,000, based on an external valuation by Carter Jonas LLP. For some years the valuation of our investment properties has been carried out by a retired professional surveyor who is a member of the School. It was considered time to commission an external survey. Their valuation was lower, particularly relating to one property in London.
- a net loss of £317,000 (2021: net gain of £359,000) on listed investments from £3,306,000 to £2,977,000. The fall in the value of the investment funds, was due to adverse conditions in the market. This is discussed more fully in Section 5.6 below.

No funds were drawn down from listed investments during the year.

5.2. Investment Income from Property

Gross investment income for the year was lower at £223,000 (2021: £247,000), principally because of non-payment of rent by the tenants of two studios at St Oswald's, subsequently paid in May and June 2023

As noted last year, our new investment managers, CCLA and P1 automatically reinvest income in the portfolios. They do not disclose the amounts involved.

5.3. Waterperry Gardens Limited

In 2022 the global effects of the Ukrainian war, supply chain problems and financial uncertainty were seen to have their effect on WGL. Larger size purchases such as furniture much were less common than in 2021. There was also a very hot summer to contend with which affected plant sales. The apple crop was very good and visitor numbers remained high with coach bookings returning. The full programme of outdoor events went ahead. All this led to a profit of £91,000 (2021: £246,000) for the year before tax.

WGL repaid a further £50,000 of its CBILS loan, in addition to the agreed monthly repayments. £67,000 remains to be repaid.

The WGL Board decided to donate half its eligible profit for 2022 to the charity with Gift Aid. This amounts to £59,000. As a result WGL will pay Corporation Tax on half its profit but will retain the balance for working capital. This will be reflected in the 2023 results. In the year to 31 December 2022, the charity benefited from the £200,000 gift aid from WGL announced last year.

5.4. Reserves Policy

The Charity requires financial reserves to maintain and advance its activities for the following reasons:

- to minimise the charity's requirement for debt;
- for operational purposes, to maintain properties, (with a net book value at 31 December 2022 of £15,287,000 (2021: £15,497,000), equipment, etc, which are used extensively for educational and residential purposes in accordance with the Charity's objects.

Property ownership provides long term security of tenure, a measure of financial resilience, the opportunity for higher standards of maintenance, facilities adapted to the Charity's specific requirements, and for lower running costs in the long term than occurs with a dependency upon rented accommodation.

Free Reserve

The free reserve is the balance of total funds (£27,298,000) less the value of those funds already identified as:

- Restricted funds; £401,000
- Designated Funds; £2,000,000
- Tangible Fixed Assets; £15,287,000
- Investment properties; £7,060,000

Total free reserve: £2,550,000.

The Trustees consider that an adequate target level of Operating Reserve is approximately £2,100,000. This would provide sufficient reserves to meet the charity's running costs for a period of six months in the event of major disruption to our activities.

The charity also operates a benevolent fund called The School of Economic Science Benevolent Fund (Charity Number 313115-1). It is funded from the Operating reserve to provide financial assistance for poor students attending any of the classes conducted by the charity.

The Trustees invest the surplus funds in line with our investment policy.

5.5. Designated Funds

Building and Capital Asset Reserve – £1,000,000

This fund is used for the following purposes:

- To hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students

attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments. While government regulations prevented meetings in person, there was no such need, but as life returns to normal and classes start to resume in School buildings, the possibility of further acquisitions returns.

- This Fund can be used for buildings improvement and refurbishment either from the interest earned thereon or from the capital itself. Assuming that the project to upgrade the second floor of Waterperry House proceeds, it will be funded from this reserve.

Opportunity Reserve – £1,000,000

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2023 the trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it in 2024. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee.

The Trustees review the designated funds of the charity on a regular basis.

5.6. Investment Policy and Performance

2022 was a turbulent year by many measures – a war in Ukraine with shortages in the supply of gas having a major impact on energy prices; rising inflation; rising interest rates; a third prime minister in the UK in less than one year; a disastrous budget which spooked the UK market; and strikes in a number of key industries among these factors. Stock markets were volatile and gilts took a battering, generating a year on year decline of some 15% in world equities and 25% in long dated gilts.

The School's investment in CCLA suffered a decline of 9.5% over the year, with a year end value of £2,211,000, down from £2,444,000 at January 1st 2022. This decline was marginally ahead of the Fund's comparator. The same conditions affected the School's investment in P1 where the capital value declined from £779,000 to £683,000, a decline of 12.3% over the year. Their exposure to the gilts market exacerbated the negative returns. Inevitably there will be rises and falls in the value of these investments, which only affect the charity when funds are drawn down. The investments in CCLA Investment Management and P1 Investment Management are regarded as long term investments. The funds still offer good prospects for long term growth despite the short term declines. No funds were drawn down in 2022.

The Executive Committee accepted the recommendation of the Investment Sub-Committee to sell 96 Sedlescombe Road, and it was put on the market. Unfortunately this occurred at a time when demand for London properties fell because of the sharp rise in interest rates. Although there was interest in the property, no offers were received despite reducing the asking price. It was withdrawn from the market and the lease to the existing tenants extended.

5.7. Fees

Historically fees for courses and for retreats have been kept as low as possible. There have been step changes in the early part fees, which have been difficult to explain. The decision was made for the London and national online courses that all courses from Part 2 to Part 12 should be based consistently on a standard fee of £15 per session, which is both reasonable and in line with other providers of comparable courses. The fee for Part 1 has been discounted so that it remains attractive for those who are interested in the courses. Fees for online and in-person courses are the same, primarily to ensure that cost is not a factor for people choosing to attend online rather than in-person.

The daily fee for retreats at Waterperry and Nanpantan was also reviewed in light of running costs of the centres and compared to other similar retreats. The Waterperry Working Group in 2020 suggested that at least £75 per night would be a more reasonable rate. For Nanpantan Hall a more commercial rate would be closer to £60. Although the rate was not changed in 2022, the standard rate for retreats at both buildings and online will be £60 for 2023.

5.8. Reserves

The Trustees believe the Charity has adequate reserves for the next twelve months, and we have made no changes to our reserves policy.

5.9. Auditors

In October 2022, after signing off the 2021 audit with a clean opinion, Crowe UK LLP, the group's auditors resigned. The Trustees subsequently appointed Sayer Vincent LLP to audit the charity and the group.

The WGL board appointed King Loose & Co., a local Oxford firm, as the company's auditors.

5.10. Post-Audit Events

Student Enrolment

With the relaxation of Covid relation restrictions more in-person activities have resumed. Retreats at Waterperry House and Nanpantan Hall have taken place, with reduced numbers, following social distancing guidelines. Some students prefer to attend the retreats online and various arrangements are made to make use of the available

technology. Similarly, as well as offering in-person introductory groups, some existing groups are returning to meet in-person on a regular basis. It is still very difficult to predict trends for in-person attendance. Numbers in London remain significantly low. Online will continue to be an important part of the School's offering.

Trading Subsidiary

2023 could again be challenging with energy prices increasing and a nearly 10% increase in the minimum wage in April. Early indications are that it is, as ever, the weather which has the greatest influence on the fortunes of WGL, with a good February and a poor March reflecting this.

Going Concern

Given the strength of the charity's cash balances and financial investments, and the budgets and cash flow forecasts that we have prepared, the Trustees are confident that the Charity remains a going concern.

Fundraising

The School does not carry out external fundraising activities or raise funds from the general public, with donations being received from students or others familiar with the School. Accordingly, it is not registered with the Fundraising Regulator.

6. *Plan for the Future*

The School's main aims are set out in Section 1. Historically, the Charity has aimed to respond to needs and demands on its services as they arise rather than seeking to generate new activities, beyond making those services known to as wide a community as possible. The aim was to allow for organic growth and development without the constraints of a structured long-term plan. As discussed in Section 4.9 above, this approach has been superseded initially by the work of the SWG and now the Development Group.

Work has started on developing a Sustainability Policy and Plan. This is looking at the impact of the School's activities in terms of costs and value, as well as the impact, positive or negative, on the environment and society. This is a major initiative which will influence our thinking over the coming years. One project already started in 2023 is to consider the feasibility of installing a solar farm at Waterperry that could provide power to the house and to WGL.

In 2023 we are planning a strategic review of our marketing approach and redevelopment of the London/national website. The website will be redeveloped to align with the design already used by several of the Branches and to be more transparent about the activities of the School. A section on meditation has already been included on the current website.

Work will continue on enhancing the use of the Waterperry estate. Plans are advanced for redevelopment of the top floor of Waterperry House. Planning permission has been approved and subject to acceptable budget proposals in response to tender documents work is planned to commence in September 2023. This will provide for ensuite bedrooms on the top floor, which will be useful both for the School students and to make the house more attractive for third party hires.

It is considered vital that the network of branches across the UK are maintained and strengthened. During the Covid lockdown, technology has enabled online groups to offer courses to new students and maintain contact with existing students. It has also enabled those who could not attend physically to join in the school community. However, there is a richness in personal contact and wherever possible, the aim is to provide in-person groups and meetings, for those who wish and are able to take part. It is expected that in-person and online groups and events will continue for the foreseeable future.

Sayer Vincent LLP was appointed as the charity's auditor during the year and has expressed its willingness to continue in that capacity.

Approved by the Trustees on 23 June 2023 and signed on their behalf by:

S. Silver

Chair

C. Rees

Treasurer

Independent auditor's report

Opinion

We have audited the financial statements of The Fellowship of the School of Economic Science (the 'parent charity') for the year ended 31 December 2022 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and 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
- 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 in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Fellowship of the School of Economic Science'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 trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements

does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept; or
- the 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 trustees

As explained more fully in the statement of trustees' responsibilities set out in the trustees' annual report, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and 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 trustees either intend 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 regulations made under section 154 of that Act.

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

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 are set out below.

Capability of the audit in detecting irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.
- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent 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

The Fellowship of the School of Economic Science
Report and Financial Statements for the year ended 31 December 2022

permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

5 July 2023

Sayer Vincent LLP, Statutory Auditor
Invicta House, 108-114 Golden Lane, LONDON, EC1Y 0TL

Consolidated statement of financial activities**For the year ended 31st December 2022**

	Note	Unrestricted £'000	Restricted £'000	2022 Total £'000	Unrestricted £'000	Restricted £'000	2021 Total £'000
Income from:							
Donations and legacies	2	423	11	434	425	–	425
Charitable activities							
Courses & Residential	3	1,123	–	1,123	955	–	955
Other activities	3	3	–	3	13	–	13
Other trading activities	4	2,475	2	2,477	2,223	–	2,223
Investments	5	224	–	224	266	–	266
Total income		4,248	13	4,261	3,882	–	3,882
Expenditure on:							
Raising funds:	6						
Costs of trading activity		2,160	–	2,160	1,848	–	1,848
Other costs of raising funds		46	–	46	27	–	27
Investments		120	–	120	159	–	159
Charitable activities							
Courses & Residential	6	1,917	18	1,935	1,602	2	1,604
Other activities	6	4	–	4	9	–	9
Total expenditure		4,247	18	4,265	3,645	2	3,647
Net income/(expenditure) before net gains/(losses) on investments		1	(5)	(4)	237	(2)	235
Net gains/(losses) on investments		(1,457)	–	(1,457)	1,956	–	1,956
Net Income/ (expenditure)		(1,456)	(5)	(1,461)	2,192	(2)	2,191
Transfers between funds		–	–	–	–	–	–
Net movement in funds		(1,456)	(5)	(1,461)	2,192	(2)	2,191
Reconciliation of funds:							
Total funds brought forward		28,353	406	28,759	26,162	408	26,568
Total funds carried forward		26,897	401	27,298	28,353	406	28,759

Please note: The data for the Financial Statements is derived from the School accounts system which produces actual numbers down to pounds and pence. The Financial Statements are shown as whole numbers rounded up or down to the nearest thousand. Therefore there may be small variances in addition in some rows or columns.

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 23 to the financial statements.

Note 6a explains how support and governance costs have been allocated differently in 2022 and 2021.

The notes on pages 38 to 54 form part of these financial statements.

Balance sheets

As at 31st December 2022

		The group		The charity	
	Note	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fixed assets:					
Tangible assets	13	15,287	15,497	15,197	15,377
Investment properties	14	7,060	8,212	7,060	8,212
Investments	15	2,977	3,306	3,334	3,663
		25,324	27,015	25,591	27,252
Current assets:					
Stock	17	490	370	78	83
Debtors	18	285	357	292	323
Cash at bank and in hand		1,770	1,730	1,501	1,173
		2,545	2,457	1,871	1,579
Liabilities:					
Creditors: amounts falling due within one year	19	543	609	343	344
Net current assets		2,002	1,848	1,528	1,235
Total assets less current liabilities		27,326	28,863	27,119	28,487
Creditors: amounts falling due after one year	20	28	104	–	29
Total net assets		27,298	28,759	27,119	28,458
Funds:	23				
Restricted income funds		401	406	401	406
Unrestricted income funds:					
Designated funds		2,000	2,000	2,000	2,000
Fair value reserve		5,443	6,900	5,443	6,900
General funds		19,275	19,152	19,275	19,152
Non-charitable trading funds		179	301	–	–
Total unrestricted funds		26,897	28,353	26,718	28,052
Total charity funds		27,298	28,759	27,119	28,458

The notes on pages 38 to 54 form part of these financial statements.

Approved by the Trustees on 23 June 2023.

S. Silver
Chair

C. Rees
Treasurer

Consolidated statement of cash flows

For the year ended 31st December 2022

	Note	2022 £'000	2021 £'000
Cash flows from operating activities	24		
Net cash provided by/(used in) operating activities		(62)	253
Cash flows from investing activities:			
Dividends, interest and rents from investments		224	247
Proceeds from the sale of assets		–	–
Purchase of fixed assets		(122)	(323)
Proceeds from sale of investments		–	350
Purchase of investments		–	–
Net cash provided by/(used in) investing activities		102	274
Change in cash and cash equivalents in the year		40	527
Cash and cash equivalents at the beginning of the year		1,730	1,203
Cash and cash equivalents at the end of the year		1,770	1,730

The notes on pages 38 to 54 form part of these financial statements.

Notes to the financial statements

For the year ended 31st December 2022

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Waterperry Gardens Limited (company number 02233285) on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two organisations are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as the summary of the result for the year is disclosed in the notes to the financial statements.

b) Statutory information

The Fellowship of the School of Economic Science is an unincorporated charity (charity number 313115, OSCR number SC039950) and registered in England and Wales, and Scotland. The registered office and main place of business is 11 Mandeville Place, London, W1U 3A.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees are confident that the Charity remains a going concern and, combined with the mitigating actions described in the Trustees' report, has sufficient cash, investment and property reserves to cope with any financial issues for the foreseeable future. To protect the longer term interests of the charity, there is currently a review of the estate and operations ongoing, and the Trustees intend to make the necessary decisions in order to ensure the financial stability of the Charity for the longer term.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Notes to the financial statements

For the year ended 31st December 2022

1 Accounting policies (continued)

Courses and residential fees are included in the statement of financial activities during the year as earned.

Students attending the early parts of the philosophy course, which make up a majority of this income, pay a fee covering their attendance at these classes each term. However, students in the senior parts of the School pay an annual composite fee that also includes the costs of their residential accommodation and study days attendance. Any income received in advance is deferred.

Investment income is recognised as income during the year to which it relates.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Turnover from trading activities is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents revenue earned from the sale of goods and is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose and costs of trading activities.
- Expenditure on investments relates to investment management fees incurred by the School
- Expenditure on charitable activities includes the costs of courses, residentials and other activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned directly to the appropriate activity except for some expense items that have been apportioned according to the space occupied.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Support and governance costs are apportioned as follows:

▪ Cost of raising funds	6.3%
▪ Investments	5.4%
▪ Courses & Residential	88.0%
▪ Other activities	0.2%

Notes to the financial statements

For the year ended 31st December 2022

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Taxation

The Fellowship is a registered charity and therefore is not liable to income or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The subsidiary company is subject to corporation tax but any profits arising will normally be Gift Aided to the parent charity, so generally no tax charge will arise.

l) Tangible fixed assets

The building element of the tangible fixed asset properties held by the school are depreciated over 100 years. An annual impairment review is also undertaken in accordance with Financial Reporting Standard 102.

For other tangible fixed assets depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

▪ Long leasehold property	1% on cost
▪ Improvements in building	1%–33.3% on cost
▪ Motor vehicles	25% on cost
▪ Equipment	10%–33.3% on cost

Items of equipment are capitalised where the purchase price exceeds £1,000, but there is some leeway for branches. Certain temporary items of equipment have been written off at the rate of 50% on cost.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

Investments

Investments are valued in the balance sheet at their mid-market or bid price at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based, while investment income management costs are charged as expenditure out of the relevant income funds. Investment gains and losses are shown in the statement of the financial activities. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

Investments in subsidiaries

Investments in subsidiaries are at cost.

Notes to the financial statements

For the year ended 31st December 2022

1 Accounting policies (continued)

n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions and financial instruments

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

s) Pensions

The charity operates a defined contribution scheme for the benefit of employees. Contributions payable are charged to the statement of financial activities in the year they are due.

t) Volunteers

In line with SORP 2015, the contribution of general volunteers is not be included as income in the accounts due to the absence of a reliable measurement basis. However the role of volunteers within the charity is disclosed in the report of the Trustees.

u) Charitable donations

From time to time the school makes donations to other charities and individuals whose activities are in line with its own charitable objectives. These donations are made at the discretion of the Trustees.

Notes to the financial statements

For the year ended 31st December 2022

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2022 Total £'000	2021 Total £'000
Legacies	289	–	289	217
Donations and gift aid	134	11	145	208
	<u>423</u>	<u>11</u>	<u>434</u>	<u>425</u>

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2022 Total £'000	2021 Total £'000
Courses & residential	1,123	–	1,123	955
Other activities	3	–	3	13
Total income from charitable activities	<u>1,126</u>	<u>–</u>	<u>1,126</u>	<u>968</u>

4 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2022 Total £'000	2021 Total £'000
Waterperry Gardens income	2,185	–	2,185	2,089
Sales of:				
Books and CDs	40	–	40	27
Refreshments	16	–	16	3
Income from room hire	213	–	213	89
Various other sources of income	21	2	23	15
	<u>2,475</u>	<u>2</u>	<u>2,477</u>	<u>2,223</u>

5 Income from investments

	Unrestricted £'000	Restricted £'000	2022 Total £'000	2021 Total £'000
Rent – investment properties	223	–	223	247
Dividends	–	–	–	19
Bank deposit and short term interest	1	–	1	–
	<u>224</u>	<u>–</u>	<u>224</u>	<u>266</u>

Notes to the financial statements

For the year ended 31st December 2022

6a Analysis of expenditure (current year)

	Cost of raising funds £'000	Investments £'000	Charitable activities		Governance costs £'000	Support costs £'000	Total £'000
			Courses and residential £'000	Other Activities £'000			
Staff costs (Note 9)	829	-	-	-	-	601	1,430
Direct supply costs	200	-	237	-	-	-	437
Cost of sales	783	-	-	-	-	-	783
Publicity	41	-	166	-	-	-	207
Premises – running costs	140	-	221	-	-	-	361
Premises – major repairs	11	-	146	-	-	-	157
Legal & professional	-	80	19	-	-	-	99
Audit and other fees	10	-	-	-	35	-	45
Administration	102	-	213	1	-	91	407
Depreciation	44	-	286	2	-	-	332
Charitable donations (note 8)	-	-	7	-	-	-	7
	2,160	80	1,295	3	35	692	4,265
* Support costs	44	38	609	1	-	(692)	-
* Governance costs	2	2	31	-	(35)	-	-
Total expenditure	2,206	120	1,935	4	-	-	4,265

* From 2022, support costs and governance costs are allocated proportionally based on charity costs instead of group costs. Both costs in 2021 are restated for comparison under Note 6b.

Notes to the financial statements

For the year ended 31st December 2022

6b Analysis of expenditure (prior year)

	Cost of raising funds £'000	Investments £'000	Charitable activities		Governance costs £'000	Support costs £'000	Total £'000
			Courses and residential £'000	Other Activities £'000			
Staff costs (Note 9)	749	–	–	–	–	554	1,303
Direct supply costs	141	–	184	–	–	–	325
Cost of sales	707	–	–	–	–	–	707
Welfare	–	–	–	–	–	–	–
Publicity	31	–	101	–	–	–	132
Premises – running costs	88	–	161	–	–	–	249
Premises – major repairs	–	–	113	–	–	–	113
Legal & professional	–	100	23	–	–	–	123
Audit and other fees	9	–	–	–	28	–	37
Administration	85	–	143	3	–	95	326
Depreciation	38	–	289	3	–	–	330
Charitable donations (note 8)	–	–	2	–	–	–	2
	<u>1,848</u>	<u>100</u>	<u>1,016</u>	<u>6</u>	<u>28</u>	<u>649</u>	<u>3,647</u>
Support costs (restated)	26	56	564	3	–	(649)	–
Governance costs (restated)	1	3	24	–	(28)	–	–
Total expenditure	<u>1,875</u>	<u>159</u>	<u>1,604</u>	<u>9</u>	<u>–</u>	<u>–</u>	<u>3,647</u>

Notes to the financial statements

For the year ended 31st December 2022

7 Net income for the year

This is stated after charging:

	2022 £'000	2021 £'000
Depreciation	332	330
Auditor's remuneration: Audit	44	37

8 Grant making

	Grants to institutions £'000	Grants to individuals £'000	2022 £'000	2021 £'000
A Purves – Economics Research	–	7	7	2

Grants are given for education and research purposes. A Purves is a director of the trading subsidiary Waterperry Gardens Limited.

