

Charity Registration No. 307332

Company Registration No. 00276785 (England and Wales)

**BEDALES SCHOOL**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**Principal Address and Registered Office**

**Bedales School, Church Road, Steep, Petersfield, Hampshire, GU32 2DG**

**Website**

**[www.bedales.org.uk](http://www.bedales.org.uk)**

# BEDALES SCHOOL

## LEGAL AND ADMINISTRATIVE INFORMATION

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<b>Governors</b>	S A Nokes (Chair, from 1 September 2021) O Jonathan C I Arney T Wise (Vice Chair) E J Rees C L Bradbury M Rice (Chair, until 31 August 2021) J Hanson J M Johnson J Boyd (Appointed 13 April 2021) F Grey Dr A J Keay
<b>Acting Head of Bedales Schools</b>	W Goldsmith
<b>Bursar and Clerk to the Board of Governors</b>	R D L Lushington
<b>Head of Bedales Preparatory School, Dunhurst</b>	C R Baty
<b>Head of Bedales Pre-Preparatory School, Dunannie</b>	F M Read
<b>Other Current Members of Governing Body Committees</b>	N Blanchard R T Reynolds A R Wiggins P A Thackrey W Goldsmith J C Moore (DSL)
<b>Company number</b>	00276785
<b>Registered office</b>	Church Road Steep Petersfield United Kingdom GU32 2DG
<b>Auditor</b>	Azets Audit Services Limited Ashcombe Court Woolsack Way Godalming United Kingdom GU7 1LQ
<b>Bankers</b>	National Westminster Bank PLC 4 High Street Petersfield Hampshire GU32 3JF

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# BEDALES SCHOOL

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Insurance Brokers

Marsh  
Capital House  
1-5 Perrymount Road  
Haywards Heath  
West Sussex  
RH16 3SY

### Solicitors

Veale Wasborough Vizards  
Orchard Court  
Orchard Lane  
Bristol  
United Kingdom  
BS1 5WS

Farrer & Co  
66 Lincoln's Inn Fields  
London  
United Kingdom  
WC2A 3LH

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# **BEDALES SCHOOL**

## **GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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The Board of Governors present their Annual Report and audited financial statements for the year ended 31 August 2021.

The Board of Governors confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, with the Charities Statement of Recommended Practice (The Charities SORP (FRS102)) and the Charities Act 2011.

### **Objectives and activities**

The objects of the Charity are to provide education and training in particular by carrying on a School in or near Petersfield. As such, the School promotes, sustains and increases individual and collective knowledge and understanding in the specific area of study, skills and expertise. The Powers of the Charity are set out in the Articles of Association adopted on 25th October 2012. The Governors give consideration to the Charity Commission's guidance on public benefit when setting objectives and formulating plans.

The Governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the Charity should undertake.

### **Aims of the School**

Bedales started in 1893 with a determination to be different and to educate 'Head, Hand and Heart'. Today the school's vision is shaped partly by John Badley's founding ideals, but it also recognises the strong Badley view that schools like ours must evolve and re-define themselves. We must respond to the external environment in two distinct ways – the first is common to all schools, the second much less so: we must provide a suitable preparation for life after school and for the world of work; but also, if we are to keep faith with our tradition, we must also seek to overturn influences and tendencies in society that damage children's development and welfare. This approach is reflected in the school's five aims outlined below.

### **Bedales Aims**

Aim 1: To develop inquisitive thinkers with a love of learning who cherish independent thought

Aim 2: To enable pupils' talents to develop through doing and making

Aim 3: To foster individuality and encourage initiative, creativity and the appreciation of the beautiful

Aim 4: To enable pupils, former pupils, parents and staff to take pride in the community's distinctiveness and to feel valued and nourished by the community

Aim 5: To foster interest beyond the school: engaging with the local community and developing a national and international awareness

### **GROUP STRUCTURE**

#### **Status and Administration**

Bedales School is a Public Benefit Entity registered as a charity in England and Wales, number 307332. Its registered company number is 276785. The School is governed by its Memorandum and Articles of Association last amended in August 2012; the Board of Governors ensure that the Articles of Association remain current by reviewing them annually. The Governors confirm that they have complied with the requirements of section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission for England and Wales.

#### **Connected Charities**

The School has a wholly owned trading subsidiary, Bedales Services Limited (BSL), formerly responsible for non-charitable operations but now non trading/dormant.

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# **BEDALES SCHOOL**

## **GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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The Bedales Grants Trust Fund, founded in 1927, charity number 1036179, was set up to provide grants to parents of pupils at Bedales in need of financial aid to pay their tuition fees with a preference towards those parents who were themselves at Bedales School. During the year the Bedales Grants Trust Fund supported 24 pupils with grants with a total value of £257,222.

The John Badley Foundation, founded in 2010, charity number 1138332, was set up to support and promote the activities of the school and advance the education of its pupils primarily through 100% Bursaries. The John Badley Foundation provided half of the funding for each of the 8 pupils supported with a total value of £129,079.

### **Governors**

The Governors act both as Trustees and Directors and have overall responsibility for matters in relation to the charitable company. A Governor nominations sub-committee proposes any new Governors for the full Board to appoint.

Governors may be elected at any general meeting and may stay in office until the conclusion of the annual general meeting in the eighth calendar year following the year of their election. Under special circumstances a Governor may be asked to serve an additional term of up to 4 years and a governor can be re-elected after retirement.

The Governors determine the general policy of the School and the Board of Governors meets at least three times in each academic year. The day to day management of the School is delegated to the Head of Bedales Schools and the Bursar. The Governors' principal responsibilities are to:

- Ensure that the School is run in accordance with its charitable objects and that all the functions of the school are authorised by the powers, as set out in the Articles of Association, and by Charity Law;
- Act in the best interests of the School and current and future beneficiaries at all times;
- Appoint the Head and the Bursar and advise on the appointment of Deputy Heads and the Heads of Dunhurst and Dunannie as necessary;
- In consultation with the Head and his management team, set the strategy and policies by which the School will be run;
- Approve the financial reinvestment plan in accordance with the aim of maintaining and developing the School;
  
- Control finance by approving realistic budgets and longer term plans and by monitoring these documents;
- Ensure the effective and efficient administration of the School and its resources, striving for best practice in good governance;
- Ensure that the School is compliant with appropriate statutory and advisory regulations and aims for best practice in this area;
- Understand risk management and legal compliance and be satisfied that there are appropriate measures in place to reduce risk and achieve compliance;
- Ensure competent professional advice is taken when necessary;
- Appoint a Chair and Vice Chair; and
- Review and approve the terms of reference of its committees and appoint members to these committees.

### **Organisational Management**

The sub committees of the Board and the Governors with special responsibilities are listed on the Legal and Administrative page. The Finance & General Purposes Committee is chaired by T P Wise, the External Relations Committee is chaired by M F W Rice, the Buildings and Landscapes Committee is chaired by A J Keay, and the Education Committee is chaired by F Grey. In addition to these committees: C L Bradbury has special responsibility for Safeguarding; J P M Johnson is the Governor Representative on the Staff Liaison Group and oversees Nominations; and O R Jonathan has responsibility for Strategic Risk.

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# **BEDALES SCHOOL**

## **GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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The key management personnel include the governors, who are not paid, and members of the Three Schools' Senior Team who for the year are: the Acting Head, Bedales School; the Bursar and Clerk to the Governors; Director of External Relations; the Head of Dunhurst; and the Head of Dunannie. The pay and remuneration of the key management personnel is considered, as required, by the Governors' Remuneration Committee in view of the market rates for each post and the performance of the individuals fulfilling the roles. The Committee considers recommendations from the Head.

### **Recruitment and Training of Governors**

A Governors' nominations committee has been set up to recommend and oversee the appointment of Governors, it meets when necessary to plan the future membership of Governors in light of likely retirements. The Governors have a wealth of experience and many have been professionally trained through their employers; it is vital that the Board of Governors as a whole covers the full spectrum of specialisms that are required to oversee the school and the appointment of new Governors is carefully managed to ensure that this requirement is met; there is a clear succession plan. Any training gaps are filled by making the most of opportunities provided by AGBIS and other organisations. The Governors receive an update on Safeguarding and Child Protection at each Board meeting and carried out a full annual review of Safeguarding at the June Board meeting. Governors appointed during the year complete an induction process which includes Safeguarding training.

