

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 2022

Principal Address and Registered Office
Bedales School, Church Road, Steep, Petersfield, Hampshire, GU32 2DG

Website
www.bedales.org.uk

BEDALES SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Governors

S A Nokes (Chair, from 1 September 2021)	(1,2,3,7,8,9)
O Jonathan	(2,3,6,7)
C I Arney	(2,3,7,8)
T Wise (Vice Chair, Retired 1 September 2022)	(2,3,7,9)
E J Rees	(1)
C L Bradbury	(4)
M Rice (Retired 7 January 2022)	(1,2,3,7,8,9)
J M Hanson	(2,3,7)
J P M Johnson (Retired 7 January 2022)	(2,3,5,7)
J Boyd (Appointed 13 April 2021)	(5)
F Grey	(1)
Dr A J Keay (Retired 7 January 2022)	(2,3,7)
C M J Burridge (Appointed 7 January 2022, Retired 18 March 2022)	(2,3,7)
S R Lehec (appointed 10 October 2022)	(1)

Membership of Governing Body Committees and Specific Responsibilities

(1) Education	(2) Finance and General Purposes	(3) External Relations
(4) Safeguarding	(5) Staff Liaison	(6) Strategic Risk
(7) Buildings and Landscapes	(8) Nominations	(9) Remuneration

Head of Bedales Schools	W Goldsmith	(1,2,3,5,7)
Bursar and Clerk to the Board of Governors	R D L Lushington	(1,2,3,5,6,7)
Head of Bedales Preparatory School, Dunhurst	C R Baty	(1,2,3,7)
Head of Bedales Pre-Preparatory School, Dunannie	F M Read	(1)
Other Current Members of Governing Body Committees	N Blanchard	(2,3)
	B Cairns	(1)
	C Jarmy	(1)
	J C Moore (DSL)	(4)
	R T Reynolds	(2,3,7)
	P A Thackrey	(1)
	A R Wiggins	(1)

Company number 00276785

Registered office Church Road
Steep
Petersfield
United Kingdom
GU32 2DG

BEDALES SCHOOL

LEGAL AND ADMINISTRATIVE INFORMATION

Professional Advisors

Auditor

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

Bankers

National Westminster Bank PLC
4 High Street
Petersfield
Hampshire
GU32 3JF

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

BEDALES SCHOOL

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BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

The Board of Governors present their Annual Report and audited financial statements of Bedales School ("the Charity", "the School" or "Bedales") for the year ended 31 August 2022.

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 25 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.

Bedales Vision and Strategy

Under the leadership of Will Goldsmith as the Head, Bedales is working on formulating an ambitious 10-year strategic plan. The first phase, undertaken in 2021/22, has been to draw up a reiteration of our values and broad aims as a school community under the mantra:

A progressive liberal education based on our communitarian 'work of each for weal of all' principle, that develops creative, critically-thinking life-long learners.

By 2033, we want to be a fully realised 'community of learners', where:

- Students and staff are excited about the unique and precious experience of living and learning together, developing a lifelong love of self-development and exploration in a 21st century context.
- The young people in our care take advantage of the recent developments in neuroscience and psychology to develop positive mental health and wellbeing skills that will stay with them for life.
- We learn, often through lived experience, of our place in the natural world and the importance of human respect for the environment in all aspects of how we live and learn.
- We understand the importance of identity in the 21st century world and learn to champion difference.

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

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.

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 £272,778.

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 9 pupils supported with a total value of £137,278.

Governors

The Governors act both as Trustees and Directors and have overall responsibility for matters in relation to the Charity. 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;

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

- 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 those 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 J M Hanson, the External Relations Committee is chaired by C I Arney, the Buildings and Landscapes Committee is chaired by J M Hanson, and the Education Committee is chaired by F Grey. In addition to these committees: C L Bradbury has special responsibility for Safeguarding; J Boyd is the Governor Representative on the Staff Liaison Group and oversees Nominations; and O R Jonathan has responsibility for Strategic Risk.