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2022 £'000	2021 £'000
Salaries and wages	1,242	1,131
Social security costs	96	83
Employer's contribution to defined contribution pension schemes	92	89
	1,430	1,303

One employee earned between £70,000–£79,999 not including employer's National Insurance contributions during the year. (In 2021, one employee earned between £60,000–£69,999 not including employer's National Insurance contributions during the year).

The total employee benefits including pension contributions and employer's National Insurance contributions of the key management personnel were £210,020 (2021: £192,118).

The Trustees were not paid and did not receive any other benefits from employment with the Charity in the year (2021: £Nil). One Trustee was reimbursed £3,234 for planning application fees paid on behalf of the charity (2021: £Nil).

Trustees' expenses are for attendance at meetings of the Trustees or business meetings on behalf of the charity. In 2022, one trustee had expenses of £85.33 (2021: £Nil).

Notes to the financial statements

For the year ended 31st December 2022

10 Staff numbers

The average number of employees (head count based on number of staff employed including full time and part time staff) during the year was as follows:

	2022 No.	2021 No.
Raising funds (trading activity)	66	59
Courses and residentials	18	20
	<u>84</u>	<u>79</u>

66 (2021: 59) employees above were employed by Waterperry Gardens Limited and the remaining 18 (2021: 20) were employed by the parent charity.

11 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are no related party transactions to disclose for this financial year (2021: none).

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Waterperry Gardens Limited is liable to pay corporation tax at 19% on any profits not gift aided to the parent charity. In 2022 it had a tax liability of £10,900 (2021: Nil).

Notes to the financial statements

For the year ended 31st December 2022

13 Tangible fixed assets

The group

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	12,976	322	6,062	19,360
Additions in year	–	–	122	122
Reclassification	14	–	(14)	–
At the end of the year	12,990	322	6,170	19,482
Depreciation				
At the start of the year	333	284	3,246	3,863
Charge for the year	77	7	248	332
At the end of the year	410	291	3,494	4,195
Net book value				
At the end of the year	12,580	31	2,676	15,287
At the start of the year	12,643	38	2,816	15,497

The charity

	Freehold property £'000	Leasehold property £'000	Equipment/imp rovements £'000	Total £'000
Cost				
At the start of the year	12,976	11	5,040	18,027
Additions in year	–	–	108	108
Reclassification	14	–	(14)	–
At the end of the year	12,990	11	5,134	18,136
Depreciation				
At the start of the year	333	2	2,316	2,651
Charge for the year	77	–	211	288
At the end of the year	410	2	2,527	2,939
Net book value				
At the end of the year	12,580	9	2,607	15,197
At the start of the year	12,643	9	2,724	15,377

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31st December 2022

14 Investment properties

	The group		The charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Fair value at the start of the year	8,212	6,528	8,212	6,528
Purchase /Transfer from fixed assets	-	88	-	88
Property sold during year	-	-	-	-
Revaluation during the year	(1,152)	1,596	(1,152)	1,596
Fair value at the end of the year	<u>7,060</u>	<u>8,212</u>	<u>7,060</u>	<u>8,212</u>
Historic cost at the end of the year	<u>4,363</u>	<u>4,363</u>	<u>4,363</u>	<u>4,363</u>

The investment properties have been valued by Carter Jonas LLP which provided professional valuation services for accounting purposes for the year end 31 December 2022.

15 Listed investments

	The group		The charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Investments at the start of the year	3,306	3,305	3,663	3,662
Deposits	-	-	-	-
Withdrawals	-	(350)	-	(350)
Dividends and Interest Income	-	19	-	19
Fees	(12)	(27)	(12)	(27)
Net losses on value of shares	(317)	359	(317)	359
Investments at the end of the year	<u>2,977</u>	<u>3,306</u>	<u>3,334</u>	<u>3,663</u>
Investments consist of				
Listed investments	2,977	3,306	2,977	3,306
Investment in Subsidiary	-	-	357	357
Cash held by broker	-	-	-	-
Market value at the end of the year	<u>2,977</u>	<u>3,306</u>	<u>3,334</u>	<u>3,663</u>

Notes to the financial statements

For the year ended 31st December 2022

16 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Waterperry Gardens Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. One trustee, Sherry Moran, was appointed a director in July 2021. Available profits are gift aided to the parent charity. A summary of the results of the subsidiary is shown below:

	2022 £'000	2021 £'000
Turnover	2,186	2,089
Turnover from sales to parent undertaking	27	21
Cost of sales	(1,734)	(1,522)
Gross profit	479	588
Administrative expenses	(352)	(280)
Management charge payable to parent undertaking	(34)	(61)
Operating profit / (loss)	93	247
Interest payable to parent undertaking	(2)	(1)
Profit / (loss) on ordinary activities	91	246
Tax on profit	(6)	–
Profit / (loss) for the financial year	85	246
The aggregate of the assets, liabilities and funds was:		
Assets	1,059	1,094
Donation to parent under gift aid	(200)	–
Liabilities	(323)	(435)
Funds	536	659

Amounts owed to/from the parent undertaking are shown in note 18.

17 Stock

	The group		The charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Books	78	83	78	83
Garden centre stock	412	287	–	–
	490	370	78	83

Notes to the financial statements

For the year ended 31st December 2022

18 Debtors

	The group		The charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Amounts due from subsidiary	–	–	47	56
Trade debtors	100	122	112	111
H M Revenue & Customs	26	31	26	31
Prepayments	86	106	34	41
Other debtors	73	98	73	84
	285	357	292	323

Amounts due from subsidiary comprise a loan, current total £46,840, from the parent charity to the subsidiary to pay for expenditure on brown motorway tourist signs. It is repayable within 5 years at an interest rate of 2.25%. The loan is included at cost, as the impact of discounting would be immaterial to the financial statements.

19 Creditors: amounts falling due within one year

	The group		The charity	
	2022 £'000	2021 £'000	2022 £'000	2021 £'000
Trade creditors	92	133	94	103
Accruals	94	35	57	35
External loans	59	159	9	59
Taxes and social security costs	117	66	19	14
Deferred income	85	72	85	72
Other creditors	96	144	79	61
	543	609	343	344

Notes to the financial statements

For the year ended 31st December 2022

20 Creditors: amounts falling due after one year

	The group		The charity	
	2022	2021	2022	2021
	£'000	£'000	£'000	£'000
Retirement benefits payable in more than one year	–	29	–	29
External loans payable in more than one year	17	67	–	–
Deferred Tax	11	7	–	–
	28	104	–	29

In 2021, one ex-employee of the School was in a receipt of a pension paid directly by the School. The Trustees considered it appropriate to adopt a policy of maintaining a reserve equal to the pension multiplied by a number of years determined by the Trustees having regard to the individual's age and health, with no allowance for either discounting or future inflation. On this basis the reserve for the pension in payment at the end of 2021 was £29,200. The ex-employee died in 2022. No further reserve is required.

The external loan is a CBILS loan taken out by Waterperry Gardens Limited.

21 Pension scheme

The Fellowship operates a defined contribution scheme and contributes 7% of the salary of those staff who have decided to enter into a personal pension arrangement, direct to the insurer. The charge for the period was £74,166 (2021: £72,431).

22a Analysis of group net assets between funds (current year)

	Restricted	Designated	General funds	Total funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	–	–	15,287	15,287
Fixed asset investments	–	2,000	8,037	10,037
Net current assets	401	–	1,601	2,002
Creditors: amount falling due in over one year	–	–	(28)	(28)
Net assets at the end of the year	401	2,000	24,897	27,298

22b Analysis of group net assets between funds (prior year)

	Restricted	Designated	General funds	Total funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	–	–	15,497	15,497
Fixed asset investments	–	2,000	9,518	11,518
Net current assets	406	–	1,442	1,848
Creditors: amount falling due in over one year	–	–	(104)	(104)
Net assets at the end of the year	406	2,000	26,353	28,759

Notes to the financial statements

For the year ended 31st December 2022

23a Movements in funds (current year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	279	13	(18)	–	274
Future branches properties	127	–	–	–	127
Total restricted funds	406	13	(18)	–	401
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	–	–	–	1,000
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	2,000	–	–	–	2,000
Fair value reserve	6,900	–	(1,457)	–	5,443
General funds	19,152	2,035	(1,912)	–	19,275
Non-charitable trading funds	301	2,213	(2,335)	–	179
Total unrestricted funds	28,353	4,248	(5,704)	–	26,897
Total funds	28,759	4,261	(5,722)	–	27,298

Purposes of restricted funds

Specific charitable activities relate to specific activities of the various faculties and branches in the School. The Future branches properties fund comprises monies raised in prior years for the specific purpose of purchasing local buildings for two branches based in Berkshire and the Midlands.

Purposes of designated funds**Building and Capital Asset reserve**

The purpose of this fund is to hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments. While government regulations prevented meetings in person, there was no such need, but as life returns to normal and classes start to resume in School buildings, the possibility of further acquisitions returns.

This Fund can be used for buildings improvement and refurbishment either from the interest earned thereon or from the capital itself. Assuming that the project to upgrade the second floor of Waterperry House proceeds, it will be funded from this reserve.

Notes to the financial statements

For the year ended 31st December 2022

Opportunity Reserve

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2023 the trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it in 2024. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee.

Benevolent Fund

The charity also operates a benevolent fund called The School of Economic Science Benevolent Fund (Charity Number 313115-1). It is funded from the Operating reserve to provide financial assistance for poor students attending any of the classes conducted by the charity.

23b Movements in funds (prior year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	281	–	(2)	–	279
Future branches properties	127	–	–	–	127
Total restricted funds	408	–	(2)	–	406
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	–	–	–	1,000
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	2,000	–	–	–	2,000
Fair value reserve	4,944	1,956	–	–	6,900
General funds	19,160	1,773	(1,781)	–	19,152
Non-charitable trading funds	56	2,109	(1,864)	–	301
Total unrestricted funds	26,160	5,838	(3,645)	–	28,353
Total funds	26,568	5,838	(3,647)	–	28,759

Notes to the financial statements

For the year ended 31st December 2022

24 Reconciliation of net income to net cash flow from operating activities

	2022 £'000	2021 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(1,461)	2,191
(Gains)/losses on investments	1,469	(1,956)
Investment manager fees	12	27
Gain on sale of fixed assets/property	–	–
Depreciation	332	330
(Increase)/decrease in stocks	(120)	(45)
(Increase)/decrease in debtors	72	(12)
(Decrease)/increase in creditors	(142)	(15)
Investment income	(224)	(266)
Legacy income in the form of property	–	–
Net cash provided by / (used in) operating activities	(62)	253

25 Results of the parent charity

	2022 £'000	2021 £'000
Turnover	2,317	1,854
Net result of the charity	(1,338)	1,946

Accounts



*The Fellowship
of the
School of Economic Science*

*Report and Financial Statements
for the year ended
31 December 2021*

The Fellowship of the School of Economic Science
11 Mandeville Place
London
W1U 3AJ

Executive Committee (Trustees):

Stephen Silver (Principal)
Chris Rees (Treasurer)
Anthea Douglas (General Secretary)
David Nock (from September 2021)
Edward Saunders
Elina Grigoriou

Elizabeth Mazzola (from October 2021)
Kumar Kumara (from September 2021)
Matt McNeill
Paul Moss (resigned February 2021)
Richard Ibbett
Sherry Moran

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1. Foundation and Vision

1.1. A Search for Truth

The Fellowship of the School of Economic Science (“the Charity”) was founded in 1937 to establish and maintain the School of Economic Science (“the School”) to teach ideas of economic justice derived and developed from the insights of the American economist Henry George. It soon became apparent that the answer to economic problems lay not just with economic systems but also with human understanding and in the early 1950’s philosophy courses were added to the economics programme. In 2019 the Fellowship adopted the new name, The School of Philosophy and Economic Science. Economics and philosophy courses were directed by the founder and Senior Tutor, Leon MacLaren from 1937 until his death in 1994. Since then, they have been led and directed by the present Senior Tutor, Donald Lambie.

“It became very clear to me that there was such a thing as Truth and there was such a thing as Justice; and that they could be found and being found could be taught.”

Leon MacLaren

Philosophy in the School quickly took a practical bent, focusing on the need to awaken human consciousness through coming to rest in stillness. This in turn led to a meeting in 1961 with the Maharishi Mahesh Yogi and the adoption of mantra meditation as a key feature of the School’s approach to the understanding and practice of philosophic principles.

Leon MacLaren later met with Shri Shantananda Saraswati, a teacher of the philosophy called Advaita or non-duality, which has since become central to the School’s work in both economics and philosophy. Parallels were found among many philosophers and writers from the world’s philosophical, theological and literary traditions which, through practical application in daily life, led to deepening understanding of human nature and the application of philosophic principles in personal and social life.

Courses in economics and philosophy continue to develop from a growing understanding of the philosophy of non-duality. They work by encouraging personal practice and observation and enquiry shared in groups of like-minded people, whose collective experience facilitates the development of individual understanding.

1.2. Aim of the School of Philosophy and Economic Science

The School aims to be a centre of spiritual and practical knowledge and enquiry for people leading everyday working and family lives. The intention is to help individuals lead full, rich and useful lives, to be of service in society and to evolve the spiritual aspect of their being in accordance with natural laws.

*“The Aim is Truth; and Truth as we now know is beyond creation.
It is the Self of every living creature. That is the aim. That is what it is all about.”*

Leon MacLaren

The School is committed to an ethic of lifelong learning and development. Many students continue to attend classes throughout their adult life, also providing the voluntary service upon which the School depends, and contributing to the wider community in whatever ways they can. The School’s educational aims and the study opportunities are all based on the philosophical view that humanity is united in a common conscious essence and that natural laws offer the possibility that human beings can live in freedom and prosperity without exploitation or misuse of nature. From those foundations, studies extend into many other fields including Language (particularly Sanskrit and Latin), Renaissance Studies, Plato, Art, Music, Law, Government and Education.

2. *Objects of the Charity*

2.1. **The Rules set out the Objects of the Charity**

The Objects are:

- 1) To promote understanding of the natural laws governing humanity through the study and practice of philosophy and economics and any other relevant subject, including the laws, customs and practices by which communities are governed.
- 2) To disseminate by all lawful means knowledge of the matters referred to in (1) hereof.
- 3) To promote any art or science, to produce, print, publish and circulate any periodicals, books and works of art.
- 4) To organise a School for the furtherance of these objects, such School to be known as the School of Philosophy and Economic Science.
- 5) To advance for the public benefit education in the United Kingdom and in particular by establishing or maintaining or assisting one or more schools for children.

Object 6 contains various provisions to assist the furtherance of the above objects, including the acquisition and holding of land and chattels, funding, the provision of library facilities, etcetera.

2.2. **Carrying out the Objects of the Charity**

The Objects of the Charity are carried out through the School of Philosophy and Economic Science, established and maintained in accordance with Object 4. Prior to the Covid-19 pandemic, the Fellowship offered its courses through the School in London

and its regional Branches, throughout England and Scotland. The School had also been offering courses online, available to students wherever they are. The courses themselves are directed by the Senior Tutor.

In March 2020, when the serious nature of the Covid-19 pandemic became apparent, all in-person courses were transferred online. Course and related activities remained online for the remainder of 2020 and into 2021. In the summer of 2021 some limited events began to be offered in-person, including retreats at Waterperry House and Nanpantan Hall, following Covid guidelines. In September 2021, some in-person introductory courses were offered at a number of venues, while still maintaining a full online programme. Some existing groups also began to meet again in-person.

The Executive Committee is actively monitoring the situation and recognises that circumstances and the appetite to meet in-person are variable across the country. Online will continue to be a major part of the School's offering, as will in-person courses and events.

The School also provides study materials and other support to many associated schools offering the same or similar courses in 14 overseas countries. Close contact is maintained with these Schools through regular visits by the Senior Tutor and others and through the provision of study materials. The leaders of associated Schools attend meetings in the UK from time to time and students from associated Schools often attend residential events in the UK. Since early 2020 there have been more international meetings online. These arrangements enable the work of the School to reach many thousands of students in the UK and other parts of the world.

Attracting new students to the School remains a high priority, as offering courses to the public is the main means of fulfilling the Charity's Objects and the most visible public benefit provided by the School.

Once the decision was made only to offer national online courses in 2020, all of the advertising effort was focused on social media. The Executive Committee established a UK Marketing Working Group (UKMWG), consisting of students from around the country with experience and expertise based on their professional work and their involvement in marketing for the School. The UKMWG produced campaign material that was used in the national social media campaign and was made available to the Branches, so that the offering of the courses could be extended through their existing channels.

Notwithstanding the reach of social media advertising, all students in the School are encouraged to make personal referrals and generally to promote the School's reputation.

2.3. Guiding principles – service without reward

The Charity and the School are guided by three core values or principles. They are:

- love of truth and justice;

- learning and teaching;
- voluntary service.

Service without seeking individual benefit or reward is central to the ethos of the Charity. The School's courses, based on the principle of learning and teaching and guided by a love of truth and justice, are provided voluntarily by students whose own studies have progressed sufficiently to enable them to pass on what they have learned to others. Much of the administration as well as renewal and maintenance of premises is also provided on the voluntary principle as part of the practical application of philosophy. Only the weekday office staff at Mandeville Place and a few other persons are full or part-time paid employees. No-one is paid or allowed to derive financial benefit from providing teaching services in the School.

The day-to-day management of the Charity is undertaken voluntarily by members of the Executive Committee, Branch Leaders and advisers and assistants appointed from within the Fellowship and student body. Student volunteers also staff the refreshment and bookshop facilities that support classes and other events.

2.4. Charity

The Charity is registered in England and Wales as Educational Charity No. 313115. It is also registered with the Office of the Scottish Charity Regulator under registration number SC039950. The governing instrument of the Charity is the Rules of the Fellowship of the School of Economic Science as amended at the Annual General Meeting of 24 July 2021.

2.5. Public Benefit

Practical Philosophy and Economics with Justice courses are open to everyone and are widely advertised. Course fees are kept to a practical minimum. There are concessions for those on low incomes or experiencing financial hardship. Capital expenditure is largely met out of accrued financial resources together with bequests and from voluntary donations from students who can afford to contribute more than the regular fees.

Historically, courses have been offered throughout the UK. One of the benefits of moving all courses online is that people have been able to attend a course even when they are not able to attend one of the physical centres. Even when in-person courses are generally available, online courses will continue to be offered.

A new initiative for 2021 has been the introduction of an online "Philosophy Café" allowing for a less structured, drop-in environment for discussion, which regularly attracts over 100 attendees. It is open to anyone, whether or not existing students.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning activities and setting policies for the year ahead.

3. *Delivering the Objects*

In accordance with the Objects and in response to observed needs, additional studies founded on the philosophy of non-duality have developed.

3.1. Philosophy

The practical philosophy courses take inspiration from the principle of non-duality. They draw on the wisdom and practical experience of thinkers, writers and philosophers from many traditions and ages with particular reference to the philosophy of Advaita as expounded by His Holiness Shri Shantananda Saraswati and His Holiness Shri Vasudevananda Saraswati.

The courses treat philosophy as a personal and practical attitude to life and its opportunities, enabling people to develop and deepen an understanding of life and of themselves. They are not academic courses such as would be followed in a university, but develop as far as possible based on practice and experience. They are intended for people with everyday working and family lives.

For this reason, the School's courses are based on weekly evening and daytime classes. These are supported by weekend activities. Weekend and week-long retreats are available to students who have studied in the School for some time. Residential centres in the UK are located at Waterperry House in Oxfordshire, Nanpantan Hall in Leicestershire and Brinscall Hall in Lancashire.

Having locked down all in-person groups and residentials in 2020, there has been a gradual reopening during 2021. All the time we have followed government guidelines and have been mindful of good practice in terms of health and safety. Retreats resumed, with substantially reduced numbers. In some cases, these were run as hybrid events, with some students attending in-person and others on Zoom.

The UK branches have taken varying approaches to returning to regular in-person courses, reflecting the willingness of existing students to attend in-person groups. There are many students who are unwilling or unable to attend groups in-person and Zoom provides a necessary and valuable tool. Equally, there are many students who are very keen to attend in-person groups, at least in part because of the social advantages of being in the same room as other students again. New in-person courses have been offered in some locations since September 2021.

The national online courses have been supported by students from across the UK and have enabled many new students to join, who were never able to attend an in-person course. In addition, we continue to attract students from outside the UK.

At many of our locations across the country the regular philosophy courses are supplemented by talks and presentations offered by students in various aspects of philosophy and related studies, based on their personal interests and experience. Many of these talks are open to friends, family and the wider public. A number are on the School's website. Following lockdown many of these continued online.

3.2. Meditation

The School has found that exploring natural laws governing the inner life requires a method of cultivating inner stillness and for this purpose students are offered an introduction to the practice of mantra meditation after a few terms' study of philosophy. Thereafter, regular practice of meditation is central to the study and practice of philosophy. The value of meditation has become very widely accepted in recent years and the Fellowship is pleased to support and participate in that development with the benefit of over 50 years' experience of continuous practice. There were regular sessions of lunchtime meditation practice at Mandeville Place that were open to the public until we had to close the building due to Covid-19. Tutorials are always available for seasoned meditators, and these have continued online using Zoom.

3.3. Economics and Law

The study of economics and law within the School arises from a deep desire for justice and equity rather than the prevailing economic injustices in society. It seeks to discover and understand natural laws that govern human society. It aims to formulate principles upon which a more natural and just economic system and supporting man-made law (remove associated laws) can be established, thereby encouraging freedom, prosperity, and happiness for all. Public courses are made available to help those interested in freedom from economic injustice to gain understanding of such natural laws and how they can be applied in their lives.