### **PRIORITIES FOR THE YEAR**

#### **Strategic Goals 2019-2022**

Although pupil numbers remain strong, the need for a particularly prudent approach in response to continuing global economic uncertainty remains valid. The Trustees of the School continue to take a sensible and cautious approach and will continue the focus on upgrading of existing facilities and buildings (with a view to reducing running costs and ensuring that they are fit for the needs of a Bedales education), before it considers embarking on any further major projects.

The strategic goals fall under three themes:

- To develop pupil achievement within a distinctive ethos;
- To increase revenue, control costs and maintain the School's ability to invest; and
- To develop social engagement and breadth of access.

### **FINANCIAL INSTRUMENTS**

The Charity's principal financial instruments comprise bank balances, other debtors, other creditors and bank loans. The main purpose of these instruments is to finance the Charity's operations.

The nature of the financial instruments used by the Charity is such that their market value does not fluctuate as a result of changes in market prices. The Charity's approach to managing other risks applicable to the financial instruments concerned is shown below.

The interest rate on bank loans is variable. The Governors regularly consider the potential impact of changes in interest rates and the actions that would need to be taken if any changes were likely to occur. The bank loans are secured by charges over some of the School's property and repayment terms are linked to those secured assets. Other debtors are managed in respect of credit and cash flow risk by the regular monitoring of amounts outstanding. Other creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

# **BEDALES SCHOOL**

## **GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **STRATEGIC REPORT**

The description under the headings "Achievements and performance" and "Financial review" meet the company law requirements for the Governors to present a strategic report.

### **ACHIEVEMENTS AND PERFORMANCE**

Total pupil numbers at the three Bedales schools continued to be strong: Bedales 456, Dunhurst 211 and Dunannie 91 (total pupils across the three schools: 758). The School's discipline over costs and containment of fee increases has ensured that the School's finances are robust enough to help with the continuing uncertain challenges of the current economic and political climate. The School will continue to exercise prudence in the planning and execution of all its future capital commitments. This and last year have been unprecedented years with the effects of the COVID-19 pandemic impacting on the school. The governors wish to express their gratitude to the dedication and immense effort put in by the staff of the school to ensure that teaching and learning continued either online or face-face. Many staff faced furlough or part-furlough and did so with grace and understanding. Without the efforts of all concerned the school would have suffered detriment.

Turning to the academic life of the school, despite the challenges faced as a result of there being no formal exams and having to rely on centre assessed grades, students at Bedales - including many who progressed from Bedales Prep, Dunhurst – secured places at some of the most prestigious educational institutions in the world - including QS World Top 100 universities and a number of leading music conservatoires and art colleges. 90% of students secured their first choice university.

Alongside their A Levels, Sixth Form pupils benefit from a programme of termly Enrichment Courses which enable them to broaden and develop their interests, go beyond their courses, work independently and to love learning.

Block 5 students (year 11) had much to celebrate with their GCSE and Bedales Assessed Course (BAC) results in the summer. 16 students achieved the equivalent of at least nine 8/9 grades (equivalent to A\*).

Bedales students are in the unique position of taking a combination of the school's own BACs combined with a core of IGCSEs and GCSEs. Having been introduced in 2006, BACs are now well established and involve a broader range of content, choice and assessment methods than the more traditional GCSE. This provided particular reassurance to Bedales students this year with the cancellation of all end of course GCSE exams.

Pupils can choose from the following BAC options: Ancient Civilisation; Art; Classical Music; Dance; Design; Digital Game Design; English Literature; Geography; Global Awareness; History; Philosophy, Religion and Ethics; Outdoor Work; Sports Science and Theatre Studies. BACs are graded according to their own assessment criteria and this year followed the new numerical GCSE grading convention for the first time. Internally assessed and moderated externally by experts in each field, the level of attainment is at least as difficult as the corresponding GCSE grade, and in many cases the demand goes beyond GCSE.

- A Level: A\*: 32.3%; A\*- A: 65.8%; A\*- B: 84.3%
- BAC: 9: 12%; 9 - 8: 39%; 9 – 7: 67%
- IGCSE: 9: 21%; 9 - 8: 41%; 9 – 7: 67%

### **RESPONDING TO THE CHALLENGES**

Like its predecessor, 2020-21 was a profoundly challenging year for people and institutions, with schools no exception.

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# BEDALES SCHOOL

## GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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Amongst other things, the pandemic, and the government's responses to it, required schools to be organisationally responsive, to innovate in terms of educational provision, and – for independent schools – to absorb the accompanying pressure on finances. Given this, it would have been easy for us to focus exclusively on the immediate needs of the three Bedales schools and the pupils and families we serve. That is not what we did, however.

Across our schools, we underpin the importance of partnership and philanthropy to the everyday experience of pupils. Formal activities at the whole school level include the provision of scholarships and bursaries, the staging of charity events, partnerships with other schools at home and abroad, and making school facilities available to the local public. On an educational level, we encourage our students to engage generously with the world, to collaborate, and to appreciate their own positions and those of others.

Alongside the difficulties it has presented, the pandemic has also brought opportunities for learning, reflection and reaching out. Prior to the outbreak of COVID-19, there had been a growing dissatisfaction with both GCSEs and government's fixation with exams as the only meaningful measure of learning. Bedales has argued that recent experience of exams being replaced by teacher assessment, alongside alternatives to traditional classroom learning, brings an unprecedented opportunity to reset. We have also taken every opportunity to emphasise the benefits across all ages in promoting pupil wellbeing and the value of getting outdoors as part of a broad and rich holistic education.

	<b>Fee Support 2020-21</b>
Bursary Support	£1.52m
Bursary support as % of gross income	7.4%
Exhibition and scholarship support	£0.12m
Total fee support as % of gross income	8.0%
Number of pupils benefitting from fee support	99 (up from 80 in 2019-20), of which 24 had support of over 70%

### **Bursaries and scholarships**

Bedales pupils can benefit from the award of a bursary, a scholarship, or both. Bursaries range from part-fee contributions up to full 100% support, and enable pupils for whom the fee would otherwise be prohibitive to attend our schools. Bedales partners with other education charities to maximise the scope of its bursary provision, including the Royal National Children's Springboard Foundation and Buttle UK. We also work to increase the reach of our own Bedales Grants Trust Fund and John Badley Foundation (JBF). The school launched the JBF to extend the transformational effect of full bursaries for young people whose financial circumstances preclude an independent school education. Since the first student on the scheme entered the school in 2011, the JBF has helped many who have joined from difficult home or school situations in both the UK and abroad. Bedales is on course to increase the number of JBF students at the school from 9 to 14 by 2025, to be funded through additional fundraising.

### **Marcus' story:**

"My five years at Bedales have been some of the greatest I've had, and it has changed me completely. I've matured and grown more confident and I've seen others develop into fuller people alongside me.

I've led a cookery activity, been the general editor of the B-daily newsletter, performed in plays, dances, rock shows and helped people with learning disabilities. I've been to multiple countries with the school, and much more. The opportunities are vast, and if they do not exist they are only a conversation away from being created.

I pushed myself and got my place to study French and Beginner's Russian at St Edmund Hall (University of Oxford). Bedales and the JBF fund have changed my situation around, and I could not have imagined being where I am today without them."

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# **BEDALES SCHOOL**

## **GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Collaboration and partnerships**

Bedales continues to invest in its partnership with the local Bohunt Education Trust, with joint initiatives and events including workshop for disadvantaged pupils, Oxbridge coaching, teacher training and shared student council collaboration. COVID has made collaboration with local schools more important than ever. In 2020-21, as well as sharing lockdown events with Bohunt, Bedales worked with two other local schools – neighbouring Steep Primary School and Trostant School in Havant. For Steep we provided additional classroom space for pupils struggling with learning at home, and helped with outdoor work projects. For Trostant, we provided Christmas hampers for distribution to local children and included pupils in school events.

Bedales remained active in the national educational reform coalition Rethinking Assessment, which challenges the status quo around assessment in English secondary schools. Comprising independent schools, headteachers and key figures from the state sector, scientists, business people, universities and others, Rethinking Assessment makes the argument for change as well as working to provide practical solutions. Independently, in 2021 we made the case for reform to assessment and university admissions orthodoxies in formal consultation representation, and enjoyed significant press coverage.

In 2021 Bedales won two national awards – The TES Independent-State School Partnership Award and the AMCIS (Admissions, Marketing and Communications in Independent Schools) Award for Partnership/Outreach Impact – for its work with the Key Education Centre, a pupil referral unit in Gosport. The aim has been to give students at The Key experiences to which they would not ordinarily have access, and developing their vocational skills.