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 Head of 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 the Association of Governing Bodies of Independent Schools (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. All Governors complete annual Safeguarding training and 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 four strands:

- Learning
- Living
- Community
- Environment

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

The vision and strategy for the period 2022-2032 is in development and will be based on these four strands.

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.

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. The effects of the COVID-19 pandemic continued to impact the School and especially so in the Autumn term of 2021. 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. 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.

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. Of the students applying, 79% took their first-choice university and 5% took an insurance offer. The remainder deferred entry in order to secure their best place.

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.

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

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. The results below are the first since COVID and last year's Teacher Assessed Grades.

- A Level: A*: 17.7%; A*- A: 44.8%; A*- B: 72.2%

- BAC: 9: 19.0%; 9 - 8: 37.9%; 9 – 7: 57.0%

- IGCSE: 9: 19.5%; 9 - 8: 37.31%; 9 – 7: 54,8%

SUPPORTING OTHERS

Like its predecessor, 2021-22 was a profoundly challenging year for people and institutions, with schools being no exception.

Amongst other things, the COVID-19 pandemic, and the government's responses to it especially during the Autumn term of 2021, required schools to be organisationally responsive and to take steps to ensure the continuity of education for pupils. Many pupils needed to have time off and away from school as a result of infection and supporting these pupils was vital.

Bedales has a long history of supporting others in need, including refugees, whether it be the School's partnership with the Rural Refugee Network (RRN) charity, offering places to Syrian refugees on fully funded bursaries through their GCSEs and A Levels or, further back, when Bedales welcomed an influx of Jewish students escaping Germany in the 1930s.

To broaden the School's ability to offer bursary support and to further supplement the support provided by the Bedales Grants Trust Fund ("BGTF"), which was founded in 1929, Bedales established the John Badley Foundation ("JBF") in 2010 to change the lives of individuals who face disadvantage by providing a stable and inspiring education at Bedales Senior and Bedales Prep, Dunhurst. By offering fully funded bursaries to children who could not otherwise have been able to consider an independent school education, the trajectories of these young people are being radically transformed. The JBF has been supporting children who have found themselves in difficult circumstances in their homes or school. The 28 students who have received JBF support have included refugees fleeing war, as well as students from the UK. The School also offers a free 'community' place for a child to attend the Nursery at Bedales Pre-prep, Dunannie

In 2021/22, Bedales allocated 7.25% of gross income for bursary support. In addition to the BGTF and JBF, the School works with other charities to reach those in need, including Royal Springboard and Buttle UK.

Fee Support 2021-22	
Bursary Support	£1.56m
Bursary support as % of gross fee income	7.25%
Exhibition and scholarship support	£0.15m
Total fee support as % of gross fee income	7.94%
Number of pupils benefitting from fee support	104 (up from 99 in 2020-21), of which 20 had support of over 75%

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

With the JBF established, the School community has been well placed to support the crisis in Ukraine. The School made five deliveries of donated items to the Ozarow community in Poland which has taken in many refugees, 175 kms from Ukraine border. Support for the Bedales fundraising walk and Art Sale in aid of the Rural Refugee Network (RRN) raised more than £50,000 for the refugee charity (see case study below). Bedales families are offering accommodation in their homes as part of the Homes for Ukraine scheme. Many parents and Old Bedalians were keen to do more to provide immediate help to those suffering. To galvanise further support for those fleeing Ukraine and other war-torn countries, the School launched an Emergency Refugee Fund to enable young people fleeing war and persecution to attend the Bedales Schools and access additional language and pastoral support.

Since the launch of the Emergency Refugee Fund in April 2022, eight Ukrainian students have joined Bedales Senior and Prep Schools, and £114,000 has been raised specifically to support them from donors. Two of the students are boarding with the remainder living with a parent in local accommodation.