As both the causes of and remedies for economic injustice reside within human beings, the study of Economics with Justice is necessarily human-centred and grounded in moral principle. Injustices are not new, and so guidance is sought from both modern and ancient wisdom; this is tested through observation in the world today, in human relationships and in our individual lives.

The online course offerings continue, with the advantage of access across the whole of the UK. Indeed, participation of students from overseas, especially from South Africa and Australia, has brought a broader perspective to all studies. A few in-person courses have started up again. Advanced Economics classes continue to expand, allowing students to pursue particular topics for as long as they wish. Understanding is also

deepening though regular study events, an annual Symposium and an annual week-long residential for more senior students.

Following the introduction of a Law Course in 2020, an expanded 10-week course was run in Spring 2021, entitled 'The Common Law – A Law for all Time'. This theme has continued since, with a growing contribution from various speakers on chosen topics, leading to a deepening and broadening of understanding of the many levels of law.

The School continues to foster informal links with like-minded people and organisations whose objectives are compatible with the Fellowship's Objects.

3.4. Promoting the Arts

To meet Object 3 (the promotion of the arts) supplementary studies undertaken by groups of students within the School including art, music, translation, dance and others. Calligraphy is practised both as a fine art and as a reflective practice in fine attention.

Waterperry has been a centre of excellence in horticultural arts and science since before the Fellowship acquired it and has been maintained and developed as such. Through Waterperry Gardens Limited ("WGL") the School provides training, recreational and horticultural facilities for public use and enjoyment. Due to the impact of Covid-19 government restrictions in 2020/21 WGL has currently suspended its programme of horticultural courses to the public. Waterperry is a Royal Horticultural Society Partner Garden. The ornamental gardens are recognised nationally. It is a well-known centre of expertise in herbaceous gardening, apple and pear cultivation and also houses two national collections of alpine plants, one of which, in a joint exhibit at the 2017 RHS Hampton Court Palace Flower Show, was awarded a Silver Gilt Medal. In October 2021 Waterperry was named as one of the top 25 gardens in the country.

The fresco paintings created by the Art Group of the School at Waterperry House are open to the public each week. The guided tours are particularly popular, although these had to be suspended during the lockdown.

In addition, the Charity encourages and supports the arts through various activities at Waterperry Estate and elsewhere, including dramatic and operatic performances in the theatre. WGL also offers public courses in various arts and crafts and steps are being taken to develop the estate as a host venue for festivals and exhibitions. Due to the uncertainty some of the planned events for 2021 were cancelled but the Waterperry Opera Festival and Celebrating Ceramics went ahead, as well as many smaller shows. For 2022, a full programme at Waterperry is planned, including the return of the Oxford Storytelling Festival, Handmade Oxford, Celebrating Ceramics, and the Waterperry Opera Festival.

Nanpantan Hall hosted a public event entitled 'Time, Place, Memory' in May 2021 in collaboration with the former owner, Johanna Herbert Stepney, and a local artist.

In spring 2021, we initiated the first Philosophy Poetry Prize. Open to all young poets up to the age of 25 and based on the theme of 'Freedom', the prize aimed to encourage and support young people in the arts through poetry. The winner of the inaugural poetry prize 2021 was Molly Evans with 'The Song' The contest will be repeated in 2022.

3.5. Language

The Sanskrit Faculty continues to make a substantial contribution to philosophical studies in the School through its established courses, ranging from introductory to advanced levels. The study of Panini grammar is proceeding, as is the study of classical philosophical works composed in Sanskrit. There has also been an increased interest in traditional chanting. Due to the pandemic the annual International Sanskrit Conference took place online in the summer of 2021. In 2022 there will be two such Conferences, one at Waterperry and one online, both in August. The number of international online groups, principally for Introductory Sanskrit, has grown. The School also supports academic research and is about to publish a further translation of a Sanskrit text attributed to Adi Shankara.

Work on Marsilio Ficino's Letters continued online during the pandemic. Translating groups have continued to meet. There were online discussion groups in addition to those on the Horizon programme, and meetings across regions and across continents were made possible by Zoom.

Academic conferences have mostly been online, and our participation in them has continued as before. As a result of earlier contacts, there will be an online lecture in 2022 in China and in-person presentations to the Philosophical Review Club at the University of Leuven in Belgium and the Renaissance Society of America's Annual Meeting, to be held in Dublin, amongst others. Links have also been established with the Cambridge Centre for the Study of Platonism, where there is keen interest in Ficino.

3.6. Publications

During the year a record of the conversations and correspondence between Maharaja Shri Vasudevananda Saraswati and the Senior Tutor, Donald Lambie, was published.

The twelfth and final volume of the Ficino Letters is in preparation, eagerly awaited by a wide audience within the School and beyond. The Letters continue to be valued for their spiritual and philosophical content as well as for their cultural and historical significance.

The School publishes books as well as audio and video recordings of lectures and presentations given in the Philosophy, Sanskrit, and Economics and Law faculties.

The School also gave financial support to Dr David Horan for a new translation into English of the complete works of Plato. This work has been completed and has been published online in 2021 and is freely available.

Online activities

Students in the School have conducted short Facebook Live broadcasts several times a week, in term time, covering philosophy, economics and Sanskrit and a live guided practice in simple awareness. As well as being watched live, the recordings available through the School's Facebook page are watched by hundreds of people every week. The School's YouTube channel has been refreshed with an aim of posting a new video every two weeks in term time.

4. Governance

4.1. Structure

Senior Tutor

The Senior Tutor, Donald Lambie, is responsible for the general philosophic and educational direction of the School's work and for the scope and content of study material. The Senior Tutor is also responsible for the appointment of tutors and Branch Leaders, all of whom are volunteers.

There is close communication with the Trustees in relation to these matters through regular meetings between the Senior Tutor and the Principal, meetings with the Executive Committee and through the Trustees' active participation in the work of the School. The Senior Tutor does not receive any salary from the Charity, although expenses are paid and accommodation and paid assistance are provided to enable him to fulfil his role. The Senior Tutor has no control over the finances of the Charity.

Trustees

The Trustees of the Charity are defined by the Fellowship Rules (12). At the AGM 2021 the outgoing elected trustees were Sue Young, after many years of devoted service, Nigel Pate and Jeff Sapiro. Co-opted members who had served throughout the year were William Brook, Kumar Kumara and Ben Andrews.

A new Executive Committee was elected. Stephen Silver was re-elected as Principal and Chris Rees was re-elected as Treasurer. Anthea Douglas was appointed as General Secretary at the first meeting following the AGM. Co-options were decided at two subsequent Executive Committee meetings. Assignment of specific responsibilities and subcommittee memberships were then decided at those same meetings.

The trustees and their responsibilities are shown here:

Stephen Silver (Principal) (3) (4) (5) (7) (23)	Chris Rees (Treasurer) (1) (2) (4) (9)
Anthea Douglas (General Secretary) (10) (17) (18)	Edward Saunders (12)
Elina Grigoriou (13) (15) (16)	Matthew McNeill (9) (13)
Paul Moss (6) (20)	Richard Ibbett
Sherry Moran (13) (14) (21)	David Nock (co-optee) (19)
Elizabeth Mazzola (co-optee) (8) (16) (22)	Kumar Kumara (co-optee) (11)

Notes:

- (1) Chair of the Finance Sub-Committee
- (2) Attends the Investment Sub-Committee
- (3) Member of the Risk Management Sub-Committee
- (4) Member of the Staff Sub-Committee
- (5) Member of the Creative Projects Sub-Committee
- (6) Member of the Elderly and Vulnerable Students Committee
- (7) Member of the UK Marketing Working Group
- (8) Member of the Membership Committee
- (9) Member of the Technology Sub-Committee
- (10) Member of the Economics Grants Committee
- (11) Chair of the Estates Sub-Committee
- (12) Legal matters
- (13) Member of the Strategy Working Group
- (14) Executive member on WGL Board (Waterperry Gardens Ltd)
- (15) Sustainability Policy development
- (16) Mental Health Policy development
- (17) Equality, Diversity & Inclusion Policy development
- (18) Nanpantan Liaison
- (19) Liaison - Branches
- (20) Trustee Training
- (21) Member of the Waterperry Working Group
- (22) Safeguarding
- (23) Liaison - Senior Tutor & Stream Heads

The Fellowship meets in an Annual General Meeting to receive the Report of the Trustees and the Financial Statements, and to elect the Officers and other members of the Executive Committee and the Membership Committee for the following year. A quorum of two-thirds of Ordinary Members is required. Associate Members may attend General Meetings but may not vote.

The Principal and the Treasurer are elected annually under Rules 8 and 9 respectively. The Principal is also the Chair of the Executive Committee and of the Fellowship. Each of the Trustees can be contacted via the School's head office at 11 Mandeville Place, London W1U 3AJ.

Membership Committee

Four members of the Membership Committee are elected annually at the AGM and a Trustee is appointed by the Executive Committee to serve with them. The members of the Membership Committee are:

Sally Ostrowska (Chair)
Bartholomew O'Toole (Secretary)
Sine Pickles
Barry Scott
Executive representative: Elizabeth Mazzola

Any person currently enrolled on a Philosophy or Economics course in the School of Philosophy and Economic Science (Rule 3) is eligible for membership of the Fellowship.

The Membership Committee continues to monitor the breadth and strength of the membership of the Fellowship. During the year six people ceased being members and another two died. 20 students accepted the invitation to join the Fellowship from across all UK Branches.

The membership of the Fellowship on 31 December 2021 consisted of 241 Ordinary Members and 58 Associate Members.

Fellowship members are appointed by the Executive Committee on the recommendation of the Membership Committee in accordance with Rule 3 and Rule 12 (9).

Property Trustees

Because the Fellowship is an unincorporated association, Rule 15 provides for the appointment by the Trustees of not more than five nor less than three Property Trustees for the purpose of holding and dealing with "any freehold or leasehold properties from time to time acquired by the Fellowship and the proceeds of sale thereof and all monies or other property of the Fellowship in their hands upon the terms of a Trust Deed....".

The current Property Trustees appointed by the Executive Committee are:

Ian Mason
John Meltzer
Hugh Venables

Endowment Fund Treasurer

Bart Dunlea was re-appointed to the role of Endowment Treasurer following the AGM.

4.2. Trustee Election, Induction and Training

Under the Rules of the Fellowship, the Trustees are elected by and from the Ordinary Members of the Fellowship who have invariably obtained considerable knowledge and

experience of the work of the Charity, both before becoming members of the Fellowship and then through receiving annual reports and financial statements as members.

On appointment, new Trustees meet with the Chair who briefs them on current issues and activities and answers any questions they may have. At the first meeting of the Executive Committee all the roles and responsibilities of the individual members are reviewed, including membership of sub-committees and working groups. At that first meeting any current actions carried over from before the AGM are reviewed.

The Fellowship Secretary ensures that new members are given access to the Governance folder on the School's internal website, which holds the policies and the risk register and past minutes.

During the year, all trustees are kept informed of training courses provided by a number of providers, including NCVO and the School's auditors. Everyone is encouraged to attend those particularly relevant to their role and interest. The School subscribes to iHASCO, which provides over 140 eLearning courses covering many relevant topics. Courses are free to attend by trustees.

From time to time external advice is sought as to the appropriateness and efficiency of the Charity's governance.

4.3. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England, Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment

(Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees and staff, through the Finance Sub-committee meetings, continue to improve the financial accounting practices in recognition of their obligations and in response to the advice from the Charity's auditors. In particular, the property maintenance budget is renewed annually. A Finance Manual was adopted in 2017. It will be reviewed in 2022.

4.4. Management arrangements

The day-to-day management of the Charity is undertaken on a voluntary basis by the members of the Executive Committee, supported by the Branch Leaders, together with advisers and assistants appointed from within the Fellowship and the student body. The volunteers are supported by a small and dedicated team of full- and part-time paid staff.

The School year is divided into three terms. Since the onset of the pandemic the Executive Committee has met online, initially weekly and now every other week during term time.

The Executive Committee has also met online several times at weekends for some hours, to consider matters of a more strategic nature outside the normal run of business.

The Branch Leaders, as local representatives of the Executive Committee, are provided with clear Terms of Reference. Branch Leaders typically meet around the end of January with the Senior Tutor and the Principal for a three-day period during which Trustees attend to speak about and discuss current issues and matters relating to the management and organisation of the School and Branch Leaders' roles as Trustees' representatives. The aim is to allow the Branches as much autonomy as possible while maintaining the unity of the School as a whole. The current Executive member with particular responsibility for liaison with the Branches is David Nock, who is himself a Branch Leader.

Decisions on matters of policy and strategy are made by the Executive Committee on behalf of the Fellowship in consultation, where appropriate, with the Senior Tutor. Decisions relating to the day-to-day operations of the School are implemented by the relevant person within the management structure, and within the policy and strategy framework as set out by the Executive Committee.

There is provision in Rule 19 for an officer, or two or more members of the Executive Committee, or at least ten Ordinary Members to call an Extraordinary General Meeting of the Fellowship at any time to discuss and vote upon matters of major significance (e.g. major changes in policy or strategy, or proposed actions outside the scope of established policy).

There was no Extraordinary General Meeting in 2021.

4.5. Staff

The management support team continued to work well, led by the General Manager, Laura Counsell, under the direction of the Principal.

The Trustees extend their grateful thanks to Laura Counsell and her team for approaching their task with energy and efficiency while engaging fully with the ethos of the School.

Remuneration Policy

The Fellowship aims to pay its employees a fair salary commensurate with their skills and level of responsibility, comparable to the private sector. The School contributes 7% of gross salary to the pension fund of each employee and has offered all employees pension advice. One employee earned more than £60,000 during the year ending December 2021.

4.6. Committees & Sub-Committees

There are seven sub-committees appointed by the Executive Committee under Rule 12 (7): Finance; Investment; Risk Management; Staff; Technology; Creative Projects and Estates. The Trustees are also represented on the Elderly and Vulnerable Students Committee, which is otherwise appointed from among the student body.

Elderly and Vulnerable Students Committee

This committee meets every 4 – 6 weeks to implement the School's Policy for the Protection for Elderly, Disabled or Vulnerable Students; it reviews the current list of those students no longer able to attend courses due to age, disability or other vulnerability; it aims to ensure that they receive adequate care, support and protection to enable them to participate as fully as possible in courses and activities of the School. The committee provides advice and resources to vulnerable students and their carers on spiritual and practical matters as well as visiting those who are house-bound or living in residential care.

Risk Management Sub-Committee

The Trustees are required to certify each year that the major risks to which the Charity is exposed have been assessed and that appropriate steps are being taken to minimise those risks. A comprehensive risk management structure is in place and is kept under regular review. The trustees have overall responsibility for risk within the Charity. Each Executive Committee meeting has Risk as an agenda item during which each member is given the opportunity to report on risks drawn to their attention.

Management of risk is co-ordinated and given general attention through the Risk Management Committee which meets around five times during the year. Each UK Branch has an appointee with particular responsibility for risk management.

In 2021, the major risk mitigation activities related to the use of the School properties. Many of the non-residential properties outside of London had periods with no group meetings. Sufficient visits were made to ensure that buildings were cared for and that our buildings insurance conditions were met.

As buildings began to be used either for day use or for retreats, risk assessments were carried out and procedures put in place to ensure that government and NHS guidelines were followed in terms of social distancing and hygiene.

The Risk Management Handbook documents and explains how risk assessment and its mitigation are to be conducted. This is one of the Charity's policy documents. The Risk Management Committee introduced a Charity Risk Register along the lines recommended by Charity Commission guideline CC26. It covers the areas of

- Governance
- Operational Risk
- Financial Risk
- External Risk
- Compliance Risk

Policies of the Charity are kept under review by the trustees. They are made available online to all those with significant responsibilities such as Branch Leaders, Bursars and Trustees. These are reviewed at least every 3 years.

The Executive Committee recognises that the Risk Management Committee is dependent on, and is grateful for, the voluntary support given students in the School with relevant experience. It is now the case that the Risk Management Handbook, and a number of risk related policies, need additional professional support to ensure that they continue to be fit for purpose. This will be addressed in 2022.

Finance Sub-Committee

The Executive Committee has appointed a Finance Sub-Committee chaired by the Treasurer. The Finance Sub-Committee supports the Treasurer in providing the Executive Committee with regular reports on the financial position of the Fellowship and forecasts of income and expenditure. The sub-committee reviews the annual budget in advance of the Executive Committee's review and adoption of the budget.

Investment Sub-Committee

The Investment Sub-Committee advises the Executive Committee on the management of the School's investment funds. Since 2010, acting upon the advice and recommendations of the Investment Sub-Committee, the Executive Committee has placed funds with two investment fund managers, Handelsbanken Wealth & Asset Management and Ruffer LLP. The investment strategy is reviewed every year. In 2021, the Investment

Subcommittee recommended moving to funds which are more aligned with Environment, Sustainability and Governance (ESG) principles. The recommendation was accepted by the Executive Committee and the funds were transferred to CCLA Investment Management Ltd and P1 Investment Management Ltd, during summer 2021.

Staff Sub-Committee

The Staff Sub-Committee, chaired by the Principal and including the Treasurer and attended by the General Manager, is responsible for staff policy, recruitment, disciplinary matters and other HR related matters. It meets at least once a term and in addition the Principal and General Manager consider any staffing issues at their regular weekly meetings.

Technology Sub-Committee

The Technology Sub-Committee investigates technical matters of any sort when asked to do so by the Executive Committee and may provide technical guidance or assurance to the General Manager as required.

Creative Projects Sub-Committee

The Executive Committee occasionally gets requests for support to students in the School who wish to carry out particular projects. The sub-committee evaluates the requests and provides recommendations to the Executive Committee as to whether or not the project should be supported.

Estates Sub-Committee

The Estates sub-committee has representatives from many of the branches around the UK. The sub-committee's role is to provide support to the property stewards for their plans for property maintenance and improvement and to advise the Executive Committee on proposals for major budget requests.

4.7. Properties

The Fellowship owns a number of properties in the UK, which are mainly used for delivering the School's courses in furtherance of the Objects. Five cottages at Waterperry, the Lodge and the Coach House at Nanpantan, and other properties are used either to accommodate essential staff or to provide income to the Fellowship.

In addition to its residential premises, the Fellowship owns nine other freehold properties and one long-leasehold, used for the purpose of delivering its courses. Otherwise, many Branches take premises on short leases or occupy premises under licence to deliver courses.

The Trustees consider that it is essential to find ways to create more income from spare capacity at all properties to help balance income and expenditure.

Mandeville Place

Mandeville Place is in a prime central London location. Prior to the Covid-19 pandemic, meeting rooms could be hired out during the day on a commercial basis. The office staff have been successful in finding primarily educational and charitable organisations that can hire rooms on a regular basis, which provides a reasonable income without being too demanding on the building's facilities and staff. Some tenants continued to meet when regulations allowed. As lockdown restrictions eased one tenant resumed use of the building in April 2021 and the second main tenant returned to Mandeville Place in September.

Given the uncertainties around future usage, a small working group was established to consider feasible options for the future use of the building, which might enable it to continue to support our own group meetings while, at the same time, generate additional funds. The group provided an initial report in July 2021, which concluded that in view of the uncertainties inherent in how society in general, the business community and the School's student body will respond to the emergence from the initial impact of the pandemic, it was recommended not to make any significant changes to Mandeville Place that would involve material expenditures.

This needs to be kept under review. There were a number of other recommendations that might be attractive for potential hirers, including investigating improving the Wifi capability in the building. This would also potentially support hybrid group meetings should this be required.

Nanpantan Hall

Following the upgrading of Nanpantan Hall in early 2019, we continue to enhance the internal ambience, making the Hall an attractive venue for the School's activities, like-minded organisations, weddings and other events.

The coach house is rented out to the Nanpantan Hall Nurture Centre, a school for autistic children. The Nurture Centre continues to grow and flourish. We have strong personal relationships with the Centre, which benefits both parties.

Activities at Nanpantan in 2021 included:

- Internal decorations carried out, using a local decorator, keeping the decorations to a good standard throughout the building. The first stage of repairs to the conservatory were completed, so that it is now a usable space.
- Continuing work on the woodland area; clearing bramble, self-sown trees and scrub to reveal the existing ornamental tree planting. The work was carried out by subcontracted gardeners and local homeless charity volunteers. We are developing plans to redesign and enhance our border planting to provide interest and colour all year round. The 7-acre paddock area is now a wildflower meadow

during the Spring and Summer months and houses Aberdeen Angus cows during Autumn and Winter.

As Government restrictions were lifted from June 2021, Nanpantan Hall welcomed:

- 12 School retreats
- two student and family holidays,
- eight weddings
- three third party events, all in the spiritual/mindfulness area.

As part of our remit to enhance our relationship with the local community and support the Arts, we worked with local artist Jacqui Gallon to stage an event entitled Time, Space, Memory. This was a limited ticketed event due to Covid restrictions and funded by the National Lottery and Arts Council England. We welcomed 550 members of the public to the house and grounds. It was supported by Home Farm, St Mary's Church and the local community. A similar event is planned for May 2022.

We have a good relationship with St. Mary's Church and neighbouring farms and work together to support projects. St. Mary's Church changed the parish boundary in 2021 to include Nanpantan Hall.

Waterperry and Waterperry Gardens Limited

When the Waterperry Estate was acquired in the 1970s there was an established horticultural centre, which the School maintained and expanded consistently with Object Three (promote any arts or sciences). The horticultural centre is now run as a separate trading entity known as Waterperry Gardens Limited (WGL). WGL is wholly owned by the Fellowship. Waterperry continues to command international renown for the formal gardens, which are supported by a garden shop, tea shop, gift shop, museum and arts and crafts gallery.

Investment in infrastructure at the Waterperry Estate is making it a much better visitor attraction, which in turn enables WGL to contribute more to the Fellowship's income, while also enhancing the Estate for the Fellowship's own retreat and teaching purposes. Work is already underway to develop third party rental for day use and retreats, which requires additional investment in the House.