Internationally, Bedales has joined Round Square – a group of 200 schools from around the world that share a commitment to character education and experiential learning round the themes of International Understanding, Democracy, Environmental Stewardship, Adventure, Leadership and Service.

### **Volunteering and fundraising**

The Bedales educational ethos demands that our activities with regard to partnership, collaboration and being in the world are rooted in the school curriculum. Students are involved in outreach projects, bringing their practical skills to bear in voluntary capacities both locally and internationally – often assessed as part of their formal education.

Whilst many opportunities for student volunteering activity were disrupted in 2020-21, fundraising remained a strong feature of school life. Children at Bedales Pre-prep, Dunannie chose an endangered animal charity to support and raised £800 for a Sumatran tigress through its end-of-year Dunannie Festival. Bedales Prep, Dunhurst pupils raised £4,000 for charities through their Christmas fair; staff, students and parents raised funds and volunteered for Fitzroy, a national charity supporting people with autism and learning difficulties; and students continued to work closely with the Rural Refugee Network, accompanied by the introduction of a cross-curricular course on refugees for Block 3 (year 9) students.

We encourage and recognise collaborative learning in assessment on Bedales Assessed Courses (BACs), which are pursued as alternatives to non-core GCSE programmes. We also strive to ensure that students have the opportunity to properly explore the social issues that matter to them.

### **Sharing our facilities**

The programme of Bedales Events invites local people and schools to Bedales for poetry, music, drama, dance and more. More widely, we continue to make school facilities such as the theatre and swimming pool available to community organisations and local schools. We are proud of our 25-year support of the Petersfield Youth Theatre (PYT) with promotion of theatre education and subsidised use of our premises. PYT founder and Director Lynn Hill commented:

# **BEDALES SCHOOL**

## **GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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“Bedales has played such a big part in PYT over the years and we are always so very grateful for your support which means so much to us.”

### **Approach to learning**

#### *Bedales:*

Through an intricate support network of teachers and tutors, our students are encouraged to think for themselves and develop their own lines of academic argument. Discussion actively engages minds and spurs on inquisitive thinkers. It also means students are extremely well prepared for life beyond Bedales.

Students are pulled, not pushed, towards learning. This creates an environment in which they want to achieve their best. Qualifications are one part of the learning process. Bedales students achieve excellent results and arrive at similar destinations - A Levels and universities - as those who have followed a more rigid educational format. They have just taken a different and more personal route, such as through pursuing Bedales alternative to GCSES - Bedales Assessed Courses (BACs) and Project Based Learning in Block 3.

We urge students to follow their natural curiosity. They have a huge range of chances to engage with subjects that interest them, both in and outside the classroom: evidenced, for example, through their engagement with outside speakers, project work and impressive creativity and performances in the arts.

As each student progresses, they're helped to organise their own time and we guide them in developing their own sense of discipline and academic motivation, with support from their tutor. By providing structure and support, we encourage independence and responsibility to grow from an early age.

#### *Dunhurst:*

We provide stability and continuity at this time of intense emotional development, recognising that the balance between a carefree childhood and the responsibilities that come with growing up can be a difficult one to achieve. The school is committed to developing a growth mindset approach to learning; this involves praising effort before achievement. An important part of our approach is to instil a lifelong love of learning amongst our pupils.

At four points in the year, teachers contribute grades for each subject together with a comment for each child; these grades inform discussions with pupils and parents.

“No carrot or stick approach to learning here: it's not an awards assembly sort of place” Good Schools Guide

Additional support is available in all classes so that pupils get the help they need throughout their learning. We offer a wide range of in-class and extra-curricular activities for pupils of all gifts, talents and interests to pursue their skills in an inquisitive and independent manner. Pupils may be set individual preps and class work, be involved in independent projects and be asked to attend workshops or particular events. Lessons in English as an Additional Language are also available.

In the first three years (years 4-6), much of the pastoral care is the responsibility of the class teachers who see the children for approximately half of their timetable. Years 7-8 have a personal tutor who guides them through their academic progress and monitors their general welfare in weekly tutorials.

The support network of house staff, tutors, teachers, parents and school counsellors is extremely effective; however, the school has found that some pupils prefer to talk to fellow pupils. Our Peer Listening scheme offers yet another way for pupils to express any concerns and encourages them to find their own solutions.

# **BEDALES SCHOOL**

## **GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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#### *Dunannie:*

We want children to take delight in exploring the new and unknown. Children are most receptive to learning when they are happy. Dunannie's curriculum is designed to be engaging so that information is received with excitement and curiosity. By the time they move on to prep school, the aim is for children to be fluent readers, spontaneous and literate writers, sound mathematicians and able to apply rigorous creative imaginations to any practical and theoretical challenges.

We have created a structured yet flexible curriculum for all year groups - including the Nursery - that reflects the schools aims and ethos, and we give equal value to intellectual, creative, emotional, social and physical development. Children are encouraged to enquire and we encourage critical thinking from an early age.

The performing and creative arts are important at Dunannie – notably music, drama and dance, and art and design. We have access to specialist teachers as well as Dunhurst's excellent music school resources. We encourage children to take individual music lessons. Pupils benefit from being part of the Bedales family: there are close links with Dunhurst and Bedales, academically and in areas such as sport. All three schools share facilities, such as the swimming pool, sports fields and Olivier Theatre.

We encourage our children to have a curiosity about life and help them to develop enquiring minds through a broad, creative and language-rich curriculum which generates purposeful discussion, interest, application, enjoyment and high achievement. A cross-curricular approach which emphasises first hand, practical experiences; educational trips and visiting speakers provide the opportunity for young children to build the language and communication skills that they will need throughout life.

We believe that to learn the lesson, you should live it. Where possible, school trips are frequent as we want to inspire the children to learn through first-hand experiences. Just as discovering something exciting in a pond may produce a future scientist, grating soap in a Victorian kitchen may spark a love of history.

Our primary aim is to develop inquisitive thinkers with a love of learning who cherish independent thought.

Parents play a critical part in educating their children, and we therefore welcome opportunities for parents to get involved and stay informed (see our 'Principles of Partnership'). There are formal structures such as the Friends of Dunannie Committee and regular parents' meetings. More informally, we are always happy to talk with parents and work with you to create the best possible learning opportunities for the children.

#### **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The financial performance of Bedales School was adversely affected by the Covid-19 crisis. Fee income was reduced as a result of the need to close the school site for part of the spring term. There was also a loss in letting income and the overall impact was a loss of income of just over £0.6m. The school had to take the very hard decision to furlough many of its staff as it was otherwise unable to meet salary costs, but this ensured their continued employment at the school.

Costs were reduced where possible and some projects were delayed. The overall effect was an unprecedented and significant loss of funds and this will have an impact on future years. The school has been able to work with its bankers and ensure that there is sufficient financial resilience to ensure the survival of the school.

The net income for the year amounted to £1,127,496 (2020: net expenditure £252,265). Additions to fixed assets during the year are outlined in note 12 of the accounts. These amounted to £2,910,172 (2020: £1,529,060) and consisted mainly of building a new sixth form centre and upgrading the heads house.

# **BEDALES SCHOOL**

## **GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

### ***FOR THE YEAR ENDED 31 AUGUST 2021***

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A total of £1,646,058 was provided in the form of means tested bursaries, scholarships and free music lessons; this total included grants from the Bedales Grants Trust Fund, the John Badley Foundation, Rank Foundation and Royal National Children's Springboard Foundation. As a total the bursary support represents 8% of gross fee income.

#### **Policy on reserves**

The School's assets are sufficient to meet its obligations and are all held for use by the School. The unrestricted School funds are being held to finance current and future capital projects.

At 31 August 2021, the total funds of the School were £21,108,182 (2020: £18,593,686) after taking into account the pension funding deficit. Of these £33,550 (2020: £34,433) are restricted funds. Of the remaining reserves, £31,770,691 (2020: £30,376,047) is represented by tangible fixed assets. Therefore, the School has currently allocated all of its free reserves, supplemented by borrowings, on fixed assets.

The School has a 10 year plan which sets out its expected expenditure on fixed assets which will continue to improve the facilities of the School. This plan is managed in detail over the first 5 years with expenditure approved by the Board for the first 2 years.