Supporting others is at the heart of the Bedales curriculum. Global Awareness (GA) is taught as a distinct subject in each of the three Bedales Schools, culminating in Bedales' most popular Bedales Assessed Course (BAC) and Global Perspectives Sixth Form course. The focus of GA is twofold – equipping students with critical 21st century skills and providing them with a unique insight into global issues. Activism and community service are at the heart of the BAC – students are led to becoming social entrepreneurs through ground-breaking project work which requires them to make an actual change, be that within our own community, nationally or globally. GA students regularly lead assemblies and discussions, teach lessons in Bedales Prep and Pre-prep, as well as other local schools and are responsible for organising major fundraising and community events. A new enrichment course in Social Entrepreneurship and Innovation for the Sixth Form aims to continue and expand these efforts further in the coming years

The three Bedales Schools run a number of fundraising events and activities throughout the year. Bedales Prep and Pre-prep collected and delivered donations to the Petersfield Food Bank as part of Harvest Festival; Bedales Pre-prep continued its support of endangered species, sponsoring a polar bear; senior school pupils raised over £2,000 for the FitzRoy autism charity on its 'Fabulous for FitzRoy' day.

CASE STUDY - SPOTLIGHT ON BEDALES' PARTNERSHIP WITH THE RURAL REFUGEE NETWORK

Each term Bedales students come off-timetable for a community day. Previously, there has been support for local charities, work in the community, assisting local primary schools with landscaping projects, and working to improve the Bedales School estate itself.

Bedales held a community day on 8 March 2022 dedicated to supporting the plight of refugees. In the run-up to the day, members of the community donated items which were despatched to support Ukrainians in Poland. Activities on the day included talks from an Afghan refugee, mobilising the whole School to complete a sponsored walk covering the 4,000 km distance from Syria to Steep in one day, and holding a fundraising Art Sale with students heavily involved in its planning and delivery. Over £50,000 was raised in this single day for the Rural Refugee Network charity with whom the School has developed a productive partnership.

This community 'Powell day' (named after the School's co-founder) included talks by Afghan refugee Gulwali Passarlay, who spoke about his own year-long journey, the situation in Afghanistan and the refugee crisis more broadly. Between talks, Gulwali found time to complete the fundraising walk with students. Bedales students walked a 12 km circuit in the local Queen Elizabeth Country Park. In total 423 students and staff covered 5,145 kms, more than the distance from Syria to Steep. Each tutor group had its own fundraising page which created some healthy competition to be top fundraisers!

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

A group of three Block 5 (Year 11) students worked on the Art Sale over a six-month period as part of their Global Awareness Bedales Assessed Course (equivalent to a GCSE). They were joined by representatives of the RRN charity and Bedales staff to plan the event. Artwork was gathered from local artists, alumni, parents, and students at Bedales Senior and Prep. A professional curator worked with the students to manage the display of artwork.

Julia Newton, one of the Rural Refugee Network founders said:

"The amount raised at the Bedales Art Sale is nothing short of life changing for the Rural Refugee Network and the families it serves. Currently there is rightfully much attention on the plight of refugees, but it is worth highlighting that Bedales has supported our charity since its inception and created a meaningful full partnership with us in 2018. They have supported us during some tough times - like all charities we suffered enormously from not being able to raise funds during the pandemic and it is thanks to Bedales unstinting support that we not only survived but have been able to continue life changing and much needed work even during lockdowns.

Their support means we will continue to save lives in the future by bringing refugees to safety in the UK, and to do the especially important work of helping those here to find their feet in our communities. The core team of two staff and three students worked tirelessly with a wider group of volunteers at the School and charity to ensure an extraordinary evening and an outstanding result. This is the fourth Art Sale the RRN has been involved in and this was by far the most successful. And on top of that the walk raised over £20,000 - the Board of Trustees and I are blown away. Thank you so much for all you have done."

Sharing our facilities

The programme of Bedales Events invites local people and schools to Bedales for poetry, music, drama, dance and more.