WGL has developed strongly. There have been numerous enhancements that have contributed to significant increases in visitor numbers and more consistent profitability, notwithstanding meteorological challenges.

Parts of WGL were again forced to close in January 2021 because of the Covid-19 pandemic. The garden shop continued to trade during the initial lockdown period offering pre-booked on-line garden entries and socially distanced retail, internet orders and local deliveries. As restrictions lifted, WGL reopened department by department as allowed by government guidelines. The income from the teashop was significantly

affected by social distancing restrictions. The gardens and retail areas however did very well, showing the strengths of having a diverse business. Thanks to the hard work and support of the staff and the continued high profile of the gardens, WGL made a profit of £246,000 before tax.

Apart from serving the public, WGL also maintains the Waterperry estate and makes an important contribution to the local economy and employment. Students on the School's courses at Waterperry enjoy the benefit of the beautiful gardens and setting. Although WGL makes a significant positive contribution, the Waterperry estate still makes an operating loss. A number of measures are in hand to reduce this loss by increasing the revenue streams at Waterperry.

4.8. Achievement and Performance

During 2021 we continued to follow Government guidance in relation to the pandemic and lockdowns. As in-person activities increased during the summer of 2021 some staff were taken off furlough. Some residentials and in-person group sessions resumed in the summer term. For the autumn term 2021 some in-person introductory courses were offered in addition to the continuing online courses.

The School is not a public fund-raising charity and does not set fund-raising targets or specific aims for expansion. The main sources of funding are fees from courses, gifts, legacies, and returns on investments. Steps continue to be taken to find supplementary sources of income, primarily through rental of our buildings when not in use by the School.

During 2021, 1383 new students enrolled for the national online philosophy course. In the autumn term, the only term when we ran in-person courses, a further 291 students enrolled across the country.

The drop off rate in the first term remains a challenge. Excluding the first term, in the Autumn term 2021, there were 357 students enrolled in national online philosophy courses, an increase of 197 over the previous year.

For the in-person philosophy courses, excluding the first term, in the Autumn term 2021, there were 1,496 students enrolled in London and the Branches. This was a decrease of 257, compared with 2020.

For the Economics course offered online and in-person in London, 681 new students enrolled. Excluding Part 1, there were 165 students enrolled in the Autumn 2020 term, an increase of 92.

During the year over 100 students registered each term for the Horizons courses.

Since its foundation in 1937 the School has provided courses to tens of thousands of people in the UK. While the Executive Committee would always like to see larger numbers of enrolled students, the priority of the School is always to meet the needs of students attending courses.

The following activities have been undertaken:

- The School continues to organise courses, seminars and events to enable students to present the findings of their studies to a wider public.
- Contact continues to be made and maintained with like-minded organisations in order to collaborate with them in the development of common fields of study.
- Budgets continue to be carefully reviewed to enable the Charity to function within its means.
- The use of the School's residential properties has also been reviewed to identify means of making better use of the facilities.

4.9. Development Plan

Work had started late in 2019 to review and renew the strategic vision for the charity. There are three interrelated factors: the lower than hoped enrolment numbers, a continuing drain on the financial reserves and the cost of some of the properties.

The need for this review was accentuated by the impact of the Covid-19 pandemic and the lockdown restrictions imposed by the government.

The Strategy Working Group (SWG), set up in 2020, continued its work. An open meeting with all students in the Senior School was held, on Zoom, in May 2021, a key element of the SWG's communication activities. The core SWG team consists of representatives from the Executive Committee, the tutorial teams and Branch Leaders. Following further work to review and articulate the core foundations of the teachings offered by the School, the group members have focused on how the School meets the needs and aspirations of existing and potential students. This work continues and is expected to publish findings and an implementation plan in the first half of 2022.

A significant strand of SWG work has looked at the culture of the School and has drafted a code of conduct, which will be published in 2022. This code of conduct will also underpin revised policies that we intend to develop on Equality, Diversity and Inclusion, on Sustainability, and on Care for Vulnerable Students.

The new budget control process implemented for 2021 has proved useful and has been repeated for 2022. A new capital expenditure process is being introduced during 2022 for the 2023 budget. This will give the Executive Committee more visibility of potential future expenditure together with a process whereby competing demands on financial resources can be assessed against published criteria.

5. *Financial Review & Results*

The consolidated Statement of Financial Activities which accompanies this report shows that the Group made a surplus in the 12 months to end December 2021 of £2,191,000 (2020: £355,000). The principal reasons for this were:

- unrealised gains of £1,956,000 (2020: £725,000).
- Increase in WGL's profit to £246,000 (2020: £26,000)

The Charity's income from courses and retreats was higher than in 2020, primarily because of increased student numbers, for the first-year philosophy, economics and Horizons courses and increased fee levels, at £968,000 (2020: £803,000). Total voluntary income for the year was higher than in the previous year at £425,000 (2020: £269,000), of which donations and gift aid were slightly down at £208,000 (2020: £235,000), but legacy income increased substantially to £217,000 (2020: £34,000), principally thanks to two substantial legacies. The Trustees are grateful for students' generous donations, as well as legacy income.

This time last year, we predicted that WGL would make a small profit for 2021, given the uncertainties around further lockdowns. While there were many challenges throughout the year including continued restrictions affecting the teasshop and a poor apple crop, the weather remained generally kind and publicity for the gardens on social media and in the press was exceptional. The staycation phenomenon meant that sales of furniture, gifts and plants were strong and visitor numbers to the gardens were high in spite of the absence of coach parties. The outdoor events that did go ahead were well attended. All this led to a record profit of £246,000 for the year before tax. The Trustees regard this as an outstanding result.

As a result, WGL has been able to repay £100,000 of its emergency CBILS loan ahead of time, in addition to the agreed monthly repayments.

The WGL Board has decided to donate all its profit for 2021 to the charity with Gift Aid. As a result WGL will not pay Corporation Tax. The Trustees are very grateful for the gift.

5.1. Net Unrealised Gain on Investments

The total unrealised gains for the year included:

- Reclassification of 27 Bartlett Cottage as an investment property (£291,000)
- an increase in the valuation of investment properties reflecting the general increase in residential property values of £1,305,000
- a net gain of £359,000 on listed investments (2020: £337,000)

The value of listed investments was stable at £3,306,000, despite drawing down £350,000.

5.2. Investment Income from Property and Shares

Gross investment income for the year was again higher at £266,000 (2020: £224,000), principally rent from investment properties of £247,000 (2020: £199,000). There was an increase in property receipts in the year from 87 Brook Green and the Nanpantan Coach House as tenants of both properties paid rent for the full year, in addition to increases in rental amounts.

Our previous investment managers, Handelsbanken and Ruffer, disclosed dividend and interest income. Our new managers, CCLA and P1 automatically reinvest such income in the portfolios. They do not disclose the amounts involved.

5.3. Reserves Policy

The Charity requires financial reserves to maintain and advance its activities for the following reasons:

- to minimise the charity's requirement for debt;
- for operational purposes, to maintain properties, (with a net book value at 31 December 2021 of £15,497,000 (2020: £15,586,000), equipment, etc, which are used extensively for educational and residential purposes in accordance with the Charity's objects.

Property ownership provides long term security of tenure, a measure of financial resilience, the opportunity for higher standards of maintenance, facilities adapted to the Charity's specific requirements, and for lower running costs in the long term than occurs with a dependency upon rented accommodation.

Free Reserve – £2,644,000

The free reserve is the balance of total funds (£28,759,000) less the value of those funds already identified as:

- Restricted funds; £406,000
- Designated Funds; £2,000,000
- Tangible Fixed Assets; £15,497,000
- Investment properties; £8,212,000

Total free reserve: £2,644,000.

The Trustees consider that an adequate target level of Operating Reserve is approximately £1,800,000. This would provide sufficient reserves to meet the charity's running costs for a period of six months in the event of major disruption to our activities.

This reserve would also be used to provide financial support from the Charity fund to the Benevolent Fund. The balance is held to cover operating deficits, until such time as these can be eliminated.

The Trustees invest the surplus funds in line with our investment policy.

5.4. Designated Funds

Building and Capital Asset Reserve – £1,000,000

This fund is used for the following purposes:

- To hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments. While government regulations prevented meetings in person, there was no such need, but as life returns to normal and classes start to resume in School buildings, the possibility of further acquisitions returns.
- This Fund can be used for buildings improvement and refurbishment either from the interest earned thereon or from the capital itself. In recent years fees and other sources of income have been insufficient to cover such expenses, and this situation is expected to continue.

Opportunity Reserve – £1,000,000

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. The target amount of the Opportunity Reserve is determined by the Executive Committee.

The Trustees review the designated funds of the charity on a regular basis.

5.5. Investment Policy

As reported last year, the Executive Committee accepted the recommendation of the Investment Sub-Committee to switch the School's investment portfolios from Handelsbanken and Ruffer to CCLA Investment Management and P1 Investment Management. The switches took place at the end of July and August. At the end of the year the portfolios stood at £2,444,000, a gain of 6%, and £779,000, a gain of 1% respectively, compared to the initial amounts invested.

5.6. Reserves

We believe the Charity has adequate reserves for the next twelve months, and we have made no changes to our reserves policy.

5.7. Post-Audit Events

Student Enrolment

With the relaxation of Covid relation restrictions more in-person activities have resumed. Retreats at Waterperry House and Nanpantan Hall have taken place, with reduced numbers, following social distancing guidelines. Some students prefer to attend the retreats online and various arrangements are made to make use of the available technology. Similarly, as well as offering in-person introductory groups, some existing groups are returning to meet in-person on a regular basis. Online will continue to be an important part of the School's offering.

BBLS loan

In February 2022, we repaid the full amount of the BBLS loan of £50,000. No interest was paid on the loan.

Investment Review

The Executive Committee has changed the terms of reference of the Investment Sub-committee to include its investment property portfolio as well as its financial investment funds. The Sub-committee considered that the School is overweight in property and recommended selling 96 Sedlescombe Road, as it yielded the lowest return of the School's properties. The Executive Committee accepted the recommendation, and it is now on the market. If the plan to invest in the top floor of Waterperry House comes to fruition, the proceeds of the sale will be invested in that.

Trading Subsidiary

2022 promises to be another challenging year. Prices are rising fast and the minimum wage increase has its knock-on effect. Last year, UK visitor attractions benefited from the staycation trend. This year, while holidays abroad may be popular, incoming tourism may be weak. However, we have a full line up of events and festivals which should boost the bottom line without incurring additional direct costs for WGL, in line with the strategy to invite other organisations to use Waterperry when the School is not using it.

Going Concern

Given the strength of the charity's cash balances and financial investments, and the budgets and cash flow forecasts that we have prepared, the Trustees are confident that the Charity remains a going concern.

Fundraising

The School does not carry out external fundraising activities or raise funds from the general public, with donations being received from students or others familiar with the School. Accordingly, it is not registered with the Fundraising Regulator.

6. *Plan for the Future*

The School's main aims are set out in Section 1. Historically, the Charity has aimed to respond to needs and demands on its services as they arise rather than seeking to generate new activities, beyond making those services known to as wide a community as possible. The aim was to allow for organic growth and development.

One of the aims of establishing the Strategy Working Group was to consider whether a different approach might make the School better known to those who are seeking what we have to offer. Plans are underway to change the way the early parts are marketed.

Work has started on seeking planning permission for renovation of the top floor of Waterperry House, that would provide more ensuite accommodation, which will be useful both for the School students and to make the house more attractive for third party hires.

It is considered vital that the network of branches across the UK are maintained and strengthened. Technology has enabled online groups to offer courses to new students and maintain contact with existing students. It has also enabled those who could not attend physically to remain active members of the School community. However, there is a richness in personal contact and wherever possible, the aim is to provide in-person groups and meetings, for those who wish to and can take part.

Much is still uncertain as to students' preferences for in-person, online or hybrid activities and the Executive Committee will continue to respond as best it can to the challenges that brings.

Approved by the Trustees on 12 August 2022 and signed on their behalf by:

S. Silver

Chair

C. Rees

Treasurer

Independent Auditor's Report to the Trustees of Fellowship of the School of Economic Science

Opinion

We have audited the financial statements of Fellowship of the School of Economic Science for the year ended 31 December 2021 which comprise the consolidated statement of financial activities, consolidated and charity balance sheet, consolidated statement of cashflow 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 the parent charity's affairs as at 31 December 2021 and of the group's income and expenditure, for the 31 December 2021 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 (Accounts

and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the 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 trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group and 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 trustees either intend to liquidate the 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 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts 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.

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were:

- General Data Protection Regulation (GDPR)

- Health and safety legislation
- Taxation legislation
- Employment legislation

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within valuation of Investment Properties and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Executive Committee about their own identification and assessment of the risks of irregularities, reviewed valuations by a trustee who is an expert in the investment market and compared to available market data for investment properties, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

19 August 2022

*The Fellowship
of the
School of Economic Science*

*Financial Statements
for the year ended
31 December 2021*

Consolidated statement of financial activities**For the year ended 31st December 2021**

	Note	Unrestricted £'000	Restricted £'000	2021 Total £'000	Unrestricted £'000	Restricted £'000	2020 Total £'000
Income from:							
Donations and legacies	2	425	–	425	267	2	269
Charitable activities							
Courses & Residential	3	955	–	955	801	–	801
Other activities	3	13	–	13	3	–	3
Other trading activities	4	2,223	–	2,223	1,954	–	1,954
Investments	5	266	–	266	224	–	224
Total income		3,882	–	3,882	3,250	2	3,252
Expenditure on:							
Raising funds:	6						
Costs of trading activity		1,848	–	1,848	1,744	–	1,744
Other costs of raising funds		421	–	421	395	1	396
Investments		123	–	123	90	–	90
Charitable activities							
Courses & Residential	6	1,246	2	1,248	1,351	25	1,376
Other activities	6	7	–	7	17	–	17
Total expenditure		3,645	2	3,647	3,597	26	3,622
Net income/(expenditure) before net gains/(losses) on investments		237	(2)	235	(347)	(24)	(371)
Net gains on investments		1,956	–	1,956	725	–	725
Net Income/ (expenditure)		2,192	(2)	2,191	379	(24)	355
Transfers between funds		–	–	–	7	(7)	–
Net movement in funds		2,192	(2)	2,191	386	(31)	355
Reconciliation of funds:							
Total funds brought forward		26,162	408	26,568	25,776	441	26,215
Total funds carried forward		28,353	406	28,759	26,162	408	26,568

Please note: The data for the Financial Statements is derived from the School accounts system which produces actual numbers down to pounds and pence. The Financial Statements are shown as whole numbers rounded up or down to the nearest thousand. Therefore there may be small variances in addition in some rows or columns.

The notes on pages 37 to 52 form part of these financial statements.

Balance sheets

As at 31st December 2021

	Note	The group 2021 £'000	2020 £'000	The charity 2021 £'000	2020 £'000
Fixed assets:					
Tangible assets	13	15,497	15,587	15,377	15,472
Investment properties	14	8,212	6,528	8,212	6,528
Investments	15	3,306	3,305	3,663	3,662
		27,015	25,419	27,252	25,663
Current assets:					
Stock	17	370	326	83	87
Debtors	18	357	346	323	324
Cash at bank and in hand		1,730	1,203	1,173	725
		2,457	1,875	1,579	1,137
Liabilities:					
Creditors: amounts falling due within one year	19	609	470	344	255
		1,848	1,405	1,235	882
Net current assets		1,848	1,405	1,235	882
Total assets less current liabilities		28,863	26,824	28,487	26,545
Creditors: amounts falling due after one year	20	104	257	29	32
		28,759	26,568	28,458	26,513
Total net assets		28,759	26,568	28,458	26,513
Funds:	23				
Restricted income funds		406	408	406	408
Unrestricted income funds:					
Designated funds		2,000	2,000	2,000	2,000
Fair value reserve		6,900	4,944	6,900	4,944
General funds		19,152	19,160	19,152	19,160
Non-charitable trading funds		301	56	–	–
		28,353	26,160	28,052	26,104
Total unrestricted funds		28,353	26,160	28,052	26,104
Total charity funds		28,759	26,568	28,458	26,513

The notes on pages 37 to 52 form part of these financial statements.

Approved by the Trustees on 12th August 2022

S. Silver
Chairman

C. Rees
Treasurer

Consolidated statement of cash flows

For the year ended 31st December 2021

	Note	2021 £'000	£'000	2020 £'000	£'000
Cash flows from operating activities	24				
Net cash provided by operating activities			253		105
Cash flows from investing activities:					
Dividends, interest and rents from investments		247		199	
Proceeds from the sale of assets		–		–	
Purchase of fixed assets		(323)		(150)	
Proceeds from sale of investments		350		300	
Purchase of investments		–		–	
Net cash provided by / (used in) investing activities			274		349
Change in cash and cash equivalents in the year			527		454
Cash and cash equivalents at the beginning of the year			1,203		749
Cash and cash equivalents at the end of the year			1,730		1,203

The notes on pages 37 to 52 form part of these financial statements.

Notes to the financial statements

For the year ended 31st December 2021

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Waterperry Gardens Limited (company number 02233285) on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two organisations are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as the summary of the result for the year is disclosed in the notes to the financial statements.

b) Statutory information

The Fellowship of the School of Economic Science is an unincorporated charity (charity number 313115, OSCR number SC039950) and registered in England and Wales, and Scotland. The registered office and main place of business is 11 Mandeville Place, London, W1U 3A.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees are confident that the Charity remains a going concern and, combined with the mitigating actions described in the Trustees' report, has sufficient cash, investment and property reserves to cope with the financial issues caused by Covid 19 for the foreseeable future. To protect the longer term interests of the charity, there is currently a review of the estate and operations ongoing, and the Trustees intend to make the necessary decisions in order to ensure the financial stability of the Charity for the longer term.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Notes to the financial statements

For the year ended 31st December 2021

1 Accounting policies (continued)

Courses and residential fees are included in the statement of financial activities during the year as earned.

Students attending the early parts of the philosophy course, which make up a majority of this income, pay a fee covering their attendance at these classes each term. However, students in the senior parts of the School pay an annual composite fee that also includes the costs of their residential accommodation and study days attendance. Any income received in advance is deferred.

Investment income is recognised as income during the year to which it relates.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Turnover from trading activities is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents revenue earned from the sale of goods and is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose and costs of trading activities.
- Expenditure on investments relates to investment management fees incurred by the School
- Expenditure on charitable activities includes the costs of courses, residentials and other activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity.

However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned directly to the appropriate activity except for some expense items that have been apportioned according to the space occupied.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Support and governance costs are apportioned as follows:

▪ Cost of raising funds	62.2%
▪ Investments	3.4%
▪ Courses & Residential	34.2%
▪ Other activities	0.2%

Notes to the financial statements

For the year ended 31st December 2021

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Taxation

The Fellowship is a registered charity and therefore is not liable to income or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The subsidiary company is subject to corporation tax but any profits arising will normally be Gift Aided to the parent charity, so generally no tax charge will arise.

l) Tangible fixed assets

Previously it has been the view of the Trustees that the useful life of properties was so long that depreciation was effectively nil. However, following a review we have adjusted this estimate and are now depreciating the building element of school properties over 100 years. An annual impairment review is also undertaken in accordance with Financial Reporting Standard 102.

For other tangible fixed assets depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

▪ Long leasehold property	1% on cost
▪ Improvements in building	1%–33.3% on cost
▪ Motor vehicles	25% on cost
▪ Equipment	10%–33.3% on cost

Items of equipment are capitalised where the purchase price exceeds £1,000, but there is some leeway for branches. Certain temporary items of equipment have been written off at the rate of 50% on cost.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

Investments

Investments are valued in the balance sheet at their mid-market or bid price at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based, while investment income management costs are charged as expenditure out of the relevant income funds. Investment gains and losses are shown in the statement of the financial activities. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

Investments in subsidiaries

Investments in subsidiaries are at cost.

Notes to the financial statements

For the year ended 31st December 2021

1 Accounting policies (continued)

n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions and financial instruments

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

s) Pensions

The charity operates a defined contribution scheme for the benefit of employees. Contributions payable are charged to the statement of financial activities in the year they are due. For one member of staff, retirement benefits have been agreed and the full amount payable recognised as a long term liability. This is recognised at the new present value, discounted at an appropriate rate as explained in note 20 to the accounts.

t) Volunteers

In line with SORP 2015, the contribution of general volunteers is not be included as income in the accounts due to the absence of a reliable measurement basis. However the role of volunteers within the charity is disclosed in the report of the Trustees.

u) Charitable donations

From time to time the school makes donations to other charities and individuals whose activities are in line with its own charitable objectives. These donations are made at the discretion of the Trustees.