The School believes that it is able to operate without free reserves and wishes to continue upgrading the facilities of the School through steady surpluses supplemented by borrowings.

Total unrestricted funds include a funding deficit of £2,755,000 (2020: £4,094,000) calculated under FRS 102 in respect of the Schools defined benefit pension scheme for support staff. The Governors believe that this notional funding calculation, which can vary between surplus and deficit according to the assumptions made at the year end, does not have a significant effect on the School's cash flow in the short term and that in the longer term its effects are sustainable out of future income.

The reserves policy of the School is reviewed on an annual basis by the Governors.

#### **Fundraising**

The role of the school's Head of Development is to work with colleagues and volunteer parents and alumni to create and manage a fundraising programme, which overall in 2020/21 raised around £634,000. The long term aim is to raise sufficient donor income to build an endowment fund whilst also providing direct bursary support from donations. In 2020/21 the focus was fundraising for full bursary support via the John Badley Foundation and £508,000 was raised. An additional £56,000 was raised for the Bedales Grants Trust Fund, another bursary fund affiliated to the School, and £135,000 for capital improvements and general school donations.

With COVID having an impact on our ability to organise events, we are very appreciative of members of the wider school community for their generous support of our fundraising activities which included auctions, sponsored remote events and individual approaches. Donors choose a variety of ways to support the School, such as through single donations, sponsoring events, offering auction prizes, regular donations, and making legacy commitments. There were no complaints received during the year relating to the School's fundraising activities. The School has robust policies in place regarding vulnerable people and treating donors fairly.

# **BEDALES SCHOOL**

## **GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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The governing body is responsible for the identification and management of risks. The major risks to which the School is exposed, as identified by the Governors, have been reviewed and systems and procedures established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the Three Schools' Senior Team and the process is overseen by the lead Governor for Strategic Risk in close liaison with the Finance & General Purposes Committee on behalf of the governing body. A formal review of the risk management processes is undertaken annually at the March Board meeting. The focus is primarily on where risk is either increasing or decreasing and this then allows for the direction of resources.

The principal risks to which the School is exposed include those affecting protection of pupils and the security and preservation of charitable assets both now and in the future. Significant risk areas are:

### **- The Political Environment:**

The Board of governors regularly considers the political environment and how this impacts on the School and how to best prepare for challenges that may come about through changes. The potential threat to independent schools from any changes in government policies surrounding charities and in particular fee charging schools remains, especially with the Labour Party threatening to add VAT to school fees. Government decision making surrounding the handling of the Covid-19 crisis has had a dramatic effect on the School during the year and resulted in the School closure for the first part of the Spring term and a move once again to remote learning. However, the impact of this was lessened by the School being well prepared and offering a high quality remote learning experience to the children in all three schools including a full co-curricular programme. Political risks are outside of the control of the Governors, but the possible impact of these is being considered regularly by the Governors and any possible mitigation taken by the School.

### **- Competitive Market**

The market in which the School operates is highly competitive and developments in education are monitored to ensure that pupils always receive an excellent, holistic and varied educational experience in the School. Bedales sets out to be different and preserving this is vital to its continuing success. Maintenance of strong pupil numbers in all three schools is imperative and a strong and target focussed External Relations team market the School effectively.

### **- Safe Environment**

The School strives to ensure that all staff and pupils are able to work in a safe and supportive environment. Covid-19 has added challenges that the School has had to adapt to. Being able to operate a safe school in this heightened threat environment is essential and all possible measures were taken to keep staff and pupils safe. We have formed a Covid-19 Management Team which ensures that the School adapts on a weekly if not daily basis. A detailed Covid-19 Risk Assessment is in place. Safeguarding procedures are tightly managed with clear policies and procedures in place supplemented by appropriate training for staff.

Appropriate employment policies and procedures are in place under the management of the Bursar and the Human Resources team. Health and Safety procedures are clear and under regular review by the Health and Safety Manager and the Health and Safety Strategy and Policy Committee chaired by the Head of Bedales Schools. There are separate Health and Safety committees for: Bedales; Support Staff; and one covering Dunhurst and Dunannie. The Health and Safety Policy and Strategy group is chaired by the Acting Head, Bedales School, and this sets the tone for a culture of safety throughout the School.

### **- Compliance**

The School operates in a highly regulated sector and the Three Schools' Senior Team ensures that the School is up to date with legal and regulatory requirements. School or individual membership of bodies, being the constituent associations of the Independent Schools Council, also ensure that it has access to up to date information and support.

# **BEDALES SCHOOL**

## **GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **- Legal & Financial**

The School operates in an increasingly litigious environment and appoints appropriate professional advisers and purchases insurance using specialist brokers and advisers so that we can address requirements and meet potential challenges.

### **- External Economic Conditions**

All organisations face difficult economic conditions and the Three Schools' Senior Team keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues. The Board of Governors regularly considers the economic impacts on the School and its focus has been on the continuing impact of the Covid-19 crisis on the ability of parents to afford an independent education for their children; this could impact on pupil numbers over the next 2-3 years, but interest in Bedales remains strong. The full effect of Brexit remains unclear and this too could impact on the ability to pay for education. This remains an unusually uncertain economic period and the governors are doing all they can to protect the School during this period.

Key controls used by the School to help mitigate risk and uncertainties include:

- formal agendas and minutes for all meetings of the governing body and committees;
- terms of reference for all committees;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines which are regularly reviewed;
- comprehensive formal written policies;
- clear authorisation limits and anti-fraud measures;
- vetting procedures, as required by law, for protection of the vulnerable;
- comprehensive crisis management procedures involving governors right from the outset; and
- legal and specialist advice.

The School plans strategically; having regard for risk. The Three Schools' Senior Team provide the governing body with regular reports which include details of principal strategic objectives and the activity being undertaken to achieve those objectives. The School also records significant achievements and updates the governing body on short-term plans.

## **EMPLOYMENT POLICY**

### **An Employer of Choice**

Bedales is first and foremost a community and as such the staff are central to this; it is vital that there is a sense of belonging in our staff and that they feel valued for their contribution. Working for Bedales should bring pleasure and a sense of purpose, built on strong friendships and a shared belief in learning and developing one's talents. Our School Aims, which set out what we want the pupils to experience, translate directly to the experiences that we want the staff of the School to have as they spend time in our community. Above all, we believe in the Work of Each for the Weal of All as we educate children Head, Hand and Heart.

### **Equal Opportunities**

The School aims to be an equal opportunity employer and is determined to ensure that no applicant or employee receives less favourable treatment on the grounds of race, gender, age, disability, religion, belief, sexual orientation, marital status, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable. Each year, we publish our Gender Pay Gap report.

# **BEDALES SCHOOL**

## **GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2021***

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### **Consultation and Employee Voice**

Consultation with staff is central to the Bedales ethos as a community and the School aims to take the views of its employees into account when decisions are made that are likely to affect their interests. The Staff Liaison Group provides a route for consultation and for employee voice direct to senior management and Governors through the governor representative on the Group.

The staff of the School are made aware of the financial performance of the School and are able to talk to the Bursar about this performance at any time. A number of major initiatives are on-going, with thorough consultation at each stage which aims to ensure that the right decisions are made and understood.

The School encourages a questioning staff body and provides as many routes as possible for this. The staff have the opportunity to contribute in surveys and their feedback is welcomed and can help shape the School. The most recent survey was completed during the Summer term 2021 and lessons identified will be taken forward in consultation with the Staff Liaison Group. There are opportunities for staff to suggest improvements and their help in finding better ways to meet requirements is actively encouraged.

### **SUSTAINABILITY AND CARBON REPORTING**

The School is committed to reducing the impact that its operation has on the environment and takes this responsibility very seriously. The School has recently engaged the Carbon Trust to help in this work by identifying the tCO<sub>2</sub>e for the Scope 1, 2 and 3 emissions and to provide a baseline from which to work and achieve our aim of being Carbon Net Zero by 2040.

To inform our work and enable us to plan in changes, we have used FY 18/19 as the baseline for our data. The operations of the school were severely disrupted by COVID during 2019/20 and 2020/21 and the school site was closed for parts of each of these periods. We were keen therefore to ensure that our baseline represented normal operations of the school, so although this data is not based on the most recent financial year, it represents the best data from which to work.