The School has partnerships with local state schools, groups and initiatives, and every opportunity is taken to share our facilities for wider benefit. This year, local organisations have benefitted from highly subsidised or free use of Bedales resources, including:

- Steep Primary School for weekly swimming classes
- Bohunt School – for its annual summer production in the Bedales Theatre
- Hosting curriculum 'taster' events at Bedales Senior and Prep Schools for local primary school children
- Running music workshops at Froxfield Primary School
- Free use of school minibuses for local primary schools and charities to access activities
- Hosting of the Hampshire Schools Cross Country Championships attended by 25 state and independent schools
- Rosemary Foundation hospice charity – hosting a fundraiser in the Dining Hall
- Petersfield Youth Theatre – Workshops and main Quad for production
- Steep Village – hosting of barn dance and annual Flower Show; prep pupils also played music for the local residents' 'Welcome Club' in the village hall
- Petersfield Music Festival - workshop

"My son is a pupil at Froxfield Primary School. It has come to my attention that their trip to Hayling Island is free of charge due to Bedales lending their minibus services. I just wanted to thank you for your generosity."
Local Primary School Parent

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

Approach to learning

Bedales:

Bedales was founded as an alternative to the mainstream 19th century British 'Public School' and, while much has changed since 1893, teachers still strive to educate the young people in their care with the same questioning approach to learning and living. The School's motto – *Work of Each for Weal of All* – emphasises both an attention to nurturing the individual as well as coming together in a collective endeavour. Today, the School's approach draws on its innovative traditions with Bedales Assessed Courses (BACs) taught alongside five core GCSEs, project-based learning as a key part of our Block 3 (Year 9) curriculum and approaches to boarding, pastoral care and interpersonal relationships that break down unnecessary barriers between the generations, the sexes and the wider community.

The Sixth Form at Bedales is an unusually broad and stimulating environment in which to spend the final years at school and to prepare for life beyond, combining serious academic responsibility and opportunities for leadership. The School's aim is that students should leave with at least three good A Levels, with a broad set of subjects encouraging highly-individualised selections. Students receive guidance to select the courses that will support the future they want, but they will not be discouraged from choosing the subjects they love. For example, students at Bedales frequently choose to combine sciences with the creative arts. New course offerings include Digital Photography and Music Technology A Levels, as well as the Global Perspectives and Research Pre-U, where students explore issues challenging people across the world, and develop valuable analytical, research and problem-solving skills. Every student's programme includes a combination of academic study, sport, cultural and current affairs, service to the community, and our unique enrichment programme. This consists of a series of one-term courses chosen from a broad range of offerings developed by staff and shaped by student requests. Students also undertake independent projects and practical research as part of the optional Extended Project Qualification.

Bedales students finish their school journey to go on to a wide range of some of the most prestigious academic and artistic institutions in the UK and internationally, joining a host of alumni who are distinctively Bedalian for life. While the School takes a kind, 'child-centred' approach, its students are ambitious and they go on to contribute to society in remarkable ways.

"They describe themselves as learning to be inquisitive, fearless and ready to confront that which is unacceptable. The School is extremely successful in creating an atmosphere in which all pupils know that they are valued and respected as unique individuals."
ISI Inspection Report, 2022

Bedales Prep, Dunhurst:

Learning at Dunhurst is a rich tapestry of opportunity and extends far beyond the classroom. The School prides itself on a genuinely creative learning and teaching environment. Teachers maintain as much freedom as practically possible from the pressures of testing, exam results and Common Entrance preparation, whilst underpinning the curriculum with rigour and quality.

Dunhurst teaches by creating curiosity and setting challenges. Confidence grows as the pupils grow, and with it their desire to question and discuss. This distinctive approach to learning helps pupils excel academically. Dunhurst follows Bedales founder John Badley's vision of focusing on all aspects of a pupil's life – '*Head, Hand and Heart*' – with a belief that education should empower children through opportunity and experience. The curriculum is broad as well as deep. Unlike many prep schools, Dunhurst is not bound by the Common Entrance syllabus, and though guided by the National Curriculum the School is not locked into it. If teachers want to pursue a topic in depth, they can.