Notes to the financial statements

For the year ended 31st December 2021

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2021 Total £'000	2020 Total £'000
Legacies	217	–	217	34
Donations and gift aid	208	–	208	235
	<u>425</u>	<u>–</u>	<u>425</u>	<u>269</u>

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2021 Total £'000	2020 Total £'000
Courses & residential	955	–	955	801
Other activities	13	–	13	3
Total income from charitable activities	<u>968</u>	<u>–</u>	<u>968</u>	<u>803</u>

4 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2021 Total £'000	2020 Total £'000
Waterperry Gardens income	2,089	–	2,089	1,753
Sales of:				
Books, Tapes and CDs	27	–	27	35
Refreshments	3	–	3	17
Income from room hire	89	–	89	67
Various other sources of income	15	–	15	82
	<u>2,223</u>	<u>–</u>	<u>2,223</u>	<u>1,954</u>

5 Income from investments

	Unrestricted £'000	Restricted £'000	2021 Total £'000	2020 Total £'000
Rent – investment properties	247	–	247	199
Dividends	19	–	19	26
Bank deposit and short term interest	–	–	–	–
	<u>266</u>	<u>–</u>	<u>266</u>	<u>224</u>

Notes to the financial statements

For the year ended 31st December 2021

6 Analysis of expenditure

	Cost or raising funds £'000	Investments £'000	Charitable activities		Governance costs £'000	Support costs £'000	2021 £'000	2020 £'000
			Courses and residential £'000	Other Activities £'000				
Staff costs (Note 9)	749	–	–	–	–	554	1,303	1,258
Direct supply costs	141	–	184	–	–	–	325	365
Cost of sales	707	–	–	–	–	–	707	611
Welfare	–	–	–	–	–	–	–	–
Publicity	31	–	101	–	–	–	132	155
Premises – running costs	88	–	161	–	–	–	249	306
Premises – major repairs	–	–	113	–	–	–	113	81
Legal & professional	–	100	23	–	–	–	123	130
Audit and other fees	9	–	–	–	28	–	37	38
Administration	85	–	143	3	–	95	326	326
Depreciation	38	–	289	3	–	–	330	337
Charitable donations (note 8)	–	–	2	–	–	–	2	15
	1,848	100	1,016	6	28	649	3,647	3,622
Support costs	404	22	222	1	–	(649)	–	–
Governance costs	17	1	10	–	(28)	–	–	–
Total expenditure 2021	2,269	123	1,248	7	–	–	3,647	3,622
Total expenditure 2020	2,140	90	1,376	17	–	–	3,622	

Notes to the financial statements

For the year ended 31st December 2021

7 Net income for the year

This is stated after charging:

	2021 £'000	2020 £'000
Depreciation	330	337
Auditor's remuneration:		
Audit	37	38
Other services	–	–
	<u>367</u>	<u>375</u>

8 Grant making

	Grants to institutions £'000	Grants to individuals £'000	2021 £'000	2020 £'000
Jyotirnidhi Nyasa Trust	–	–	–	10
A Purves – Economics Research	–	2	2	5
At the end of the year	<u>–</u>	<u>2</u>	<u>2</u>	<u>15</u>

Grants are given for education and research purposes.

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2021 £'000	2020 £'000
Salaries and wages	1,131	1,082
Redundancy and termination costs	–	–
Social security costs	83	82
Employer's contribution to defined contribution pension schemes	89	94
	<u>1,303</u>	<u>1,258</u>

1 employee earned between £60,000–£69,999 not including employer's National Insurance contributions during the year (2020: 1).

The total employee benefits including pension contributions and employer's National Insurance contributions of the key management personnel were £192,118 (2020: £186,221).

The Trustees were not paid and did not receive any other benefits from employment with the Charity in the year (2020: £nil). No Trustee received payment for professional or other services supplied to the charity (2020: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £0 (2020: £0) incurred by 0 (2020: 0) Trustees relating to attendance at meetings of the Trustees.

Notes to the financial statements

For the year ended 31st December 2021

10 Staff numbers

The average number of employees (head count based on number of staff employed including full time and part time staff) during the year was as follows:

	2021 No.	2020 No.
Raising funds (trading activity)	61	60
Courses and residentials	20	18
	<u>81</u>	<u>78</u>

61 (2020: 60) employees above were employed by WGL and the remaining 20 (2020: 18) were employed by the parent charity.

11 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Waterperry Garden Limited is liable to pay corporation tax at 19% on any profits not gift aided to the parent charity. WGL has gift aided all its taxable profits to the charity after the year end and therefore it had no tax liability in 2021 (2020: a tax liability of £7,719)

Notes to the financial statements

For the year ended 31st December 2021**13 Tangible fixed assets****The group**

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	13,017	496	5,619	19,132
Additions in year	–	–	323	323
Reclassification	(41)	(174)	215	–
Transfer to investments	–	–	(83)	(83)
Disposals	–	–	(12)	(12)
At the end of the year	12,976	322	6,062	19,360
Depreciation				
At the start of the year	249	320	2,976	3,545
Charge for the year	84	8	238	330
Reclassification	–	(44)	44	–
Disposals	–	–	(12)	(12)
At the end of the year	333	284	3,246	3,863
Net book value				
At the end of the year	12,643	38	2,816	15,497
At the start of the year	12,767	176	2,643	15,587

The charity

	Freehold property £'000	Leasehold property £'000	Equipment/imp rovements £'000	Total £'000
Cost				
At the start of the year	13,017	185	4,629	17,832
Additions in year	–	–	279	279
Reclassification	(41)	(174)	215	–
Transfer to investments	–	–	(83)	(83)
At the end of the year	12,976	11	5,040	18,027
Depreciation				
At the start of the year	249	46	2,064	2,359
Charge for the year	84	–	208	292
Reclassification	–	(44)	44	–
At the end of the year	333	2	2,316	2,651
Net book value				
At the end of the year	12,643	9	2,724	15,377
At the start of the year	12,768	138	2,566	15,472

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31st December 2021**14 Investment properties**

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Fair value at the start of the year	6,528	5,892	6,528	5,892
Purchase /Transfer from fixed assets	88	247	88	247
Property sold during year	-	-	-	-
Revaluation during the year	1,596	390	1,596	390
	8,212	6,528	8,212	6,528
Fair value at the end of the year	8,212	6,528	8,212	6,528
Historic cost at the end of the year	4,363	4,275	4,363	4,275

The investment properties have been valued by a qualified surveyor as part of a professional appraisal of all school properties for the year end 31 December 2021.

15 Listed investments

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Investments at the start of the year	3,305	3,278	3,662	3,635
Deposits	-	-	-	-
Withdrawals	(350)	(300)	(350)	(300)
Dividends and Interest Income	19	26	19	26
Fees	(27)	(36)	(27)	(36)
Net gains on value of shares	359	337	359	337
	3,306	3,305	3,663	3,662
Investments at the end of the year	3,306	3,305	3,663	3,662
Investments consist of				
Listed investments	3,306	3,201	3,306	3,201
Investment in Subsidiary	-	-	357	357
Cash held by broker	-	104	-	104
	3,306	3,305	3,663	3,662
Market value at the end of the year	3,306	3,305	3,663	3,662

Notes to the financial statements

For the year ended 31st December 2021**16 Subsidiary undertaking**

The charity owns the whole of the issued ordinary share capital of Waterperry Gardens Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. One trustee, Nigel Pate (who resigned from the Executive in July 2021), was also a director of the subsidiary, and one, Sherry Moran, was appointed a director in July 2021. Available profits are gift aided to the parent charity. A summary of the results of the subsidiary is shown below:

	2021 £'000	2020 £'000
Turnover	2,089	1,753
Turnover from sales to parent undertaking	21	18
Cost of sales	(1,522)	(1,422)
Gross profit	588	349
Administrative expenses	(280)	(276)
Management charge payable to parent undertaking	(61)	(39)
Operating profit / (loss)	247	34
Interest payable to parent undertaking	(1)	(2)
Profit / (loss) on ordinary activities	246	34
Tax/Donation to parent under gift aid	–	(8)
Profit / (loss) for the financial year	246	26
The aggregate of the assets, liabilities and funds was:		
Assets	1,094	941
Liabilities	(435)	(528)
Funds	659	413

Amounts owed to/from the parent undertaking are shown in note 18.

17 Stock

	The group		The charity	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Books	83	87	83	87
Garden centre stock	287	238	–	–
	370	326	83	87

Notes to the financial statements

For the year ended 31st December 2021

18 Debtors

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Amounts due from subsidiary	–	–	56	66
Trade debtors	122	69	111	66
H M Revenue & Customs	31	34	31	34
Prepayments	106	122	41	38
Other debtors	98	121	84	121
	357	346	323	324

Amounts due after more than one year included above within group Other Debtors total £56,208 and comprise a loan from the parent charity to the subsidiary to pay for expenditure on brown motorway tourist signs. The loan is being repaid over a ten year period.

Amount due from subsidiary is payable within 5–7 years at an interest rate of 2.25%. The loan is included at cost, as the impact of discounting would be immaterial to the financial statements.

19 Creditors: amounts falling due within one year

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Trade creditors	133	135	103	69
Accruals	35	42	35	42
External loans	159	42	59	9
Taxes and social security costs	66	50	14	12
Retirement benefits payable within one year	–	–	–	–
Deferred income	72	65	72	65
Other creditors	144	136	61	59
	609	470	344	255

Notes to the financial statements

For the year ended 31st December 2021**20 Creditors: amounts falling due after one year**

	The group		The charity	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Retirement benefits payable in more than one year	29	32	29	32
External loans payable in more than one year	74	224	-	-
	104	257	29	32

One ex-employee of the School is in a receipt of a pension paid directly by the School. The Trustees continue to consider it appropriate to adopt a policy of maintaining a reserve equal to the pension multiplied by a number of years determined by the Trustees having regard to the individual's age and health, with no allowance for either discounting or future inflation. On this basis the reserve for the pension in payment at the end of 2021 was £29,200. The external loan is a CBILS loan taken out by WGL.

21 Pension scheme

The Fellowship operates a defined contribution scheme and contributes 7% of the salary of those staff who have decided to enter into a personal pension arrangement, direct to the insurer. The charge for the period was £72,431 (2020: £74,216).

22a Analysis of group net assets between funds (current year)

	Restricted	Designated	General funds	Total funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	15,497	15,497
Fixed asset investments	-	2,000	9,518	11,518
Net current assets	406	-	1,442	1,848
Creditors: amount falling due in over one year	-	-	(104)	(104)
Net assets at the end of the year	406	2,000	26,353	28,759

22b Analysis of group net assets between funds (prior year)

	Restricted	Designated	General funds	Total funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	-	-	15,587	15,587
Fixed asset investments	-	2,000	7,833	9,833
Net current assets	408	-	997	1,405
Creditors: amount falling due in over one year	-	-	(257)	(257)
Net assets at the end of the year	408	2,000	24,160	26,568

Notes to the financial statements

For the year ended 31st December 2021**23a Movements in funds (current year)**

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	281	–	(2)	–	279
Future branches properties	127	–	–	–	127
Total restricted funds	408	–	(2)	–	406
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	–	–	–	1,000
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	2,000	–	–	–	2,000
Fair value reserve	4,944	1,956	–	–	6,900
General funds	19,160	1,773	(1,781)	–	19,152
Non-charitable trading funds	56	2,109	(1,864)	–	301
Total unrestricted funds	26,160	5,838	(3,645)	–	28,353
Total funds	26,568	5,838	(3,647)	–	28,759

Purposes of restricted funds

Specific charitable activities relate to specific activities of the various faculties and branches in the School. The Future branches properties fund comprises monies raised in prior years for the specific purpose of purchasing local buildings for two branches based in Berkshire and the Midlands.

Purposes of designated funds**Building and Capital Asset reserve**

The purpose of this fund is to hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments. While government regulations prevented meetings in person, there was no such need, but as life returns to normal and classes start to resume in School buildings, the possibility of further acquisitions returns.

This Fund can be used for buildings improvement and refurbishment either from the interest earned thereon or from the capital itself. In recent years fees and other sources of income have been insufficient to cover such expenses, and this situation is expected to continue.

Notes to the financial statements

For the year ended 31st December 2021

Opportunity Reserve

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. The target amount of the Opportunity Reserve is determined by the Executive Committee.

23b Movements in funds (prior year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	303	2	(16)	(7)	281
Future branches properties	137	-	(10)	-	127
Total restricted funds	440	2	(26)	(7)	408
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	-	-	-	1,000
Opportunity reserve	1,000	-	-	-	1,000
Total designated funds	2,000	-	-	-	2,000
Fair value reserve	4,219	725	-	-	4,944
General funds	19,526	1,479	(1,850)	7	19,160
Non-charitable trading funds	31	1,771	(1,746)	-	56
Total unrestricted funds	25,775	3,975	(3,597)	7	26,160
Total funds	26,215	3,977	(3,623)	-	26,568

24 Reconciliation of net income to net cash flow from operating activities

	2021 £'000	2020 £'000
Net income for the reporting period (as per the statement of financial activities)	2,191	355
(Gains) on investments	(1,956)	(725)
Investment manager fees	27	36
Gain on sale of fixed assets/property	-	(3)
Depreciation	330	341
(Increase)/decrease in stocks	(45)	20
(Increase)/decrease in debtors	(12)	34
(Decrease)/increase in creditors	(15)	272
Investment income	(266)	(224)
Legacy income in the form of property	-	-
Net cash provided by / (used in) operating activities	253	105

Notes to the financial statements

For the year ended 31st December 2021

25 Operating lease commitments

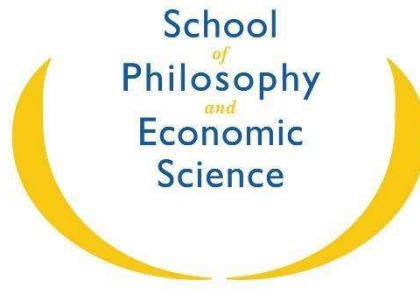
The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	Equipment 2021 £'000	2020 £'000
Less than 1 year	-	-
1 – 5 Years	-	-
	-	-

26 Results of the parent charity

	2021 £'000	2020 £'000
Turnover	1,854	1,538
Net result of the charity	1,946	328

Accounts



*The Fellowship
of the
School of Economic Science*

*Report and Financial Statements
for the year ended
31 December 2020*

The Fellowship of the School of Economic Science
11 Mandeville Place
London
W1U 3AJ

Executive Committee (Trustees):

Stephen Silver (Principal)	Susan Young
Andrew Purves (Treasurer to 18 July 2020)	Jeffrey Sapiro
Chris Rees (Treasurer from 18 July 2020)	Edward Saunders
Richard Glover (Gen. Secretary to 18 July 2020)	Matt McNeill
Anthea Douglas (Gen. Secretary from 24 July 2020)	Nigel Pate
Sherry Moran (from 18 July 2020)	
Ben Andrews (from 28 Aug 2020)	
William Brook (from 21 Aug 2020)	
Kumar Kumara (from 21 Aug 2020)	

Communications should be sent to:

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Principal
School of Philosophy and Economic Science
11 Mandeville Place
W1U 3AJ

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London EC4M 7JW

Insurance Broker

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Bankers

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Solicitors

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Riverbank House
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London EC34R 3TT

Investment Managers

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77 Mount Ephraim	80 Victoria Street
Tunbridge Wells	London SW1E 5JL
Kent TN4 8BS	

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1. Foundation and Vision

1.1. A Search for Truth

The Fellowship of the School of Economic Science (“the Charity”) was founded in 1937 to establish and maintain the School of Economic Science (“the School”) to teach ideas of economic justice derived and developed from the insights of the American economist Henry George. It soon became apparent that the answer to economic problems lay not just with economic systems but also with human understanding and in the early 1950’s philosophy courses were added to the economics programme. In 2019 the Fellowship changed the name of the School to the School of Philosophy and Economic Science. Economics and philosophy courses were directed by the founder and Senior Tutor, Leon MacLaren from 1937 until his death in 1994. Since then, they have been led and directed by the present Senior Tutor, Donald Lambie.

“It became very clear to me that there was such a thing as Truth and there was such a thing as Justice; and that they could be found and being found could be taught.”

Leon MacLaren

Philosophy in the School quickly took a practical bent, focusing on the need to awaken human consciousness through coming to rest in stillness. This in turn led to a meeting in 1961 with the Maharishi Mahesh Yogi and the adoption of mantra meditation as a key feature of the School’s approach to understanding and practice of philosophic principles.

Leon MacLaren later met with Shri Shantananda Saraswati, a teacher of the philosophy called Advaita or non-duality, which has since become central to the School’s work in both economics and philosophy. Parallels were found among many philosophers and writers from the world’s philosophical, theological and literary traditions which, through practical application in daily life, led to deepening understanding of human nature and the application of philosophic principles in personal and social life.

Courses in economics and philosophy continue to develop from a growing understanding of the philosophy of non-duality. They work by encouraging personal practice and observation and enquiry shared in groups of like-minded people, whose collective experience facilitates the development of individual understanding.

1.2. Aim of the School of Philosophy and Economic Science

The School aims to be a centre of spiritual and practical knowledge and enquiry for people leading everyday working and family lives. The intention is to help individuals lead full, rich and useful lives, to be of service in society and to evolve the spiritual aspect of their being in accordance with natural laws.

“The Aim is Truth; and Truth as we now know is beyond creation. It is the Self of every living creature. That is the aim. That is what it is all about.”

Leon MacLaren

The School is committed to an ethic of lifelong learning and development. Many students continue to attend classes throughout their adult life, also providing the voluntary service upon which the School depends, and contributing to the wider community in whatever ways they can. The School's educational aims and the study opportunities are all based on the philosophical view that humanity is united in a common conscious essence and that natural laws offer the possibility that human beings can live in freedom and prosperity without exploitation or misuse of nature. From those foundations, studies extend into many other fields including Language (particularly Sanskrit and Latin), Renaissance Studies, Plato, Art, Music, Law, Government and Education.

2. *Objects of the Charity*

2.1. The Rules set out the Objects of the Charity

The Objects are:

- 1) To promote understanding of the natural laws governing humanity through the study and practice of philosophy and economics and any other relevant subject, including the laws, customs and practices by which communities are governed.
- 2) To disseminate by all lawful means knowledge of the matters referred to in (1) hereof.
- 3) To promote any art or science, to produce, print, publish and circulate any periodicals, books and works of art.
- 4) To organise a School for the furtherance of these objects, such School to be known as the School of Philosophy and Economic Science.
- 5) To advance for the public benefit education in the United Kingdom and in particular by establishing or maintaining or assisting one or more schools for children.

Object 6 contains various provisions to assist the furtherance of the above objects, including the acquisition and holding of land and chattels, funding, the provision of library facilities, etcetera.

2.2. Carrying out the Objects of the Charity

The Objects of the Charity are carried out through the School of Philosophy and Economic Science, established and maintained in accordance with Object 4. Through the School in London and its 17 regional Branches, the Fellowship offers courses to the public at some 40 locations throughout England and Scotland. The School also offers courses online, available to students wherever they are. The courses themselves are directed by the Senior Tutor.

In March 2020, when the serious nature of the Covid-19 pandemic became apparent, all in-person courses were transferred online. This was just prior to the first government mandated lockdown. Course and related activities remained online for the remainder of 2020 and into 2021. The Executive Committee is actively monitoring the situation and assessing when in-person courses might safely be offered again.

The School also provides study materials and other support to many associated schools offering the same or similar courses in 14 overseas countries. Close contact is maintained with these Schools through regular visits by the Senior Tutor and others and through the provision of study materials. The leaders of associated Schools attend meetings in the UK from time to time and students from associated Schools often attend residential events in the UK. These arrangements enable the work of the School to reach many thousands of students in the UK and other parts of the world.

2.3. Guiding principles – service without reward

The Charity and the School are guided by three core values or principles. They are:

- love of truth and justice;
- learning and teaching;
- voluntary service.

Service without seeking individual benefit or reward is central to the ethos of the Charity. The School's courses, based on the principle of learning and teaching and guided by a love of truth and justice, are provided voluntarily by students whose own studies have progressed sufficiently to enable them to pass on what they have learned to others. Much of the administration as well as renewal and maintenance of premises is also provided on the voluntary principle as part of the practical application of philosophy. Only the weekday office staff at Mandeville Place and a few other persons are full or part-time paid employees. No-one is paid or allowed to derive financial benefit from providing teaching services in the School.

The day-to-day management of the Charity is undertaken voluntarily by members of the Executive Committee, Branch Leaders and advisers and assistants appointed from within the Fellowship and student body. Student volunteers also staff the refreshment and bookshop facilities that support classes and other events.

2.4. Charity

The Charity is registered in England and Wales as Educational Charity No. 313115. It is also registered with the Office of the Scottish Charity Regulator under registration number SC039950. The governing instrument of the Charity is the Rules of the Fellowship of the School of Economic Science as amended at the Annual General Meeting of 20 July 2019.

2.5. Public Benefit

Practical Philosophy and Economics with Justice courses are open to everyone and are widely advertised. Course fees are kept to a practical minimum. There are concessions for those on low incomes or experiencing financial hardship. Capital expenditure is largely met out of accrued financial resources together with bequests and from voluntary donations from students who can afford to contribute more than the regular fees.

Historically, courses have been offered throughout the UK. One of the benefits of moving all courses online is that people have been able to attend a course even when they are not able to attend one of the physical centres. Even when in-person courses will be able to be offered again, online courses will continue to be offered.

The Trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning activities and setting policies for the year ahead.

3. *Delivering the Objects*

In accordance with the Objects and in response to observed needs, additional studies founded on the philosophy of non-duality have developed.

3.1. Philosophy

The practical philosophy courses take inspiration from the principle of non-duality. They draw on the wisdom and practical experience of thinkers, writers and philosophers from many traditions and ages with particular reference to the philosophy of Advaita as expounded by His Holiness Shri Shantananda Saraswati and His Holiness Shri Vasudevananda Saraswati.

The courses treat philosophy as a personal and practical attitude to life and its opportunities, enabling people to deepen and develop an understanding of life and of themselves. They are not academic courses such as would be followed in a university but develop as far as possible based on practice and experience. They are intended for people with everyday working and family lives.

For this reason, the School's courses are based on weekly evening and daytime classes. These are supported by weekend activities. Weekend and week-long residential seminars have been available to students who have studied in the School for some time. Residential centres in the UK are located at Waterperry House in Oxfordshire, Nanpantan Hall in Leicestershire and Brinscall Hall in Lancashire.

Since the lockdown, these weekend and week-long activities have been held online using Zoom. The intention is to resume residential activities when circumstances permit,

as well as ensuring that online support is maintained for those unable to attend one of the centres.