Our emissions baseline data follows:

Scope 1	1,425 tCO <sub>2</sub> e
Scope 2	490 tCO <sub>2</sub> e
Scope 3	1,769 tCO <sub>2</sub> e

TOTAL 3,684 tCO<sub>2</sub>e

Intensity ratio 3.29 tCO<sub>2</sub>e (Emissions per pupil or member of staff)

### **Our plans to meet our Sustainability Objectives**

The school already purchases all electricity from renewable sources and has done for several years. We will continue to seek to both reduce electricity consumption but also to increase generation opportunities through Solar PVs and other possible technologies. We will embark on the installation of Solar PVs within the next year. Our scope 1 emissions are those that we wish to reduce as a priority, but doing so will take time and financial resources so this will be a programme over the next ten plus years. Bedales is set in a remote location and one that is not supplied by natural gas. All heating is therefore provided using oil and LPG. We have developed plans to enable the school to move to Ground Source Heat Pumps and replace all heating for the main school buildings that use oil of LPG. We are looking to install the first of these within the next two years.

# BEDALES SCHOOL

## GOVERNING BODY REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2021**

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We will continue sustainability investment into buildings to ensure that they are capable of being heated efficiently by Ground Source Heat Pumps and this will mean replacing windows and installing further insulation. We will further our work to change lighting to LEDs – something that we started many years ago and we will continue to drive to reduce energy consumption wherever we can. All refurbishments of buildings will bring these buildings up to the latest building regulation standards and the completion of our most recent development, which replaced an old and inefficient building with one that was constructed with sustainability at its heart, will have made a significant difference.

Our aim is to reach Carbon Net Zero including Scope 3 emissions, but the first target will be to achieve net zero for our own operations and, in partnership with all members of our community and those who engage with the school, we are confident that this can be achieved.

### **Statement of Governing body responsibilities**

The Governors, who are also the directors of Bedales School for the purpose of company law, are responsible for preparing the Governing Body Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Governors are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charity will continue in operation.

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Charity and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Disclosure of information to auditor**

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Governing body report, including the strategic report, was approved by the Board of Governors.



**S A Nokes (Chair, from 1 September 2021)**

Dated: 26 November 2021

# **BEDALES SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE GOVERNORS OF BEDALES SCHOOL**

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#### **Opinion**

We have audited the financial statements of Bedales School (the 'Charity') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the 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 Charity's affairs as at 31 August 2021 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Charity in accordance with the ethical requirements that are relevant to our audit of 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 Governing body's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and 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.

# **BEDALES SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE GOVERNORS OF BEDALES SCHOOL**

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#### **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 Companies Act 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Governing body report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Governors**

As explained more fully in the statement of Governing body responsibilities, the Governors, who are also the directors of the Charity for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the 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 Governors 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 Chapter 3 of Part 16 of the Companies Act 2006 and report in accordance with the Act 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.

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

# **BEDALES SCHOOL**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE GOVERNORS OF BEDALES SCHOOL**

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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 design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the Charity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Charity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Charity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the Charity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

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 of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

# BEDALES SCHOOL

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE GOVERNORS OF BEDALES SCHOOL

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#### Use of our report

This report is made solely to the Charity's Governors, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Charity's Governors those matters we are required to state to them in an auditors' 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 Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Azets Audit Services Limited is eligible for appointment as auditor of the Charity by virtue of its eligibility for appointment as auditor of a company under of section 1212 of the Companies Act 2006.

**Alex Temlett CA ACA CTA (Senior Statutory Auditor)**  
for and on behalf of Azets Audit Services Limited



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**Chartered Accountants**  
**Statutory Auditor**

Azets Audit Services Limited  
Ashcombe Court  
Godalming  
Surrey  
United Kingdom  
GU7 1LQ

**Date: 1 December 2021**

# BEDALES SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

		Unrestricted funds	Pension reserve	Restricted funds	Total Unrestricted funds	Pension reserve	Restricted funds	Total
	Notes	2021 £	2021 £	2021 £	2021 £	2020 £	2020 £	2020 £
<b><u>Income and endowments from:</u></b>								
Donations and legacies	3	-	-	-	-	100	-	21,316
Income from charitable activities	4	19,085,339	-	-	19,085,339	17,262,118	-	17,262,118
Other income	5	287,873	-	-	287,873	1,304,472	-	1,304,472
<b>Total income</b>		<b>19,373,212</b>	<b>-</b>	<b>-</b>	<b>19,373,212</b>	<b>18,566,690</b>	<b>-</b>	<b>21,316</b>
<b><u>Expenditure on:</u></b>								
Expenditure on charitable activities	6	17,971,460	48,000	883	18,020,343	18,452,774	90,000	200
Other Expenditure	11	225,373	-	-	225,373	297,297	-	-
<b>Total resources expended</b>		<b>18,196,833</b>	<b>48,000</b>	<b>883</b>	<b>18,245,716</b>	<b>18,750,071</b>	<b>90,000</b>	<b>200</b>
<b>Net income/(expenditure) for the year/ Net incoming/(outgoing) resources</b>		<b>1,176,379</b>	<b>(48,000)</b>	<b>(883)</b>	<b>1,127,496</b>	<b>(183,381)</b>	<b>(90,000)</b>	<b>21,116</b>
								<b>(252,265)</b>

# BEDALES SCHOOL

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2021

	Unrestricted funds	Pension reserve	Restricted funds	Total Unrestricted funds	Pension reserve	Restricted funds	Total
	2021	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£	£
<b>Net income/(expenditure) for the year/ Net incoming/(outgoing) resources</b>	1,176,379	(48,000)	(883)	1,127,496	(183,381)	(90,000)	(252,265)
<b>Other recognised gains and losses</b>							
Actuarial gain on defined benefit pension schemes	-	1,387,000	-	1,387,000	-	3,000	3,000
<b>Net movement in funds</b>	1,176,379	1,339,000	(883)	2,514,496	(183,381)	(87,000)	(249,265)
Fund balances at 1 September 2020	22,653,253	(4,094,000)	34,433	18,593,686	22,836,634	(4,007,000)	18,842,951
<b>Fund balances at 31 August 2021</b>	<b>23,829,632</b>	<b>(2,755,000)</b>	<b>33,550</b>	<b>21,108,182</b>	<b>22,653,253</b>	<b>(4,094,000)</b>	<b>18,593,686</b>

The statement of financial activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

The funds breakdowns for the current and comparative period are shown in notes 27 and 28.

# BEDALES SCHOOL

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	12	31,770,691		30,376,047	
Investments	13		2		2
		<u>31,770,693</u>		<u>30,376,049</u>	
<b>Current assets</b>					
Stocks	15	25,082		14,236	
Debtors	16	4,811,023		4,447,244	
Cash at bank and in hand		4,000,564		4,734,996	
		<u>8,836,669</u>		<u>9,196,476</u>	
<b>Creditors: amounts falling due within one year</b>	17	(10,475,863)		(9,880,349)	
Net current liabilities		<u>(1,639,194)</u>		<u>(683,873)</u>	
<b>Total assets less current liabilities</b>		30,131,499		29,692,176	
<b>Creditors: amounts falling due after more than one year</b>	18	(6,268,317)		(7,004,490)	
<b>Net assets excluding pension deficit</b>		<u>23,863,182</u>		<u>22,687,686</u>	
<b>Defined benefit pension liability</b>	20	(2,755,000)		(4,094,000)	
<b>Net assets excluding pension deficit</b>		<u>21,108,182</u>		<u>18,593,686</u>	
<b>Income funds</b>					
Restricted funds	28	33,550		34,433	
<u>Unrestricted funds</u>					
General	27	23,829,632		22,653,253	
Pension reserve	27	(2,755,000)		(4,094,000)	
		<u>21,074,632</u>		<u>18,559,253</u>	
		<u>21,108,182</u>		<u>18,593,686</u>	

The financial statements were approved by the Governors, and authorised for issue, on 26/11/2021 and signed on their behalf by:



S A Nokes (Chair, from 1 September 2021)  
Chairman

Company Registration No. 00276785

# BEDALES SCHOOL

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24		2,679,245		1,781,852
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,910,172)		(1,529,060)	
Interest receivable		25,418		36,268	
Interest payable		(151,590)		(152,811)	
Net cash used in investing activities			(3,036,344)		(1,645,603)
<b>Financing activities</b>					
Repayment of bank loans		(377,333)		(418,001)	
Net cash used in financing activities			(377,333)		(418,001)
Net decrease in cash and cash equivalents			(734,432)		(281,752)
<b>Cash and cash equivalents at beginning of year</b>			4,734,996		5,016,748
<b>Cash and cash equivalents at end of year</b>			<u>4,000,564</u>		<u>4,734,996</u>

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# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

##### Summary of significant accounting policies and key accounting estimate

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### Statement of compliance

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 2019) - (Charities SORP (FRS 102)) and the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). They also comply with the Companies Act 2006 and Charities Act 2011.