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

Much learning takes place through doing and making, especially through the extra-curricular activities programme. Trips, visits, workshops and speakers are important stimuli and are encouraged. Off-timetable days and special focus days are an important part of school life too, with curriculum areas coming together to work towards a single goal.

The School endeavours to make sport a positive and enjoyable experience for every pupil, offering top quality coaching, a broad range of sports, outstanding facilities and opportunities for gifted sports players to develop their elite skills. Music, for performers and listeners alike, is central to daily life at Dunhurst, and throughout the year there are plays for different year groups to take part in, with opportunities both on and off stage.

The overall approach at Dunhurst is based on the belief that young people should be encouraged to aim as high as they can whilst also enjoying their childhood, and benefitting from as many opportunities and experiences as possible.

“Standardised tests, and the School’s own assessment processes show that pupils in Dunhurst make excellent progress, many working at levels above normal expectations for their age.”
ISI Inspection Report, 2022

Bedales Pre-prep & Nursery, Dunannie:

Dunannie teachers 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.

There is a structured yet flexible curriculum for all year groups - including the Nursery - that reflects the School's aims and ethos, and teachers 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. Children have access to specialist teachers as well as Dunhurst’s excellent music school resources. The School encourages 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.

Dunannie encourages children to have a curiosity about life and to help them 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.

Dunannie believes that to learn the lesson, you should live it. Where possible, school trips are frequent 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.

The 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 the School therefore welcomes opportunities for parents to get involved and stay informed. There are formal structures such as the Friends of Dunannie Committee and regular parents’ meetings. More informally, teachers are always happy to talk with parents and work with them to create the best possible learning opportunities for the children.

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The financial performance of Bedales School recovered after the COVID-19 crisis with fee income returning towards normal levels. However, letting income was adversely affected and no summer let took place. The unexpected rise in energy costs resulted in an increase in costs of over £350,000 for the year.

Costs were reduced where possible and some reinvestment projects were delayed. The School has been able to work with its bankers to ensure that there is sufficient financial resilience. Debt levels remain relatively low and current debt has been renegotiated over a longer period and a Revolving Credit Facility (RCF) introduced.

The net income for the year amounted to £648,328 (2021: £1,127,496). Additions to fixed assets during the year are outlined in note 12 of the accounts. These amounted to £2,021,556 (2021: £2,910,172) and consisted mainly of a refit of the day common room, a new staff room, replacement of the dining room servery, the renovation of the Grade I listed Covered Way, two new staff flats and a new science classroom.

A total of £1,716,334 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 2022, the total funds of the School were £24,565,510 (2021: £21,108,182) after taking into account the pension funding deficit. Of these £38,300 (2021: £33,550) are restricted funds. Of the remaining reserves, £32,163,490 (2021: £31,770,691) 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 £Nil (2021: £2,755,000) calculated under FRS 102 in respect of the Schools defined benefit pension scheme for support staff (see note 20 for more information). 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

In 2021/22 the focus was fundraising for full bursary support via the John Badley Foundation (JBF). The long term aim is to raise sufficient donor income to build an endowment fund whilst also providing direct bursary support from donations. The School's Head of Development works with colleagues and volunteer parents and alumni to create and manage the fundraising programme, which overall in 2021/22 raised £340,598 of which £325,530 was for full bursary and other support to the School via the JBF. An additional £5,937 was raised for the Bedales Grants Trust Fund, and £9,131 for general school improvements.

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

As part of the JBF, the School launched a new Emergency Refugee Fund in 2022 to support Ukrainians and others fleeing war and persecution. This has enabled eight Ukrainian pupils to join Bedales Prep and Bedales Senior.

The School is very appreciative of members of the wider school community for their generous support of its fundraising activities which included live events and individual approaches. Donors choose a variety of ways to support the School, such as through single donations, purchasing merchandise, offering raffle prizes, regular donations, donating works of art, 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.