A series six of short residentials is planned for Waterperry in the summer term following the planned lifting of legal restrictions in June.

At the beginning of 2020, introductory philosophy courses were offered at every location other than the residential centres. From April 2020, all location courses were suspended and a national, online course has been offered instead. Over 20 sessions have been offered each week at a variety of times during the day and evening.

These national online courses have been supported by students from across the UK. The national programme is continuing in 2021. The intention is to offer in-person courses at our UK locations, when regulations allow and circumstances permit, while maintaining an online course offering.

Because of the geographical freedom of the online courses, students have enrolled from several continents (North America, Africa, Asia, Australia and Europe) and many time-zones.

Zoom has also enabled the School to offer a number of worldwide festivals, open to the public and with contributors from the schools around the world, notably:

- Wise Things Festival: an online festival over one weekend, promoting the sharing of ideas and experiences that can help all of us be happier, healthier and more successful.
- Women of Wisdom: a series of four one-day seminars allowing presenters, musicians and performers from around the world to promote inspiring and insightful wisdom, and to explore practical philosophy by women who have been underrepresented over the centuries.

At many of our locations across the country the regular philosophy courses are supplemented by talks and presentations offered by students in various aspects of philosophy and related studies, based on their personal interests and experience. Many of these talks are open to friends, family and the wider public. A number are on the School's website. Following lockdown many of these continued online.

3.2. Meditation

The School has found that exploring natural laws governing the inner life requires a method of cultivating inner stillness and for this purpose students are offered an introduction to the practice of mantra meditation after a few terms' study of philosophy. Thereafter, regular practice of meditation is central to the study and practice of philosophy. The value of meditation has become very widely accepted in recent years and the Fellowship is pleased to support and participate in that development with the benefit of over 50 years' experience of continuous practice. There were regular sessions of lunchtime meditation practice at Mandeville Place that were open to the public until

we had to close the building due to Covid-19. Tutorials are always available for seasoned meditators, and these have continued online using Zoom.

3.3. Economics and Law

The study of economics arose from a deep desire for justice and equity rather than the prevailing economic injustices in society. The direction is towards helping anyone interested to discover and understand the natural laws that govern human society. It aims to formulate and propose principles upon which a more natural and just economic system and associated laws can be established, encouraging freedom, prosperity and happiness for all.

Economics with Justice is presented as a human and social subject, with principles derived from modern and ancient wisdom and observable today in the universe, in human relationships and in our individual lives. The School offers the view that economics needs to be founded on principles of justice and equity, and that economic injustices indicate failures to understand or observe these principles in economic policy. Major problems of contemporary economic life are examined from this perspective, and practical principles and policies offered.

Before Covid-19 an introductory ten-week course was offered in London several times a week with two further courses each offered once a week. Courses were also offered at some branches, as well as through a growing presence online. Since the imposition of the lockdown restrictions, all the courses have moved online. As with the philosophy courses, this has enabled a larger number of students to attend the courses, many from around the UK and from overseas who would not otherwise be able to attend.

In 2021, we are introducing Economics with Justice courses specifically targeted at South Africa and Australia, supported by students from the local schools.

The School provides for students to continue their studies for as long as they wish, deepening their understanding of economic principles and broadening their application to contemporary issues. There are Further and Advanced economics groups that meet on a weekly basis, and an economics study group which meets three times a term and for a residential week once a year. All of these activities moved online for 2020 and are continuing in 2021. Guest speakers are invited either for occasional Saturday afternoons, or for a full day's annual Colloquium.

The School is a corporate member of the Coalition for Economic Justice, a loose association of charitable and other groups with a common interest in the establishment of economic justice on similar principles to those taught in the economics course. Some meetings of the Coalition, and also meetings and courses held by another coalition member, the Henry George Foundation, have been hosted at the School's premises at Mandeville Place in London, and will be again when circumstances permit. The School has also hosted meetings and events for Promoting Economic Pluralism, an organisation campaigning for wider economics syllabuses in universities. The School's policy is to be

open to informal links with like-minded people and organisations whose objectives are compatible with the Fellowship's Objects.

3.4. Promoting the Arts

To meet Object 3 (the promotion of the arts) supplementary studies undertaken by groups of students within the School including art, music, translation, dance and others. Calligraphy is practised both as a fine art and as a reflective practice in fine attention. The School's choir Discantus gave a number of public concerts at the School's main building in Mandeville Place, London and elsewhere.

Waterperry has been a centre of excellence in horticultural arts and science since before the Fellowship acquired it and has been maintained and developed as such. Through Waterperry Gardens Limited ("WGL") the School provides training, recreational and horticultural facilities for public use and enjoyment. Due to the impact of Covid-19 government restrictions in 2020/21 WGL has currently suspended its programme of horticultural courses to the public. Waterperry is a Royal Horticultural Society Partner Garden. The ornamental gardens are recognised nationally. It is a well-known centre of expertise in herbaceous gardening, apple and pear cultivation and also houses two national collections of alpine plants, one of which, in a joint exhibit at the 2017 RHS Hampton Court Palace Flower Show, was awarded a Silver Gilt Medal.

The fresco paintings created by the Art Group of the School at Waterperry House are open to the public each week. The guided tours are particularly popular, although these had to be suspended during the lockdown.

In addition, the Charity encourages and supports the arts through various activities at Waterperry Estate and elsewhere, including dramatic and operatic performances in the theatre. WGL also offers public courses in various arts and crafts and steps are being taken to develop the estate as a host venue for festivals and exhibitions. Due to the lockdown many of the planned events for 2020 had to be curtailed or, like Celebrating Ceramics, moved online. For 2021, a full programme at Waterperry is planned, always working within government guidelines, including the return of the Oxford Storytelling Festival, Handmade Oxford, Celebrating Ceramics, with over 130 artists, and an expanded 10-day Waterperry Opera Festival.

In collaboration with the former owner, Johanna Herbert Stepney, and a local artist, Nanpantan Hall is hosting a public event entitled 'Time, Place, Memory' in May 2021.

3.5. Language

The Sanskrit Faculty continues to make a substantial contribution to the study of the Sanskrit language in the UK and elsewhere through its established courses, ranging from introductory to advanced levels. The study of Panini grammar is proceeding, as is the study of Sanskrit literature and traditional chanting. The annual International Sanskrit Conference took place at Waterperry House and the number of international online groups, principally for Introductory Sanskrit, has grown significantly. The School

also supports academic research and a translation of a further Sanskrit text attributed to Adi Shankara is under way.

Work continues on the translation of *The Letters of Marsilio Ficino* which over the years have made a major contribution to the revival of studies of this previously little known but extremely influential Renaissance philosopher. The latest volume of *The Letters*, Volume 11 was published in February 2021, and launched worldwide to an audience of nearly 200 people. Work continues on the final volume in the series. These works have been welcomed around the world, by academics and lay people alike, for their spiritual and philosophical content as well as for their cultural and historical significance. Elizabeth Medler commented in *New Vision*, "These letters are not only a joy to read, they are deeply nourishing." Numerous presentations and courses on Ficino have taken place online, reaching various branches and overseas schools.

3.6. Publications

During the year work has proceeded on publication of the conversations between Maharaja Sri Shantananda Saraswati and Leon MacLaren. The third and fourth volumes were published in 2018 and a detailed Index was published in 2019. A sixth volume published in early 2021 completes the record of conversations and correspondence.

The School publishes books and audio recordings of lectures and presentations given in the Philosophy, Sanskrit, and Economics and Law faculties.

The School also gives financial support to Dr David Horan for a new translation into English of the complete works of Plato. This work has been completed and is being prepared for publication online in 2021.

3.7. Education

In response to a need identified by parents of young children for a more philosophically principled and holistic education than was then available, students in the School were instrumental in establishing The Independent Educational Association Limited (IEAL) in 1975. The IEAL is a separate and independent charity that operates the St James Independent Schools for children.

Some years ago, students in the School established another separate charity, the Education Renaissance Trust, which aims to support and encourage similar initiatives in the field of education. There continue to be close links with this organisation and the School supports its work by providing accommodation and other facilities from time to time.

The School has also provided financial support to the St. James School in Durban, South Africa, helping to bring much needed educational opportunities to primary school children for a more principled and holistic education.

The purpose of these educational ventures is to advance for the public benefit a holistic education for children which takes full account of their spiritual, mental, emotional and

physical needs. The children's schools are highly respected and recognised as leaders in exploring and using such added dimensions to children's education. Although they are independent charities, their aims and methods are entirely consistent with those of the Fellowship.

The School also supports the Jyotirnidhi Nyasa Trust, whose principal object is to advance education in Vedic philosophy and the Sanskrit language in India and elsewhere. It is agreed that, subject to available finances, the Fellowship will make annual donations of about £10,000 to support the work of this sister charity.

4. Governance

4.1. Structure

Senior Tutor

The Senior Tutor, Donald Lambie, is responsible for the general philosophic and educational direction of the School's work and for the scope and content of study material. The Senior Tutor is also responsible for the appointment of tutors and Branch Leaders, all of whom are volunteers.

There is close communication with the Trustees in relation to these matters through regular meetings between the Senior Tutor and the Principal, bi-annual meetings with the Executive Committee and through the Trustees' active participation in the work of the School. The Senior Tutor does not receive any salary from the Charity, although expenses are paid and accommodation and paid assistance are provided to enable him to fulfil his role. The Senior Tutor has no control over the finances of the Charity.

Trustees

The Trustees of the Charity are defined by the Fellowship Rules (12).

At the AGM 2020 the outgoing trustees were Richard Glover and Andrew Purves. Richard Glover stepped down after many years of service on the Executive, for the majority of which he acted as General Secretary. Andrew Purves also stepped down after many years of devoted service as Treasurer.

A new Executive Committee was elected. Stephen Silver was re-elected as Principal and Chris Rees was elected as Treasurer. Co-options were decided at two Executive meetings immediately following the AGM. Assignment of specific responsibilities and sub-committee memberships were decided at those same meetings.

The trustees and their responsibilities are shown here:

Stephen Silver (Principal) (4) (7)	Chris Rees (Treasurer) (1) (2) (4) (9)
Anthea Douglas (General Secretary) (10)	Susan Young (5)
Sherry Moran (11)	Edward Saunders (12)
Matthew McNeill (9)	Jeffrey Sapiro (5) (6) (8)
Nigel Pate (7)	Kumar Kumara (co-opted) (11)
Ben Andrews (co-opted)	William Brook (co-opted) (3)

Notes:

- (1) Chair of the Finance Sub-Committee
- (2) Attends the Investment Sub-Committee
- (3) Member of the Risk Management Sub-Committee
- (4) Member of the Staff Sub-Committee
- (5) Member of the Creative Projects Sub-Committee
- (6) Member of the Elderly and Vulnerable Students Committee
- (7) Member of the Advertising and Communications Committee
- (8) Member of the Membership Committee
- (9) Member of the Technology Sub-Committee
- (10) Member of the Economics Grants Committee
- (11) Member of the Estates Sub-Committee
- (12) Legal matters

The Fellowship meets in an Annual General Meeting to receive the Report of the Trustees and the Financial Statements, and to elect the Officers and other members of the Executive Committee and the Membership Committee for the following year. A quorum of two-thirds of Ordinary Members is required. Associate Members may attend General Meetings but may not vote.

Due to the Covid-19 pandemic, in 2020 a decision was made to hold the AGM on Zoom using a voting system provided by BigPulse. In consequence almost all Fellowship members were able to attend online. Changes were made to Rules 18, 20 and 26 to allow for this arrangement to be possible in future years, should it be more advantageous for Fellowship business.

The Principal and the Treasurer are elected annually under Rules 8 and 9 respectively. The Principal is also the Chair of the Executive Committee and of the Fellowship. Each of the Trustees can be contacted via the School's head office at 11 Mandeville Place, London W1U 3AJ.

Membership Committee

Four members of the Membership Committee are elected annually at the AGM and a Trustee is appointed by the Executive Committee to serve with them. The members of the Membership Committee are:

Sally Ostrowska (Chair)
Bartholomew O'Toole (Secretary)
Sine Pickles
Barry Scott
Executive representative: Jeffrey Sapiro

Any person currently enrolled on a Philosophy or Economics course in the School of Philosophy and Economic Science (Rule 3) is eligible for membership of the Fellowship.

The Membership Committee continues to monitor the breadth and strength of the membership of the Fellowship. During the year four persons ceased being a member, and another three died. 11 students accepted the invitation to join the Fellowship from across all UK Branches.

The membership of the Fellowship on 31 December 2020 consisted of 228 Ordinary Members and 66 Associate Members. Fellowship members are appointed by the Executive Committee on the recommendation of the Membership Committee in accordance with Rule 3 and Rule 12 (9).

Property Trustees

Because the Fellowship is an unincorporated association, Rule 15 provides for the appointment by the Trustees of not more than five nor less than three Property Trustees for the purpose of holding and dealing with "any freehold or leasehold properties from time to time acquired by the Fellowship and the proceeds of sale thereof and all monies or other property of the Fellowship in their hands upon the terms of a Trust Deed....".

The current Property Trustees appointed by the Executive Committee are:

Ian Mason
John Meltzer
Hugh Venables

Endowment Fund Treasurer

Bart Dunlea was re-appointed to the role of Endowment Treasurer following the AGM.

4.2. Trustee Election, Induction and Training

Under the Rules of the Fellowship, the Trustees are elected by and from the Ordinary Members of the Fellowship who have invariably obtained considerable knowledge and experience of the work of the Charity, both before becoming members of the Fellowship and then through receiving annual reports and financial statements. On appointment Trustees may see past minutes and agendas of the Executive Committee and are encouraged to question any member of the Committee, and the Internal Auditor, about any aspects of the Committee's business or the general administration of the School.

New trustees are also encouraged to read the Charity Commission guidance on the role and responsibilities of trustees.

From time-to-time external advice is sought as to the appropriateness and efficiency of the Charity's governance.

4.3. Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Report of the Trustees and Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in England, Wales and Scotland requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the Charity's financial activities during the period and of its financial position at the end of the period. In preparing financial statements the Trustees should follow best practice and:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity, and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees and staff, through the Finance sub-committee meetings, continue to improve the financial accounting practices in recognition of their obligations and in response to the advice from the Charity's auditors. In particular, the property maintenance budget is renewed annually. A Finance Manual was adopted in 2017. It will be reviewed in 2021.

4.4. Management arrangements

The day-to-day management of the Charity is undertaken on a voluntary basis by the members of the Executive Committee, supported by the Branch Leaders, together with

advisers and assistants appointed from within the Fellowship and the student body. The volunteers are supported by a small and dedicated team of full- and part-time paid staff.

The School year is divided into three terms. The Executive Committee used to meet three times each term, with additional meetings arranged as necessary to deal with any matters requiring urgent consideration. Since the onset of the pandemic it has met online nearly every week, on Friday mornings.

The Executive Committee has also met online several times at weekends for some hours each time to consider matters of a more strategic nature outside the normal run of business.

The Branch Leaders, as local representatives of the Executive Committee, are provided with clear Terms of Reference. Branch Leaders typically meet around the end of January with the Senior Tutor and the Principal for a three-day residential period during which Trustees attend to speak about and discuss current issues and matters relating to the management and organisation of the School and Branch Leaders' roles as Trustees' representatives. The aim is to allow the Branches as much autonomy as possible while maintaining the unity of the School as a whole. The current Executive member with particular responsibility for liaison with the Branches is Nigel Pate, who is himself a Branch Leader.

Decisions on matters of policy and strategy are made by the Executive Committee on behalf of the Fellowship in consultation, where appropriate, with the Senior Tutor. Decisions relating to the day-to-day operations of the School are implemented by the relevant person within the management structure, and within the policy and strategy framework as set out by the Executive Committee.

There is provision in Rule 19 for an officer, or two or more members of the Executive Committee, or at least ten Ordinary Members to call an Extraordinary General Meeting of the Fellowship at any time to discuss and vote upon matters of major significance (e.g. major changes in policy or strategy, proposed actions outside the scope of established policy etc.).

There was no Extraordinary General Meeting in 2020.

4.5. Staff

The management support team continued to work well, led by the General Manager, Laura Counsell, under the direction of the Principal.

The Trustees extend their grateful thanks to Laura Counsell and her team for approaching their task with energy and efficiency while engaging fully with the ethos of the School.

Remuneration Policy

The Fellowship aims to pay its employees a fair salary commensurate with their skills and level of responsibility, comparable to the private sector. The School contributes 7%

of gross salary to the pension fund of each employee and has offered all employees pension advice. One employee earned more than £60,000 during the year ending December 2020.

4.6. Committees & Sub-Committees

There are seven sub-committees appointed by the Executive under Rule 12 (7): Finance; Investment; Risk Management; Staff; Technology; Creative Projects and Estates. The Trustees are also represented on the Advertising and Communications Committee and the Elderly and Vulnerable Students Committee, which are otherwise appointed from among the student body.

Advertising and Communications Committee

Attracting new students to the School remains a high priority as offering courses to the public is the main means of fulfilling the Charity's Objects and the most visible public benefit provided by the School. Advertising and its effectiveness are kept under constant review by the Advertising and Communications Committee. Advertising for Branches within the UK is administered locally under the direction of each Branch Leader who is responsible for advertising the Branch and for its budget.

Towards the end of 2019, the Executive had seen the need to make more use of social media and had appointed a specialist consultant to provide guidance and support to the office staff.

Once the decision was made only to offer national online courses for the summer term, all of the advertising effort was focused on social media. The Executive Committee established a UK Marketing Working Group (UKMWG), consisting of students from around the country with experience and expertise based on their professional work and their involvement in marketing for the School. The UKMWG produced campaign material that was used in the national social media campaign and was made available to the Branches, so that the marketing could be extended through their existing channels.

Notwithstanding the reach of social media advertising, all students in the School are encouraged to utilise personal referrals and generally to promote the School's reputation.

With the sudden move to online, the decision was taken to offer the summer term introductory courses for free. At the time, so many other activities – courses, concerts, museums, etc. - were being offered free, and the impact of lockdown, furlough, school closures was so uncertain, it was felt necessary to make the course free to attract students. The introductory courses were kept free for the September course.

Enrolments were 1700-1800 students for each term. However, attendance was under 50%, which was put down to the fact that people may sign up to a free course without necessarily any commitment actually to attend. For January 2021, a £10 fee was

introduced. As expected, the number enrolling fell, to just over 1100, but attendance was over 80%.

Early in 2021, the decision was made to disband the Advertising and Communications Committee as a formal committee, as much of the work is now carried out by the UKMWG.

Elderly and Vulnerable Students Committee

This committee meets every 4 – 6 weeks to implement the School's Policy for the Protection for Elderly, Disabled or Vulnerable Students; it reviews the current list of those students no longer able to attend courses due to age, disability or other vulnerability; it aims to ensure that they receive adequate care, support and protection to enable them to participate as fully as possible in courses and activities of the School. The committee provides advice and resources to vulnerable students and their carers on spiritual and practical matters as well as visiting those who are house-bound or living in residential care.

Risk Management Sub-Committee

The Trustees are required to certify each year that the major risks to which the Charity is exposed have been assessed and that appropriate steps are being taken to minimise those risks. A comprehensive risk management structure is in place and is kept under regular review. The trustees have overall responsibility for risk within the Charity. Each Executive Committee meeting has Risk as an agenda item during which each member is given the opportunity to report on risks drawn to their attention.

Management of risk is co-ordinated and given general attention through the Risk Management Committee which is chaired by a trustee and meets around five times during the year. Each UK Branch has an appointee with particular responsibility for risk management.

The Risk Management Handbook documents and explains how risk assessment and its mitigation are to be conducted. This is one of the Charity's policy documents. The Risk Management Committee introduced a Charity Risk Register along the lines recommended by Charity Commission guideline CC26. It covers the areas of

- Governance
- Operational Risk
- Financial Risk
- External Risk
- Compliance Risk

Policies of the Charity are kept under review by the trustees. They are made available on-line to all those with significant responsibilities such as Branch Leaders, Bursars and Trustees. These are reviewed at least every 3 years.

Specific risks addressed during the year included:

- Minor theft at a residential property resulting in increased security measures.

- Inadequate rigour during emergency evacuation drills, resulting in a review of practice and procedure.
- Minor accident during Charity activity outside of Charity property, resulting in guidance being issued to persons with relevant responsibility.

Finance Sub-Committee

The Executive Committee has appointed a Finance Sub-Committee chaired the Treasurer. The Finance Sub-Committee supports the Treasurer in providing the Executive Committee with regular reports on the financial position of the Fellowship and forecasts of income and expenditure. The sub-committee reviews the annual budget in advance of the Executive Committee's review and adoption of the budget.

Investment Sub-Committee

In December 2010, acting upon the advice and recommendations of the Investment Sub-Committee, the Executive Committee placed funds to the value of £4,000,000 with two investment fund managers, listed on page 2. In the period since then the market value of these investments has fluctuated within the expected range. The investment strategy is reviewed every year, including in 2020, and the Executive Committee decided to continue with the same investment managers.

Staff Sub-Committee

The Staff Sub-Committee, chaired by the Principal and including the Treasurer and the General Manager, is responsible for staff policy, recruitment, disciplinary matters and other HR related matters. It meets at least once a term and in addition the Principal and General Manager will consider any staffing issues at their regular weekly meetings.

Technology Sub-Committee

The Technology Sub-Committee investigates technical matters of any sort when asked to do so by the Executive and may provide technical guidance or assurance to the General Manager as required.

Creative Projects Sub-Committee

The Executive occasionally gets requests for support to students in the School who wish to carry out particular projects. The sub-committee evaluates the requests and provides recommendations to the Executive for whether or not the project should be supported.