#### 1.1 Accounting convention

Bedales School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The financial statements are presented in pounds sterling (GBP £) and round to the nearest pound.

#### 1.2 Consolidated accounts exemption

The charity has taken advantage of the exemption under section 402 and 405 of the Companies Act 2006 to exclude the results of its subsidiary, Bedales Services Limited, from these financial statements on the basis that the subsidiary's results are immaterial for the purposes of these financial statements.

#### 1.3 Going concern

The Governors consider that there are no material uncertainties about the Charity's ability to continue as a going concern nor any significant areas of uncertainty that affect the carrying value of assets held by the Charity. The Board has paid particular attention to the ongoing uncertainty as a result of the Covid-19 pandemic and remains confident that sufficient funding is in place and there are adequate resources to service its liabilities as they fall due.

#### 1.4 Income and endowments

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of the income receivable can be measured reliably.

#### 1.5 Fees

Fees receivable are accounted for in the period in which the service is provided and are stated after deducting allowances, scholarships and other remissions allowed by the School, but include contributions received from bursaries and other trusts

#### 1.6 Donations

Donations receivable for the general purposes of the School are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds.

#### 1.7 Grants receivable

Grants are recognised when the charity has an entitlement to the funds and any conditions linked to the grants have been met. Where performance conditions are attached to the grant and are yet to be met, the income is recognised as a liability and included on the balance sheet as deferred income to be released.

The charity has received Government support during the period in the form of the Coronavirus Job Retention Scheme, which has been accounted for under the accruals method within donations and legacies.

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

##### 1.8 Rent receivable and interest receivable

Rent receivable, bank and other interest are accounted for as they accrue and over the period to which they relate.

##### 1.9 Expenditure

Resources expended are accounted for on an accruals basis. Expenditure is allocated to expense headings on a direct basis except for:

- Depreciation on buildings which is apportioned according to area taken up and central costs which are apportioned on the basis of the Governors' estimate of time spent on the relevant functions; and

- Support costs not directly attributable to particular functional activity categories, which are apportioned over the relevant categories on the basis of the Governors' estimates of the amounts attributable to that activity in the period, either by reference to staff time or space occupied, as appropriate.

The irrecoverable element of VAT is included within the item of expense to which it relates, as far as is practicable, or otherwise under the most appropriate heading.

Governance costs are included in support costs and comprise the costs of running the School, including strategic planning for its future development, auditors' remuneration, certain legal costs and all costs of complying with constitutional and statutory requirements, such as Board meetings and preparing statutory financial statements.

Payments in relation to the termination of employment are recognised when the relevant decision-making process has been completed and communicated to all affected parties.

Costs incurred in trading activities that raise funds are classified separately.

##### 1.10 Tangible fixed assets

Tangible fixed assets are included at cost. Expenditure on items of furniture, equipment and computer equipment since 1 September 1973 is written down to nil over three periods on the basis of 33 1/3% per annum straight line. Major catering equipment and furniture is written down to nil over 15 years. Small items of expenditure and short life assets are charged direct to revenue.

Depreciation is provided on tangible fixed assets (charged the month after purchase) so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Buildings	2-10% per annum straight line
Fixtures and fittings	6.67% per annum straight line
Equipment	6.67-25% straight line
Motor vehicles	10-25% straight line
Equipment	10-20% per annum straight line

The anticipated average life of buildings is estimated by reference to 1 September 1981 (date of commencement of depreciation policy) or date of expenditure since that date. No depreciation is provided on freehold land.

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

##### 1.11 Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charity is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

##### 1.12 Leased assets

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation of the relevant assets is charged to the Statement of Financial Activities.

##### 1.13 Lease payments

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the Statement of Financial Activities over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital portion reduces the amounts payable to the lessor. All other leases are treated as operating leases. The annual rentals are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

##### 1.14 Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell, after due regard for obsolete and slow moving stocks. Cost is determined using the first-in, first-out (FIFO).

##### 1.15 Debtors

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the charity will not be able to collect all amounts due according to the original terms of the receivables.

##### 1.16 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### 1.17 Creditors

Short term creditors are recognised initially at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transactions costs, and are subsequently measured at amortised cost using the effective interest method.

##### 1.18 Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Financial Activities over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges

Borrowings are classified as current liabilities unless the charity has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

##### 1.19 Pension costs

The School contributes to the Teachers' Superannuation Scheme at rates set by the scheme actuary and advised to the Governors by the Scheme Administrator. For the purposes of complying with the relevant accounting standards, the Teachers' Superannuation Scheme is accounted for as a defined contribution scheme, in accordance with FRS 102, as the School is not responsible for or entitled to receive benefit for any surplus or deficit on the scheme. Contributions are charged to the Statement of Financial Activities in the period which they become payable.

The School also operates a Group Personal Pension Plan for the support staff which is a defined contribution scheme and contributions are accounted for as a charge to the Statement of Financial Activities in the period to which they relate.

The School also contributes to a defined benefit pension scheme for support staff. The scheme is no longer open to new staff. Rates are set by the scheme actuary and advised to the School by the scheme administrator. This scheme is accounted for in accordance with FRS 102: Retirement Benefits, with the annually calculated notional surplus or deficit on the funding of the scheme shown as a designated fund entitled "Pension Reserve", which is deducted from unrestricted funds on the balance sheet. Current service costs, curtailments, settlement gains and losses, net financial returns and actuarial gains and losses are included in the Statement of Financial Activities in the period to which they relate.

Changes in the assets and liabilities of the scheme in the period are disclosed and allocated as follows:

Changes relating to current or past service costs and gains and losses on settlements and curtailments, and pension finance costs arising from changes in the net of the interest costs and expected return on assets, are allocated to the relevant activity heading based on staff costs of employees within the scheme. Pension finance income arising from similar changes is recognised as an incoming resource. Actuarial gains and losses arising are recognised as other recognised gains and losses. The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation.

Details of the scheme assets and liabilities, and major assumptions are shown in note 20.

##### 1.20 Foreign exchange

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

##### 1.21 Fund structure

Unrestricted funds are those available to further the School's charitable objectives at the discretion of the Governors

Designated funds are unrestricted funds set aside for specific purposes at the discretion of the Governors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions

##### 1.22 Financial instruments

Basic financial assets, including trade and other receivables and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the instrument is measured at the present value of the future receipts discounted at a market rate of interest.

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

Basic financial liabilities, including trade and other payables and bank loans, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the instrument is measured at the present value of the future receipts discounted at a market rate of interest.

#### 2 Critical accounting estimates and judgements

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

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

Key areas subject to judgement and estimation are as follows:

##### Pension scheme accounting

Judgement is applied when selecting the assumptions forming the basis of the School's defined benefit pension scheme valuation.

##### Fixed asset depreciation

Judgement is applied when assigning anticipated average lives to the fixed assets of the School.

#### 3 Donations and legacies

	<b>Total Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>2021</b>	<b>2020</b>	<b>2020</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Donations and gifts	-	100	21,316
	<u>          </u>	<u>          </u>	<u>          </u>

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 4 Income from charitable activities

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Gross fees	20,516,859	18,582,478
Extra lessons income	802,306	687,873
Registration fees	69,589	50,033
The John Badley Foundation bursaries	129,079	142,739
Bedales Grant Trust Fund bursaries	257,222	243,219
Less: Total scholarships, bursaries, other remissions and costs	(2,689,716)	(2,444,224)
	<u>19,085,339</u>	<u>17,262,118</u>

### 5 Other income

	<b>Unrestricted funds</b>	<b>Unrestricted funds</b>
	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Other income	85	232
Interest receivable	25,418	36,268
Rental income	51,632	35,258
Coronavirus Job Retention Scheme grants	210,738	1,232,714
	<u>287,873</u>	<u>1,304,472</u>

Government grants have been received in the year in respect of the Coronavirus Job Retention Scheme.