Estates Sub-Committee

The Estates sub-committee was reformed, with representatives from many of the branches around the UK. The sub-committee's role is to provide support to the property stewards for their plans for property maintenance and improvement and to advise the Executive on proposals for major budget requests.

4.7. Properties

The Fellowship owns a number of properties in the UK, which are mainly used for delivering the School's courses in furtherance of the Objects. Five cottages at Waterperry, the Lodge and the Coach House at Nanpantan, and other properties are used either to accommodate essential staff or to provide income to the Fellowship.

In addition to its residential premises, the Fellowship owns nine other freehold properties and one long-leasehold, used for the purpose of delivering its courses. Otherwise, many Branches take premises on short leases or occupy premises under licence to deliver courses.

The Trustees consider that it is essential to find ways to create more income from spare capacity at all properties to help balance income and expenditure as soon as possible.

Mandeville Place is in a prime central London location. Prior to the Covid-19 pandemic, meeting rooms could be hired out during the day on a commercial basis. The office staff have been successful in finding primarily educational and charitable organisations that can hire rooms on a regular basis, which provides a reasonable income without being too demanding on the building's facilities and staff. Some tenants continued to meet when regulations allowed. Following the second lockdown, one tenant resumed use of the building from 12th April 2021 and the second main tenant has indicated that they intend to return to Mandeville Place in September.

Given the uncertainties around future usage, a small working group was established to consider feasible options for the future use of the building, which might enable it to continue to support our own group meetings while, at the same time, generate additional funds. We expect this group to report during 2021.

Nanpantan Hall

The upgrading of Nanpantan Hall was completed in early 2019 and provides an improved residential experience for the School's own activities, and enhanced possibilities for letting to like-minded organisations as well as weddings and other events. After protracted negotiations, the coach house was rented out to the Nurture at Nanpantan School, a school for autistic children, commencing in September 2020.

Activities at Nanpantan in 2020 included:

- Continuing work on the woodland area; clearing bramble, self-sown trees and scrub to reveal the existing ornamental tree planting.
- Actively supporting a local homeless charity with work carried out by our contract gardeners.
- From July to October, the Hall opened its doors to SPES students for their summer holidays. 11 families took up the offer.

- In between lockdowns, it was still possible to host a socially distanced Hindu wedding and a small retreat for the Self Realisation Organisation.

Waterperry and Waterperry Gardens Limited

When the Waterperry Estate was acquired in the 1970s there was an established horticultural centre, which the School maintained and expanded consistently with Object Three (promote any arts or sciences). The horticultural centre is now run as a separate trading entity known as Waterperry Gardens Limited (WGL). WGL is wholly owned by the Fellowship. Waterperry continues to command international renown for the formal gardens, which are supported by a garden shop, tea shop, gift shop and arts and crafts gallery.

Investment in infrastructure at the Waterperry Estate is making it a much better visitor attraction, which in turn enables WGL to contribute more to the Fellowship's income, while also enhancing the Estate for the Fellowship's own residential and teaching purposes.

WGL has developed strongly. There have been numerous enhancements that have contributed to significant increases in visitor numbers and more consistent profitability, notwithstanding meteorological challenges.

WGL was forced to close in March 2020 because of the Covid-19 pandemic. The garden shop continued to trade during the initial lockdown period doing mail order, internet orders and local deliveries. As restrictions lifted, WGL reopened department by department as allowed by government guidelines. The income from the teashop was significantly affected by social distancing restrictions; the normal level of trading was never able to resume despite great innovation, including relocating to the ground floor of Waterperry House. The retail areas however did very well, showing the strengths of having a diverse business. Thanks to the government furlough scheme, the hard work and support of the staff and the continued high profile of the gardens, WGL managed to make a profit of £26,000 despite the adverse conditions.

2021 promises to be another challenging year. In line with the government timetable for relaxing restrictions, the business started to re-open from 8th March. Depending on government restrictions and support we expect the financial position for the year to be similar to that of 2020.

Apart from serving the public, WGL also maintains the Waterperry estate and makes an important contribution to the local economy and employment. Students on the School's residential courses at Waterperry enjoy the benefit of the beautiful gardens and setting.

Despite the positive contribution that WGL has made in recent years, the Waterperry estate as a whole is a net drain on the School's resources. A working group was established in 2020 to consider whether costs can be reduced and/or income increased for the Estate. That work is ongoing.

4.8. Achievement and Performance

The School is not a public fund-raising charity and does not set fund-raising targets or specific aims for expansion. The main sources of funding are fees from courses, gifts, legacies, and returns from investments. Steps continue to be taken to find supplementary sources of income and to safeguard the value of the Charity's assets.

At the close of 2020 there were more than

1750 students enrolled in Philosophy in London and the Branches. During the year 1038 students enrolled for Philosophy Online and Economics students numbered more than 400. Over 100 students registered each term for extension courses known as Horizons.

Since its foundation in 1937 the School has provided courses to tens of thousands of people in the UK. While the Executive Committee would always like to see larger numbers of enrolled students, the priority of the School is always to meet the needs of students attending courses.

The following activities have been undertaken:

- The School continues to organise courses, seminars and events to enable students to present the findings of their studies to a wider public.
- Contact continues to be made and maintained with like-minded organisations in order to collaborate with them in the development of common fields of study.
- Budgets continue to be carefully reviewed to enable the Charity to function within its means.
- The use of the School's residential properties has also been reviewed to identify means of making better use of the facilities.

4.9. Development Plan

Work had started late in 2019 to review and renew the strategic vision for the charity. There are three interrelated factors: the lower than hoped enrolment numbers, a continuing drain on the financial reserves and the cost of some of the properties.

The need for this review was exacerbated by the impact of the Covid-19 pandemic and the lockdown restrictions imposed by the government.

Following the election of a new Treasurer and Executive a number of new initiatives were started:

- A more rigorous budget control process has been implemented, starting with the budget forecasts for 2021. Leaders of the larger branches with their own properties and the bursars of Mandeville Place, Waterperry and Nanpantan were invited to present their budgets to the Executive Committee for approval.

- The Waterperry Working Group produced an initial report making a number of recommendations for how to improve revenue, at least in part through third party hire of the house, when circumstances permit.
- Working with the Senior Tutor and a number of other tutors, a strategy working group (SWG) was established. The initial focus was to review and articulate the core foundations of the teachings offered by the School. The aim is to identify areas where additional or different courses could be offered and to look at how different students may wish to engage with the. Additionally, the SWG is looking at how the School can best deliver its offering.

This work will continue in 2021.

5. *Financial Review & Results*

The consolidated Statement of Financial Activities which accompanies this report shows that the Group made a surplus in the 12 months to end December 2020 of £355,000 (2019: deficit of £172,000). The principal reasons for this were:

- the letting of the Coach House at Nanpantan Hall and one of the St Oswalds studios and their revaluation and reclassification as investment properties;
- unrealised gains in our investment funds.

The Charity's income from courses and residentials was lower than in 2019 due to Covid-19 restrictions at £803,000 (2019: £1,119,000). Total voluntary income for the year was slightly lower than in the previous year at £269,000 (2019: £279,000), consisting of donations and gift aid which increased to £235,000 (2019: £171,000), while legacy income decreased to £34,000 (2019: £108,000). The Trustees are grateful for students' generous donations, as well as legacy income.

In last year's annual report, we predicted that WGL would incur a loss of £250-£300,000 for 2020, given the forced closure of the operation due to Covid-19. At the time, there were many uncertainties about whether and when we would be able to re-open the garden centre. WGL arranged a CBILS loan, which ensured sufficient cash to keep the business going, and furloughed as many staff as possible in order to keep the team together.

In late April, the online sales operation was enhanced to include local deliveries of plants and compost, etc. and some level of sales was restored. The garden shop re-opened on 13th May. Thankfully, the gardens were able to re-open on June 5th and the Tea Shop began a take-away service a week later. Towards the end of 2020 the Tea Shop relocated to the ground floor of Waterperry House, which enabled them to provide a service during the winter months.

As a result of these measures, and with the assistance of government support, the predicted loss turned into a profit of £26,000. The trustees regard this as an outstanding result.

5.1. Net Gain on Investments

The total unrealised gains for the year were £725,000 (2019: £264,000). These gains included net gains of £337,000 on listed investments (2019: £260,000). The value of listed investments increased from £3,278,000 to £3,305,000, despite drawing down £300,000.

5.2. Investment Income from Property and Shares

Gross investment income for the year was again higher at £224,000 (2019: £185,000), reflecting a reduction in interest and dividend income from our share portfolios of £19,000 but an increase in income of £59,000 from the commercial lease of another Studio at St Oswald's and the Coach House at Nanpantan.

5.3. Reserves Policy

The Charity requires financial reserves to maintain and advance its activities for the following reasons:

- to minimise the charity's requirement for debt;
- for operational purposes, to maintain properties, (with a net book value at 31 December 2020 of £15,586,000 (2019: £16,025,000)), equipment, etc, which are used extensively for educational and residential purposes in accordance with the Charity's objects.

Property ownership provides long term security of tenure, a measure of financial resilience, the opportunity for higher standards of maintenance, facilities adapted to the Charity's specific requirements, and for lower running costs in the long term than occurs with a dependency upon rented accommodation.

Free Reserve – £2,046,000

The free reserve is the balance of total funds (£26,568,000) less the value of those funds already identified as:

- Restricted funds; £408,000
- Designated Funds; £2,000,000
- Tangible Fixed Assets; £15,586,000
- Investment properties; £6,528,000

Total free reserve: £2,046,000

The Trustees consider that an adequate target level of Operating Reserve is approximately £1.7m. This would provide sufficient reserves to meet the charity's

running costs for a period of six months in the event of major disruption to our activities.

This reserve would also be used to provide financial support from the Charity fund to the Benevolent Fund. The balance is held to cover operating deficits, until such time as these can be eliminated.

The Trustees invest the surplus funds in line with our investment policy.

5.4. Designated Funds

Building and Capital Asset Reserve – £1,000,000

This fund is used for the following purposes:

- To hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches (currently without property), where many students attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments.
- This Fund can be used for buildings improvement and refurbishment either from the interest earned thereon or from the capital itself. In recent years fees and other sources of income have been insufficient to cover such expenses, and this situation is expected to continue.

Opportunity Reserve – £1,000,000

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. The target amount of the Opportunity Reserve is determined by the Executive Committee.

The Trustees review the designated funds of the charity on a regular basis.

5.5. Investment Policy

During the year the Trustees continued to hold investments with Handelsbanken Wealth & Asset Management (formerly Heartwood) and Ruffer, referred to on page 2 above. Other funds were also placed in deposits with major UK banks. When the investments were placed with Heartwood and Ruffer, it was anticipated that the funds would generate net gains of 3% per annum. Although this has not been consistent, the performance has been in line with general market outcomes. The Trustees reviewed the investment policy early in 2020 and were happy with the advice of the Investment Sub-Committee, to keep the level of risk in line with reward.

5.6. Impact of the Pandemic

During the year, the Covid-19 pandemic has necessarily had an impact on our operations, and we set out below this impact under various headings:

Response

As the extent of the pandemic spread, a decision was taken on March 16th 2020 to suspend all physical group meetings and events in School buildings and move online using the Zoom platform. We had been running online courses on Zoom for almost 13 Years, and the transition was as smooth as could be expected. At the same time, a decision was made to offer all new Part One courses online for the summer term, free of charge. Fees for Part Two, up to the New Level were adjusted to take account of this. Non-residential Senior School and M Stream fees were not changed, but in May a letter was sent to all senior students offering a 10% discount, with additional remission of fees on request for those financially affected by the pandemic. A small number took up this offer, and the Trustees are grateful to all students for their continued support for the work of the Charity. We are also grateful for the generous donations made over and above the normal fees, reflected in the increase of donations and gift aid to £235,000 from £171,000 in 2019.

Planning had already started to change our advertising strategy from print to online social media, supported by the engagement of a social media consultant, and active participation by many members of the School around the country to generate the content. As a result, the cost of publicity was reduced to £155,000 (2019: £286,000).

The decision to offer the new courses nationwide resulted in over 1700 students enrolling for Part One, between Philosophy and Economics in the Autumn term.

There was a high 'no show' and drop-out rate in the summer term, as expected with a free course, at a time when so much else was being offered online. Our introductory courses remained free for the autumn term 2020, again resulting in high enrolments and high no-shows and drop-outs.

Operations

Four members of staff were furloughed in March, and one further member in May; but to deliver the national online offering meant retaining the full complement of managerial and administrative staff. In addition, although variable costs have reduced, including expenditure on energy and provisions for residential courses, fixed costs remain. This has resulted in an operational deficit for 2020 of £783,000 (2019: £895,000).

Reserves

We believe the Charity has adequate reserves for the next twelve months, and we have made no changes to our reserves policy.

5.7. Post-Audit Events

Student Enrolment

The decision was taken to introduce a discounted £10 fee for the introductory courses in the spring term 2021. This resulted in a drop in enrolments but a higher percentage attending. Over 950 attended philosophy or economics in January 2021. We are optimistic that these higher enrolments in the introductory courses will result in more students attending in further terms, which will help restore the lost income from the free and discounted courses.

As the pandemic persisted, together with the government restrictions, online remained the only offering for our introductory courses. This remains the case up to and including the summer term 2021. As restrictions ease in the summer of 2021, we expect to be able to have some in-person meetings again and limited residentials. Our plan is to open for in-person or hybrid meetings for the September 2021 term, subject to government guidelines. Online will continue to be a key part of our offering.

BBLS loan

In January 2021, in the light of the uncertainty occasioned by the second wave of Coronavirus, we secured a government-backed BBLS loan of £50,000 from NatWest Bank, interest-free in the first year, to ensure that the Charity had adequate cash in hand.

Investment Funds Review

The Investment Sub-Committee has undertaken a detailed review of our financial investments with a view to ensuring that they are aligned with Environment, Social and Governance (ESG) criteria¹ as well as delivering good performance and competitive fee levels. The Sub-Committee considered that these criteria are very much in accord with the School's principles. After interviewing and evaluating a number of investment management firms, the Sub-Committee recommended that the funds be switched to two new fund managers, CCLA Investment Management and P1 Investment Management. Both are regulated by the Financial Services Authority. Founded in 1958, CCLA is the leading investment management company serving charities, churches and local authorities. In the charity sector they have c. £1.35 B under management in their ethical fund. Founded in 2014, P1 is smaller; it has £250 M under management of which £26 M is in their sustainable funds. They are an influential thought leader in ESG investing, and are highly focused on funds and companies that espouse ESG principles. Both firms have good performance records and charge relatively low fees. The Sub-committee

¹ Environmental, social, and governance (ESG) criteria are a set of standards for a company's operations that socially conscious investors use to screen potential investments. Environmental criteria consider how a company performs as a steward of nature. Social criteria examine how it manages relationships with employees, suppliers, customers, and the communities where it operates. Governance deals with a company's leadership, executive pay, audits, internal controls, and shareholder rights. (Source: *Investopedia*).

recommended that c. 75% of the funds be invested with CCLA and c. 25% with P1. The Executive Committee accepted the recommendations.

Trading Subsidiary

In 2021 while garden centres were allowed to stay open during the New Year lockdown in contrast to 2020, WGL management decided to close during this quiet trading period, while they continued to deliver online orders, and plan for the re-opening of the ornamental gardens and catering facilities when permitted. They also planned for the hosting of Celebrating Ceramics, the Opera Festival and Handmade at a later date than usual. Since re-opening, early trading is positive, and WGL is forecasting a small profit for 2021. It will retain part of the CBILS loan as a protection for cash-flow during what is still an uncertain period, but the WGL Board remains confident that the business is a going concern.

Going Concern

We are confident that the Charity remains a going concern, and has sufficient reserves to survive the pandemic, although much will depend on the willingness of senior students to maintain their payment of fees at the full level, despite the reduction in services provided (mainly the residential courses, which are charged via a composite fee).

Fundraising

The School does not carry out external fundraising activities or raise funds from the general public, with donations being received from students or others familiar with the school. Accordingly, it is not registered with the Fundraising Regulator.

6. *Plan for the Future*

The School's main aims are set out in Section 1. Historically, the Charity has aimed to respond to needs and demands on its services as they arise rather than seeking to generate new activities, beyond making those services known to as wide a community as possible. The aim was to allow for organic growth and development without the constraints of a structured long-term plan.

The Executive Committee considered that the general decline in student numbers, with a continuing operational deficit, required a strategic review of the School's offering and organisation. The Covid-19 pandemic has exacerbated this need.

The strategic review, started in 2020, will continue into 2021 and beyond.

An innovation for 2021 was a Zoom meeting for all Senior School students across the UK. Over 600 students attended and contributed through responding to surveys and submitting questions for the meeting itself. These have provided a wealth of ideas and suggestions to be considered by the strategy working group and the Executive.

The meeting was generally well received and the expectation is that further meetings will be held in due course.

Work has already started on a number of new initiatives, including:

- a new course focused on service for those working, or wishing to work, in the charity and social care sectors;
- a philosophy café allowing for a less structured, drop-in environment for discussion;
- provision of technical solutions for having hybrid groups, with some people in a room and some online.

Work will also continue on enhancing the use of the Waterperry estate and reviewing the use of the school's property portfolio.

It is considered vital that the network of branches across the UK are maintained and strengthened. During 2020, technology has enabled online groups to offer courses to new students and maintain contact with existing students. It has also enabled those who could not attend physically to join in the school community. However, there is a richness in personal contact and wherever possible, the aim is to provide in-person groups and meetings, for those who wish and are able to.

Approved by the Trustees on 11th June 2021 and signed on their behalf by:

S. Silver

Chair

C. Rees

Treasurer

Independent Auditor's Report to the Trustees of Fellowship of the School of Economic Science

Opinion

We have audited the financial statements of Fellowship of the School of Economic Science for the year ended 31 December 2020 which comprise the consolidated statement of financial activities, consolidated and charity balance sheet, consolidated statement of cashflow 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 the parent charity's affairs as at 31 December 2020 and of the group's income and expenditure, for the 31 December 2020 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 and the Charities and Trustee Investment (Scotland) Act 2005 and Regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006 (amended).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the 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 charity's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 (Accounts

and Reports) Regulations 2008 and the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient and proper accounting records have not been kept by the parent charity; or
- the 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 trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group and 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 trustees either intend to liquidate the 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 of the Charities Act 2011, and section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts 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.

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

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

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

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

We obtained an understanding of the legal and regulatory frameworks within which the charity and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 and The Charities and Trustee Investment (Scotland) Act 2005 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charity and the group for fraud. The laws and regulations we considered in this context for the UK operations were:

- General Data Protection Regulation (GDPR)

- Health and safety legislation
- Taxation legislation
- Employment legislation

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

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within valuation of Investment Properties and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and the Executive Committee about their own identification and assessment of the risks of irregularities, reviewed valuations by a trustee who is an expert in the investment market and compared to available market data for investment properties, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, and reading minutes of meetings of those charged with governance.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008 and Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. 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.

Crowe U.K. LLP

Crowe U.K. LLP
Statutory Auditor
London

23 June 2021

Crowe U.K. 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.

The Fellowship
of the
School of Economic Science

Financial Statements
for the year ended
31 December 2020

Consolidated statement of financial activities**For the year ended 31st December 2020**

	Note	Unrestricted £'000	Restricted £'000	2020 Total £'000	Unrestricted £'000	Restricted £'000	2019 Total £'000
Income from:							
Donations and legacies	2	267	2	269	216	63	279
Charitable activities							
Courses & Residential	3	801	-	801	1,110	-	1,110
Other activities	3	3	-	3	9	-	9
Other trading activities	4	1,954	-	1,954	2,377	-	2,377
Investments	5	224	-	224	185	-	185
Total income		3,250	2	3,252	3,898	63	3,961
Expenditure on:							
Raising funds:	6						
Costs of trading activity		1,744	-	1,744	1,860	-	1,860
Other costs of raising funds		395	1	396	722	-	722
Investments		90	-	90	44	-	44
Charitable activities							
Courses & Residential	6	1,351	25	1,376	1,754	-	1,754
Other activities	6	17	-	17	17	-	17
Total expenditure		3,597	26	3,622	4,396	-	4,396
Net income/(expenditure) before net gains/(losses) on investments		(347)	(24)	(371)	(498)	63	(436)
Net gains on investments		725	-	725	264	-	264
Net Income/ (expenditure)		379	(24)	355	(234)	63	(172)
Transfers between funds		7	(7)	-	115	(115)	-
Net income / (expenditure)		379	(24)	355	(234)	63	(172)
Net movement in funds		386	(31)	355	(120)	(52)	(172)
Reconciliation of funds:							
Total funds brought forward		25,776	441	26,215	25,895	494	26,389
Total funds carried forward		26,162	408	26,568	25,776	441	26,215

Please note: The data for the Financial Statements is derived from the School accounts system which produces actual numbers down to pounds and pence. The Financial Statements are shown as whole numbers rounded up or down to the nearest thousand. Therefore there may be small variances in addition in some rows or columns.

The notes on pages 38 to 53 form part of these financial statements.