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 6 Expenditure on charitable activities

	Unrestricted funds 2021 £	Pension reserve 2021 £	Restricted funds 2021 £	Total 2021 £	Unrestricted funds 2020 £	Pension reserve 2020 £	Restricted funds 2020 £	Total 2020 £
Teaching costs	12,946,580	-	883	12,947,463	13,398,219	-	200	13,398,419
Depreciation, amortisation and other similar costs	1,515,528	-	-	1,515,528	1,502,562	-	-	1,502,562
Premises	2,151,143	-	-	2,151,143	1,918,097	-	-	1,918,097
Support costs	1,311,732	48,000	-	1,359,732	1,567,141	90,000	-	1,657,141
Welfare	46,477	-	-	46,477	66,755	-	-	66,755
	<u>17,971,460</u>	<u>48,000</u>	<u>883</u>	<u>18,020,343</u>	<u>18,452,774</u>	<u>90,000</u>	<u>200</u>	<u>18,542,974</u>

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 7 Analysis of support costs

##### Support costs allocated to charitable activities

	Printing, postage and stationery	Marketing and communications	Information technology	Staff costs	Professional fees
	£	£	£	£	£
School operating costs	87,646	152,145	218,356	138,423	76,677
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	Premises costs	Other support costs	Total 2021		
	£	£	£		
School operating costs	593,482	45,003	1,311,732		
	<u>          </u>	<u>          </u>	<u>          </u>		

#### 8 Net movement in funds

2021  
£

2020  
£

Net movement in funds is stated after charging/(crediting)

Fees payable to the company's auditor for the audit of the company's financial statements	20,330	19,660
Depreciation of owned tangible fixed assets	1,515,528	1,502,562
Pension scheme actuarial (gains)/losses	(1,387,000)	(3,000)
Other pension scheme movements	282,000	306,000
Pension contributions	234,000	216,000
	<u>          </u>	<u>          </u>

#### 9 Governors' remuneration and expenses

No remuneration or benefits were provided to any Governor during the period, other than the School purchasing Governors' indemnity insurance to provide cover of up to £5,000,000. The premium was part of the public liability premium and is not separately identified.

Travel and accommodation expenses to and from meetings of £Nil (2020: £357) were reimbursed to the Governors (2020: 1 Governor) during the period. No other payments were made to any Governors.

#### 10 Employees

The average monthly number of employees (including senior management team) during the year was:

	2021 Number	2020 Number
Teaching	151	161
Support	211	223
	<u>          </u>	<u>          </u>
Total	362	384
	<u>          </u>	<u>          </u>

The staff full time equivalents in the year were 260 (2020: 277).

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

### 10 Employees

Employment costs	2021 £	2020 £
Wages and salaries	10,247,451	10,525,562
Social security costs	987,283	1,011,404
Other pension costs	1,712,729	1,861,453
	<u>12,947,463</u>	<u>13,398,419</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2021 Number	2020 Number
£60,001 - £70,000	6	5
£70,001 - £80,000	2	3
£80,001 - £90,000	3	2
£120,001 - £130,000	1	1
£160,001 - £170,000	1	1
	<u>1</u>	<u>1</u>

During the year, the school made redundancy and/or termination payments which totalled £156,463 (2020: £24,024) relating to 8 individuals (2020: 2).

All of the higher paid employees are either in the Teachers' Pension Scheme, the School's Defined benefit Pension Scheme or the School's Defined Contribution Pension Scheme.

#### Key management personnel

The key management roles in the School for the period were the Governors, who are not paid, the Head, Bedales School, the Bursar and Clerk to the Governors, Director of External Relations, the Head of Dunhurst and the Head of Dunannie. Their total emoluments including pensions paid and Employers National Insurance was £612,846 (2020: £734,517). The comparative figure includes remuneration for the Senior Deputy Head of Bedales, however, this role ended on 31 August 2020. Therefore, no remuneration for this role is included in the current year disclosure.

### 11 Other Expenditure

	Unrestricted funds	Unrestricted funds
	2021	2020
Bank loan interest	100,246	103,137
Bank charges	8,945	39,941
Bad debt provision	64,838	104,545
Financing costs	51,344	49,674
	<u>225,373</u>	<u>297,297</u>

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 12 Tangible fixed assets

	Freehold Land	Buildings	Fixtures and fittings	Equipment	Motor vehicles	Equipment	Total
	£	£	£	£	£	£	£
<b>Cost</b>							
At 1 September 2020	15,489	45,602,388	207,100	2,509,455	423,613	819,707	49,577,752
Additions	-	2,598,146	-	187,963	-	124,063	2,910,172
At 31 August 2021	15,489	48,200,534	207,100	2,697,418	423,613	943,770	52,487,924
<b>Depreciation and impairment</b>							
At 1 September 2020	-	16,473,359	206,561	1,806,308	234,276	481,201	19,201,705
Depreciation charged in the year	-	1,155,070	41	226,485	57,233	76,699	1,515,528
At 31 August 2021	-	17,628,429	206,602	2,032,793	291,509	557,900	20,717,233
<b>Carrying amount</b>							
At 31 August 2021	15,489	30,572,105	498	664,625	132,104	385,870	31,770,691
At 31 August 2020	15,489	29,129,029	539	703,147	189,337	338,506	30,376,047

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 12 Tangible fixed assets

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts:

	2021 £	2020 £
Motor vehicles	15,398	40,563
Equipment	56,193	-
	<u>71,591</u>	<u>40,563</u>

#### 13 Fixed asset investments

	Other investments
<b>Cost or valuation</b> At 1 September 2020 & 31 August 2021	<u>2</u>
<b>Carrying amount</b> At 31 August 2021	<u>2</u>
At 31 August 2020	<u>2</u>

	2021 £	2020 £
Other investments comprise:		
Investments in subsidiaries	2	2

#### 14 Subsidiaries

Details of the Charity's subsidiaries at 31 August 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Bedales Services Limited	Bedales School, Church Road, Steep, Petersfield, Hampshire, GU32 2DG	Non-trading	Ordinary	100.00	

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 14 Subsidiaries

The aggregate capital and reserves and the result for the year of subsidiaries excluded from consolidation was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Bedales Services Limited	(5,854)	(16,860)

#### 15 Stocks

	2021 £	2020 £
Finished goods and goods for resale	25,082	14,236

#### 16 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	4,503,670	4,313,189
Amounts owed by fellow group undertakings	6,000	11,019
Other debtors	22,681	895
Prepayments	278,672	122,141
	<u>4,811,023</u>	<u>4,447,244</u>

#### 17 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	19	754,666	525,335
Other taxation and social security		238,817	305,839
Trade creditors		387,248	181,224
Fees received in advance		6,026,112	6,115,537
Fees in advance scheme		926,193	1,081,656
Entrance deposits		1,099,991	1,180,005
Other creditors		931,204	368,873
Accruals and deferred income		111,632	121,880
		<u>10,475,863</u>	<u>9,880,349</u>

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 17 Creditors: amounts falling due within one year

##### Fees in advance scheme

Parents may enter into a contract to pay the school tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils remain in the school, the fees in advance will be applied as follows:

	2021	2020
	£	£
Within one year	926,193	1,081,656
One to two years	820,095	978,466
Two to five years	428,064	389,419
After five years	212,823	222,606
	<u>2,387,175</u>	<u>2,672,147</u>

#### 18 Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Bank loans	4,807,335	5,413,999
Fees in advance scheme	1,460,982	1,590,491
	<u>6,268,317</u>	<u>7,004,490</u>

#### 19 Loans and overdrafts

	2021	2020
	£	£
Bank loans	5,562,001	5,939,334
Payable within one year	754,666	525,335
Payable after one year	4,807,335	5,413,999
Amounts included above which fall due after five years:		
Payable by instalments	<u>1,788,668</u>	<u>2,395,334</u>

The bank loans are secured on the freehold premises of the School. Interest is charged at 0.78% above base rate on the original loan which is repayable by 2025 and 2.28% above base rate on the second loan which is repayable by March 2027.

#### 20 Retirement benefit schemes

##### Defined contribution schemes

The Charity operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Charity in an independently administered fund.

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 20 Retirement benefit schemes

##### Defined benefit schemes

###### Teachers' Pension Agency

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge accrued at the year-end in respect of contributions to this scheme was £132,512 (2020 - £166,008).

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

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

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

###### Hampshire Pension Fund ("the fund")

The figures below relate to the funded liabilities within the Fund which is part of the Local Government Pension Scheme (the "LGPS"). The funded nature of the LGPS requires the Employer and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets.