Balance sheet

As at 31st December 2020

	Note	The group 2020 £'000	2019 £'000	The charity 2020 £'000	2019 £'000
Fixed assets:					
Tangible assets	13	15,587	16,025	15,472	15,886
Investment properties	14	6,528	5,892	6,528	5,892
Investments	15	3,305	3,278	3,662	3,635
		25,419	25,195	25,663	25,413
Current assets:					
Stock	17	326	346	87	87
Debtors	18	346	380	324	348
Cash at bank and in hand		1,203	749	725	593
		1,875	1,475	1,137	1,027
Liabilities:					
Creditors: amounts falling due within one year	19	470	420	255	220
Net current assets		1,405	1,055	882	807
Total assets less current liabilities		26,824	26,250	26,545	26,220
Creditors: amounts falling due after one year	20	257	35	32	35
Total net assets		26,568	26,215	26,513	26,185
Funds:	23				
Restricted income funds		408	440	408	440
Unrestricted income funds:					
Designated funds		2,000	2,000	2,000	2,000
Fair value reserve		4,944	4,219	4,944	4,219
General funds		19,160	19,526	19,160	19,526
Non-charitable trading funds		56	31	-	-
Total unrestricted funds		26,160	25,775	26,104	25,745
Total charity funds		26,568	26,215	26,512	26,185

The notes on pages 38 to 53 form part of these financial statements.

Approved by the Trustees on 11th June 2021

S. Silver
Chair

C. Rees
Treasurer

Consolidated statement of cash flows

For the year ended 31st December 2020

	Note	2020 £'000	2019 £'000
Cash flows from operating activities	24		
Net cash provided by operating activities		105	(413)
Cash flows from investing activities:			
Dividends, interest and rents from investments		199	140
Proceeds from the sale of assets		–	13
Purchase of fixed assets		(150)	(446)
Proceeds from sale of investments		300	701
Purchase of investments			(75)
Net cash provided by / (used in) investing activities		349	333
Change in cash and cash equivalents in the year		454	(80)
Cash and cash equivalents at the beginning of the year		749	829
Cash and cash equivalents at the end of the year		1,203	749

The notes on pages 38 to 53 form part of these financial statements.

Notes to the financial statements

For the year ended 31st December 2020

1 Accounting policies

a) Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (September 2015) and the Charities Act 2011.

The accounts (financial statements) have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy or note.

These financial statements consolidate the results of the charity and its wholly-owned subsidiary Waterperry Gardens Limited (company number 02233285) on a line by line basis. Transactions and balances between the charity and its subsidiary have been eliminated from the consolidated financial statements. Balances between the two organisations are disclosed in the notes of the charity's balance sheet. A separate statement of financial activities, or income and expenditure account, for the charity itself is not presented as the summary of the result for the year is disclosed in the notes to the financial statements.

b) Statutory information

The Fellowship of the School of Economic Science is an unincorporated charity (charity number 313115, OSCR number SC039950) and registered in England and Wales, and Scotland. The registered office and main place of business is 11 Mandeville Place, London, W1U 3AJ.

c) Public benefit entity

The charity meets the definition of a public benefit entity under FRS 102.

d) Going concern

The Trustees are confident that the Charity remains a going concern and, combined with the mitigating actions described in the Trustees' report, has sufficient cash, investment and property reserves to cope with the financial issues caused by Covid 19 for the foreseeable future. To protect the longer term interests of the charity, there is currently a review of the estate and operations ongoing, and the Trustees intend to make the necessary decisions in order to ensure the financial stability of the Charity for the longer term.

e) Income

Income is recognised when the group has entitlement to the funds, any performance conditions attached to the income have been met, it is probable that the income will be received and that the amount can be measured reliably.

For legacies, entitlement is taken as the earlier of the date on which either: the charity is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the charity that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the charity has been notified of the executor's intention to make a distribution. Where legacies have been notified to the charity, or the charity is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

Notes to the financial statements

For the year ended 31st December 2020

1 Accounting policies (continued)

Courses and residential fees are included in the statement of financial activities during the year as earned.

Students attending the early parts of the philosophy course, which make up a majority of this income, pay a fee covering their attendance at these classes each term. However, students in the senior parts of the School pay an annual composite fee that also includes the costs of their residential accommodation and study days attendance. Any income received in advance is deferred.

Investment income is recognised as income during the year to which it relates.

Income received in advance of the provision of a specified service is deferred until the criteria for income recognition are met.

Turnover from trading activities is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents revenue earned from the sale of goods and is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer.

f) Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

g) Fund accounting

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted funds are donations and other income received or generated for the charitable purposes.

Designated funds are unrestricted funds earmarked by the Trustees for particular purposes.

h) Expenditure and irrecoverable VAT

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably.

Expenditure is classified under the following activity headings:

- Costs of raising funds relate to the costs incurred by the charity in inducing third parties to make voluntary contributions to it, as well as the cost of any activities with a fundraising purpose and costs of trading activities.
- Expenditure on investments relates to investment management fees incurred by the School
- Expenditure on charitable activities includes the costs of courses, residentials and other activities undertaken to further the purposes of the charity and their associated support costs

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

i) Allocation of support costs and governance costs

Resources expended are allocated to the particular activity where the cost relates directly to that activity. However, the cost of overall direction and administration of each activity, comprising the salary and overhead costs of the central function, is apportioned directly to the appropriate activity except for some expense items that have been apportioned according to the space occupied.

Governance costs are the costs associated with the governance arrangements of the charity. These costs are associated with constitutional and statutory requirements and include any costs associated with the strategic management of the charity's activities.

Support and governance costs are apportioned as follows:

▪ Cost of raising funds	59%
▪ Investments	2.5%
▪ Courses & Residential	38%
▪ Other activities	0.5%

Notes to the financial statements

For the year ended 31st December 2020

1 Accounting policies (continued)

j) Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

k) Taxation

The Fellowship is a registered charity and therefore is not liable to income or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The subsidiary company is subject to corporation tax but any profits arising will normally be Gift Aided to the parent charity, so generally no tax charge will arise.

l) Tangible fixed assets

Previously it has been the view of the Trustees that the useful life of properties was so long that depreciation was effectively nil. However, following a review we have adjusted this estimate and are now depreciating the building element of school properties over 100 years. An annual impairment review is also undertaken in accordance with Financial Reporting Standard 102.

For other tangible fixed assets depreciation is provided at rates calculated to write down the cost of each asset to its estimated residual value over its expected useful life. The depreciation rates in use are as follows:

▪ Long leasehold property	2% on cost
▪ Improvements in building	4%–33.3% on cost
▪ Motor vehicles	25% on cost
▪ Equipment	10%–33.3% on cost

Items of equipment are capitalised where the purchase price exceeds £1,000, but there is some leeway for branches. Certain temporary items of equipment have been written off at the rate of 50% on cost.

Depreciation costs are allocated to activities on the basis of the use of the related assets in those activities. Assets are reviewed for impairment if circumstances indicate their carrying value may exceed their net realisable value and value in use.

m) Investment properties

Investment properties are measured initially at cost and subsequently included in the balance sheet at fair value. Investment properties are not depreciated. Any change in fair value is recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. The valuation method used to determine fair value will be stated in the notes to the accounts.

Investments

Investments are valued in the balance sheet at their mid-market or bid price at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction based, while investment income management costs are charged as expenditure out of the relevant income funds. Investment gains and losses are shown in the statement of the financial activities. Any change in fair value will be recognised in the statement of financial activities and any excess of fair value over the historic cost of the investments will be shown as a fair value reserve in the balance sheet. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Net gains/(losses) on investments' in the statement of financial activities.

Investments in subsidiaries

Investments in subsidiaries are at cost.

Notes to the financial statements

For the year ended 31st December 2020

1 Accounting policies (continued)

n) Stocks

Stocks are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stocks.

o) Debtors

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

p) Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

q) Creditors and provisions and financial instruments

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

r) Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

s) Pensions

The charity operates a defined contribution scheme for the benefit of employees. Contributions payable are charged to the statement of financial activities in the year they are due. For one member of staff, retirement benefits have been agreed and the full amount payable recognised as a long term liability. This is recognised at the new present value, discounted at an appropriate rate as explained in note 20 to the accounts.

t) Volunteers

In line with SORP 2015, the contribution of general volunteers is not be included as income in the accounts due to the absence of a reliable measurement basis. However the role of volunteers within the charity is disclosed in the report of the Trustees.

u) Charitable donations

From time to time the school makes donations to other charities and individuals whose activities are in line with its own charitable objectives. These donations are made at the discretion of the Trustees.

Notes to the financial statements

For the year ended 31st December 2020

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2020 Total £'000	2019 Total £'000
Legacies	34	–	34	108
Donations and gift aid	234	2	235	171
	<u>267</u>	<u>2</u>	<u>269</u>	<u>279</u>

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2020 Total £'000	2019 Total £'000
Courses & residential	801	–	801	1,110
Other activities	3	–	3	9
	<u>803</u>	<u>–</u>	<u>803</u>	<u>1,119</u>

4 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2020 Total £'000	2019 Total £'000
Waterperry Gardens income	1,753	–	1,753	1,989
Sales of:				
Books, Tapes and CDs	35	–	35	56
Refreshments	17	–	17	38
Income from room hire	67	–	67	259
Various other sources of income	82	–	82	35
	<u>1,954</u>	<u>–</u>	<u>1,954</u>	<u>2,377</u>

5 Income from investments

	Unrestricted £'000	Restricted £'000	2020 Total £'000	2019 Total £'000
Rent – investment properties	199	–	199	140
Dividends	26	–	26	45
Bank deposit and short term interest	–	–	–	–
	<u>224</u>	<u>–</u>	<u>224</u>	<u>185</u>

Notes to the financial statements

For the year ended 31st December 2020

6 Analysis of expenditure

	Cost of raising funds £'000	Investments £'000	Charitable activities Courses and residential £'000	Other Activities £'000	Governance costs £'000	Support costs £'000	2020 £'000	2019 £'000
Staff costs (Note 9)	754	–	–	–	–	504	1,258	1,335
Direct supply costs	119	–	246	–	–	–	365	413
Cost of sales	611	–	–	–	–	–	611	788
Welfare	–	–	–	–	–	–	–	–
Publicity	25	–	125	5	–	–	155	286
Premises – running costs	95	–	212	–	–	–	306	338
Premises – major repairs	–	–	81	–	–	–	81	200
Legal & professional	8	73	–	–	–	50	130	94
Audit and other fees	9	–	–	–	29	–	38	39
Administration	83	–	150	4	–	89	326	586
Depreciation	41	–	291	5	–	–	337	273
Charitable donations (note 8)	–	–	15	–	–	–	15	44
	1,744	73	1,121	14	29	642	3,622	4,396
Support costs	379	16	244	3	–	(642)	–	–
Governance costs	17	1	11	–	(29)	–	–	–
Total expenditure 2020	2,140	90	1,376	17	–	–	3,622	4,396
Total expenditure 2019	2,582	44	1,754	17	–	–	4,396	

Notes to the financial statements

For the year ended 31st December 2020

7 Net income for the year

This is stated after charging:

	2020 £'000	2019 £'000
Depreciation	337	273
Operating lease rentals:		
Other	-	-
Auditor's remuneration:		
Audit	38	31
Other services	-	-
	<u>38</u>	<u>31</u>

8 Grant making

	Grants to institutions £'000	Grants to individuals £'000	2020 £'000	2019 £'000
Cost				
Waterperry Opera Festival	-	-	-	15
Jyotirnidhi Nyasa Trust	10	10	20	10
A Purves – Economics Research	-	5	5	-
Dr Horan	-	-	-	14
Other	-	-	-	5
	<u>10</u>	<u>15</u>	<u>25</u>	<u>44</u>
At the end of the year	10	15	25	44

Grants are given for education and research purposes.

9 Analysis of staff costs, trustee remuneration and expenses, and the cost of key management personnel

Staff costs were as follows:

	2020 £'000	2019 £'000
Salaries and wages	1,082	1,185
Redundancy and termination costs	-	-
Social security costs	82	75
Employer's contribution to defined contribution pension schemes	94	76
	<u>1,258</u>	<u>1,335</u>

One employee earned between £60,000–£69,999 not including employer's National Insurance contributions during the year (2019: 1).

The total employee benefits including pension contributions and employer's National Insurance contributions of the key management personnel were £186,221.51 (2019: £180,397).

The Trustees were not paid and did not receive any other benefits from employment with the Charity in the year (2019: £nil). No Trustee received payment for professional or other services supplied to the charity (2019: £nil).

Trustees' expenses represent the payment or reimbursement of travel and subsistence costs totalling £0 (2019: £136) incurred by 0 (2019: 2) Trustees relating to attendance at meetings of the Trustees.

Notes to the financial statements

For the year ended 31st December 2020

10 Staff numbers

The average number of employees (head count based on number of staff employed including full time and part time staff) during the year was as follows:

	2020 No.	2019 No.
Raising funds (trading activity)	60	71
Courses and residentials	18	22
Arts festivals		
	78	93

60 (2019: 71) employees above were employed by WGL and the remaining 18 (2019: 22) were employed by the parent charity.

11 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties.

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Waterperry Gardens Limited is liable to pay corporation tax at 19% on any profits not gift aided to the parent charity. In 2020 it had a tax liability of £7,719 (2019: a tax liability of £83).

Notes to the financial statements

For the year ended 31st December 2020

13 Tangible fixed assets

The group

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	13,115	496	5,655	19,266
Additions in year	–	–	150	150
Transfer to investments / Disposals	(98)	–	(186)	(284)
At the end of the year	13,017	496	5,619	19,131
Depreciation				
At the start of the year	168	307	2,766	3,240
Charge for the year	84	13	244	341
Transfer to investments / Disposals	(3)	–	(34)	(37)
At the end of the year	249	320	2,976	3,545
Net book value				
At the end of the year	12,767	176	2,643	15,587
At the start of the year	12,947	189	2,889	16,025

The charity

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	13,115	185	4,678	17,978
Additions in year	–	–	133	133
Transfer to investments / Disposals	(98)	–	(182)	(280)
At the end of the year	13,017	185	4,629	17,832
Depreciation				
At the start of the year	168	43	1,882	2,093
Charge for the year	84	4	212	300
Transfer to investments / Disposals	(3)	–	(31)	(33)
At the end of the year	249	46	2,064	2,359
Net book value				
At the end of the year	12,768	138	2,566	15,472
At the start of the year	12,947	142	2,796	15,886

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31st December 2020

14 Investment properties

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Fair value at the start of the year	5,892	5,895	5,892	5,895
Purchase /Transfer from fixed assets	247	8	247	8
Property sold during year	–	–	–	–
Revaluation during the year	390	(10)	390	(10)
Fair value at the end of the year	6,528	5,892	6,528	5,892
Historic cost at the end of the year	4,275	4,028	4,275	4,028

The investment properties have been valued by a qualified surveyor as part of a professional appraisal of all school properties for the year end 31 December 2020

15 Listed investments

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Investments at the start of the year	3,278	3,634	3,635	3,991
Deposits	–	75	–	75
Withdrawals	(300)	(700)	(300)	(700)
Dividends and Interest Income	26	44	26	44
Fees	(36)	(35)	(36)	(35)
Net gains on value of shares	337	260	337	260
Investments at the end of the year	3,305	3,278	3,662	3,635
Investments consist of				
Listed investments	3,201	3,206	3,201	3,206
Investment in Subsidiary	–	–	357	357
Cash held by broker	104	72	104	72
Market value at the end of the year	3,305	3,278	3,662	3,635

Notes to the financial statements

For the year ended 31st December 2020

16 Subsidiary undertaking

The charity owns the whole of the issued ordinary share capital of Waterperry Gardens Limited, a company registered in England. The subsidiary is used for non-primary purpose trading activities. All activities have been consolidated on a line by line basis in the statement of financial activities. Two trustees, Andrew Purves (who resigned from the executive in July 2020) and Nigel Pate, were also directors of the subsidiary. Available profits are gift aided to the parent charity. A summary of the results of the subsidiary is shown below:

	2020 £'000	2019 £'000
Turnover	1,753	1,988
Turnover from sales to parent undertaking	18	20
Cost of sales	(1,422)	(1,582)
Gross profit	349	426
Administrative expenses	(276)	(274)
Management charge payable to parent undertaking	(39)	(44)
Operating profit / (loss)	34	108
Interest payable to parent undertaking	(2)	(3)
Profit / (loss) on ordinary activities	34	108
Tax/Donation to parent under gift aid	(8)	–
Profit / (loss) for the financial year	26	105
The aggregate of the assets, liabilities and funds was:		
Assets	941	703
Liabilities	(528)	(317)
Funds	413	387

Amounts owed to/from the parent undertaking are shown in note 18.

17 Stock

	The group		The charity	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Books	87	87	87	87
Garden centre stock	238	259	–	–
	326	346	87	87

Notes to the financial statements

For the year ended 31st December 2020

18 Debtors

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Amounts due from subsidiary	–	–	66	75
Trade debtors	69	52	66	51
H M Revenue & Customs	34	26	34	26
Prepayments	122	130	38	32
Other debtors	121	172	121	163
	346	380	324	348

Amounts due after more than one year included above within group Other Debtors total £65576 and comprise a loan from the parent charity to the subsidiary to pay for expenditure on brown motorway tourist signs. The loan is being repaid over a ten year period.

Amounts due from subsidiary is payable within 5–7 years at an interest rate of 2.25%. The loan is included at cost, as the impact of discounting would be immaterial to the financial statements.

19 Creditors: amounts falling due within one year

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Trade creditors	135	102	69	97
Accruals	42	45	42	45
External loans	42	9	9	9
Taxes and social security costs	50	68	12	11
Retirement benefits payable within one year	–	–	–	–
Deferred income	65	23	65	23
Other creditors	136	173	59	36
	470	420	255	220

Notes to the financial statements

For the year ended 31st December 2020

20 Creditors: amounts falling due after one year

	The group		The charity	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Retirement benefits payable in more than one year	32	35	32	35
External loans payable in more than one year	224	–	–	–
	257	35	32	35

One ex-employee of the School is in a receipt of a pension paid directly by the School. The Trustees continue to consider it appropriate to adopt a policy of maintaining a reserve equal to the pension multiplied by a number of years determined by the Trustees having regard to the individual's age and health, with no allowance for either discounting or future inflation. On this basis the reserve for the pension in payment at the end of 2020 was £32,400. The external loan is a CBILS loan taken out by WGL.

21 Pension scheme

The Fellowship operates a defined contribution scheme and contributes 7% of the salary of those staff who have decided to enter into a personal pension arrangement, direct to the insurer. The charge for the period was £74,216 (2019 – £66,177).

22a Analysis of group net assets between funds (current year)

	Restricted	Designated	General funds	Total funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	–	–	15,587	15,587
Fixed asset investments	–	2,000	7,833	9,833
Net current assets	408	–	997	1,405
Creditors: amount falling due in over one year	–	–	(257)	(257)
Net assets at the end of the year	408	2,000	24,160	26,568

22b Analysis of group net assets between funds (prior year)

	Restricted	Designated	General funds	Total funds
	£'000	£'000	£'000	£'000
Tangible fixed assets	–	–	16,025	16,025
Fixed asset investments	–	2,000	7,170	9,170
Net current assets	440	–	615	1,055
Creditors: amount falling due in over one year	–	–	(35)	(35)
Net assets at the end of the year	440	2,000	23,775	26,215

Notes to the financial statements**For the year ended 31st December 2020****23a Movements in funds (current year)**

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	303	2	(16)	(7)	281
Future branches properties	137	–	(10)	–	127
Total restricted funds	440	2	(26)	(7)	408
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	–	–	–	1,000
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	2,000	–	–	–	2,000
Fair value reserve	4,219	725		–	4,944
General funds	19,526	1,479	(1,850)	7	19,160
Non-charitable trading funds	31	1,771	(1,746)	–	56
Total unrestricted funds	25,775	3,975	(3,597)	7	26,160
Total funds	26,215	3,977	(3,623)	–	26,568

Purposes of restricted funds

Specific charitable activities relate to specific activities of the various faculties and branches in the School. The Future branches properties fund comprises monies raised in prior years for the specific purpose of purchasing a local building for two branches based in Berkshire and the Midlands.

Purposes of designated funds**Building and Capital Asset reserve**

The purpose of this fund is to hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches where many students currently attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments.

This Fund can be used too for buildings improvement and refurbishment either from the interest earned thereon or from the capital itself. In recent years fees and other sources of income have been insufficient to cover such expenses, and this situation is expected to continue.

Opportunity Reserve

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. The target amount of the Opportunity Reserve will be determined by the Principal and Treasurer, in consultation with the Executive Committee.

Notes to the financial statements

For the year ended 31st December 2020

23b Movements in funds (prior year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	357	61	–	(115)	303
Future branches properties	137	–	–	–	137
Total restricted funds	494	61	–	(115)	440
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	–	–	–	1,000
Opportunity reserve	1,000	–	–	–	1,000
Total designated funds	2,000	–	–	–	2,000
Fair value reserve	3,955	264	–	–	4,219
General funds	20,014	1,890	(2,493)	115	19,526
Non-charitable trading funds	(74)	2,008	(1,904)	–	31
Total unrestricted funds	25,895	4,162	(4,396)	115	25,775
Total funds	26,389	4,223	(4,396)	–	26,215

24 Reconciliation of net income to net cash flow from operating activities

	2020 £'000	2019 £'000
Net income for the reporting period (as per the statement of financial activities)	355	(172)
(Gains) on investments	(725)	(250)
Investment manager fees	36	35
Gain on sale of fixed assets/property	(3)	(13)
Depreciation	341	267
(Increase)/decrease in stocks	20	5
(Increase)/decrease in debtors	34	(73)
Decrease/(increase) in creditors	272	(27)
Investment income	(224)	(185)
Legacy income in the form of property	–	–
Net cash provided by / (used in) operating activities	105	(413)

Notes to the financial statements

For the year ended 31st December 2020

25 Operating lease commitments

The group's total future minimum lease payments under non-cancellable operating leases is as follows for each of the following periods:

	2020 £'000	2019 £'000
Less than 1 year	-	1
1 – 5 Years	-	-
	<u>-</u>	<u>1</u>

26 Results of the parent charity

	2020 £'000	2019 £'000
Turnover	1,538	2,017
Net result of the charity	<u>328</u>	<u>(276)</u>