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 20 Retirement benefit schemes

The date of the most recent comprehensive actuarial valuation was 31 March 2019 and these results allow for the 2019 Actuarial Valuation of the Fund. The key and demographic assumptions below have been updated to reflect the 2021 year end data, where available. The effect of allowing for the 31 March 2019 Actuarial Valuation and the changes in key and demographic assumptions is reflected in the balance sheet position.

The total cost relating to defined benefit schemes for the year recognised in profit or loss as an expense was £48,000 (2020: £90,000).

#### Key assumptions

	2021 %	2020 %
Discount rate	1.7	1.6
Expected rate of increase of pensions in payment	2.7	2.4
Expected rate of salary increases	3.7	3.4
Expected rate of inflation (CPI)	2.7	2.4

#### Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2021 Years	2020 Years
Retiring today		
- Males	23	23
- Females	26	26
Retiring in 20 years		
- Males	25	25
- Females	27	27

Amounts recognised in the profit and loss account:

	2021 £	2020 £
Current service cost	219,000	202,000
Net interest on defined benefit liability/(asset)	63,000	70,000
Contributions by the employer	234,000	216,000
Past service cost	-	34,000
Total costs	48,000	90,000

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 20 Retirement benefit schemes

Amounts taken to other comprehensive income:

	<b>2021</b>	<b>2020</b>
	£	£
Actual return on scheme assets	(1,829,000)	(631,000)
Less: calculated interest element	159,000	169,000
	<u>(1,670,000)</u>	<u>(462,000)</u>
Return on scheme assets excluding interest income	(1,670,000)	(462,000)
Actuarial changes related to obligations	283,000	459,000
Total (gains)/losses	<u>(1,387,000)</u>	<u>(3,000)</u>

The amounts included in the balance sheet arising from the Charity's obligations in respect of defined benefit plans are as follows:

	<b>2021</b>	<b>2020</b>
	£	£
Present value of defined benefit obligations	14,465,000	14,050,000
Fair value of plan assets	(11,710,000)	(9,956,000)
	<u>2,755,000</u>	<u>4,094,000</u>

Movements in the present value of defined benefit obligations:

	<b>2021</b>
	£
Present value at 1 September 2020	14,050,000
Current service cost	219,000
Benefits paid	(338,000)
Contributions from scheme participants	29,000
Actuarial gains and losses	283,000
Interest cost	222,000
	<u>14,465,000</u>
At 31 August 2021	<u>14,465,000</u>

The defined benefit obligations arise from plans funded as follows:

	<b>2021</b>
	£
Wholly unfunded obligations	-
Wholly or partly funded obligations	14,465,000
	<u>14,465,000</u>

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 20 Retirement benefit schemes

Movements in the fair value of plan assets:

	<b>2021</b>
	<b>£</b>
Fair value of assets at 1 September 2020	9,956,000
Interest income	159,000
Actuarial gains and losses	1,670,000
Benefits paid	(338,000)
Contributions by the employer	234,000
Contributions from scheme participants	29,000
	<hr/>
At 31 August 2021	11,710,000

The fair value of plan assets at the reporting period end was as follows:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Equity instruments	6,721,540	5,645,000
Cash and cash equivalents	4,274,150	3,714,000
Property	714,310	597,000
	<hr/>	<hr/>
	11,710,000	9,956,000

#### 21 Capital commitments

At 31 August 2021 the Charity had capital commitments which were not provided for in the financial statements of £910,000 (2020: £1,845,500).

#### 22 Contingent assets

The sale of a small parcel of land was completed for a consideration of £305,000 in December 1998. In addition, the School will receive 75% of the development value should development permission be granted to the purchaser. It is not practicable to make an estimate of the 75% of future development value.

#### 23 Related party transactions

The Bedales Grant Trust Fund, charity number 1036179, was set up to provide grants to pupils at Bedales in need of financial aid to pay their tuition fees. In making such grants or loans preference shall be given to a parents or parents who was or were a pupil at Bedales School. During the period the Fund contributed £257,222 (2020: £243,219) to the school.

The John Badley Foundation, charity number 1138332, was set up to advance the education of pupils at the School. In the period, the School received donations from the Trust of £129,079 (2020: £142,739) towards the awarding of bursaries.

One Governor (2020: one Governor) and two members of key management (2020: three members of key management), of which details of the relevant roles can be found in note 10, have children at the School that paid normal fees and received no bursaries or scholarships.

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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<b>24</b>	<b>Cash generated from operations</b>	<b>2021</b>	<b>2020</b>	
		<b>£</b>	<b>£</b>	
	Surplus/(deficit) for the year	1,127,496	(252,265)	
	Adjustments for:			
	Interest receivable	(25,418)	(36,268)	
	Interest payable	151,590	152,811	
	Depreciation and impairment of tangible fixed assets	1,515,528	1,502,562	
	Difference between pension charge and cash contributions	48,000	90,000	
	Movements in working capital:			
	(Increase) in stocks	(10,846)	(14,236)	
	(Increase) in debtors	(363,779)	(3,539,448)	
	Increase in creditors	236,674	3,878,696	
	<b>Cash generated from operations</b>	<b>2,679,245</b>	<b>1,781,852</b>	
<b>25</b>	<b>Analysis of changes in net (debt)/funds</b>			
		<b>At 1 September</b>	<b>Cash flows</b>	<b>At 31 August</b>
		<b>2020</b>		<b>2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>
	Cash at bank and in hand	4,734,996	(734,432)	4,000,564
	Loans falling due within one year	(525,335)	(229,331)	(754,666)
	Loans falling due after more than one year	(5,413,999)	606,664	(4,807,335)
		<u>(1,204,338)</u>	<u>(357,099)</u>	<u>(1,561,437)</u>

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# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 26 Analysis of net assets between funds

	Unrestricted funds	Pension reserve	Restricted funds	Total Unrestricted funds	Pension reserve	Restricted funds	Total
	2021	2021	2021	2021	2020	2020	2020
	£	£	£	£	£	£	£
Fund balances at 31 August 2021 are represented by:							
Tangible assets	31,770,693	-	-	31,770,693	30,376,049	-	30,376,049
Net current liabilities	(1,672,744)	-	33,550	(1,639,194)	(718,306)	34,433	(683,873)
Long term liabilities	(6,268,317)	-	-	(6,268,317)	(7,004,490)	-	(7,004,490)
Pension scheme liability		(2,755,000)	-	(2,755,000)	-	(4,094,000)	(4,094,000)
	<u>23,829,632</u>	<u>(2,755,000)</u>	<u>33,550</u>	<u>21,108,182</u>	<u>22,653,253</u>	<u>(4,094,000)</u>	<u>18,593,686</u>

#### 27 Unrestricted funds

The income funds of the charity include the following unrestricted funds which have no restrictions:

	Movement in funds				Balance at 1 September 2020	Movement in funds				Balance at 31 August 2021
	Balance at 1 September 2019	Incoming resources	Resources expended	Revaluations, gains and losses		Incoming resources	Resources expended	Revaluations, gains and losses		
	£	£	£	£	£	£	£	£	£	
General	22,830,834	18,572,490	(18,750,071)	-	22,653,253	19,373,212	(18,196,833)	-	23,829,632	
Pension reserve	(4,007,000)	-	(90,000)	3,000	(4,094,000)	-	(48,000)	1,387,000	(2,755,000)	
	<u>18,823,834</u>	<u>18,572,490</u>	<u>(18,840,071)</u>	<u>3,000</u>	<u>18,559,253</u>	<u>19,373,212</u>	<u>(18,244,833)</u>	<u>1,387,000</u>	<u>21,074,632</u>	

# BEDALES SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 28 Restricted funds

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

	Movement in funds					
	Balance at 1 September 2019	Incoming resources	Resources expended	Balance at 1 September 2020	Resources expended	Balance at 31 August 2021
	£	£	£	£	£	£
Kadian Observatory Fund	13,317	-	(200)	13,117	(883)	12,234
Digital Library Fund	-	21,316	-	21,316	-	21,316
	<u>13,317</u>	<u>21,316</u>	<u>(200)</u>	<u>34,433</u>	<u>(883)</u>	<u>33,550</u>

The specific purposes for which the funds are to be applied are as follows:

The Kadian Observatory Fund has been set up for the maintenance of the new observatory, to provide for an annual Kadian Harding Science and Technology prize and to provide a guest speaker for the annual astronomy lecture.

The Digital Library Fund has been set up to digitize old Bedales archives.