"We are very happy to donate our son's acceptance deposit to the John Badley Foundation. He has been so very happy at Bedales and benefitted so much from not only the educational opportunities, but also from the fantastic friendships he has made within the Bedales community. So to be part of facilitating a place for a child who wouldn't usually have that opportunity open to them is a fitting initiative for 6.2 leavers."

Departing 6.2 parent

STRATEGIC RISK

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 and Economic 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 being clear that it would remove charitable benefits for independent schools and add 20% VAT to school fees. This represents a significant threat to the sector and one that could result in a significant drop in pupil numbers but a corresponding and equally significant additional and over capacity demand for maintained sector schools. There is currently heightened economic uncertainty in the UK with a new Prime Minister recently appointed; the School will need to be prepared to react to any changes as a result of announcements made in the November budget statement. The School is however well-prepared and is focussing on offering a high quality and different learning experience to the children in all three Schools as recognised in the recent ISI Inspection report. Political and economic risks are outside of the control of the Governors, but the possible impact of these is 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, as recognised in the recent ISI Inspection, and preserving this difference 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. The pupil roll for 2022/23 is higher than it has ever been and the forecast for 2023/24 is higher again with the School at or nearing capacity.

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

- Safe Environment

The School strives to ensure that all staff and pupils are able to work in a safe and supportive environment. COVID-19 continued to present challenges that the School had to adapt to in the early part of the year. Being able to operate a safe school is essential and all possible measures are taken to keep staff and pupils safe. Active monitoring of pupil well being and welfare is undertaken by the pastoral care Designated Safeguarding Lead (DSL) teams. Safeguarding procedures are tightly managed with clear policies and procedures in place supplemented by appropriate training for staff and strong safer recruitment practices.

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; the Support Staff; and one covering Dunhurst and Dunannie.

- 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 either the constituent associations of the Independent Schools Council or other professional bodies, also ensure access to up to date information and support.

- 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.

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.

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

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.

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. The work to be undertaken in 2022/23 to redefine the vision and strategy for the School for the next 10 years involves consultation groups and a wide range of the School's staff. Every member of staff has the opportunity to contribute to this work.

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 or find efficiencies 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 engaged the Carbon Trust to help in this work by identifying the emissions for the School in terms of tCO₂e for the Scopes 1 and 2 to provide a baseline from which to work and monitor progress towards achieving our first aim of being Carbon Neutral and working towards the second aim of reaching Net Zero.

To inform our work and enable us to plan for changes, it was decided that FY18/19 should be the baseline for our data as this was the last full academic year before interruptions due to COVID. We were keen to ensure that our baseline represented normal operations of the School, but also factors that the School can control and measure accurately going forwards.

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

Our emissions data follows:

	Baseline Year (18/19)		2021/22
	tCO2e		tCO2e
Scope 1	1,425	Scope 1	1,256
Scope 2	490	Scope 2	295
TOTAL	1,915	TOTAL	1,551
Intensity ratio (Scope 1 and 2 emissions per pupil or member of staff)	1.71		1.32

Meeting our Sustainability Objectives

The School purchases all electricity from certified 100% renewable sources and although under Scope 2 we have shown emissions based on the grid electricity factor, our emissions would be less. However, we will continue to seek to both reduce electricity consumption, but also to increase generation opportunities through Solar PVs and other possible technologies. The first significant installation of Solar PVs was completed during the current 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 replace all heating for the main school buildings that use oil of LPG. However, the priority must firstly be to improve the thermal efficiency of our buildings to enable other forms of heating in the longer term. 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 building refurbishments will be 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 long term aim is to reach Carbon Net Zero including Scope 3 emissions, but the first target will be to achieve carbon neutrality under scope 1 and 2 and, in partnership with all members of our community and those who engage with the School, we are confident that this can be achieved.

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

Statement of Governing body responsibilities

The Governors, who are also the directors of Bedales School for the purpose of company law and the Trustees for the purpose of Charity 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 Charity 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)

Dated: 25th November 2022
.....

BEDALES SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF BEDALES SCHOOL

Opinion

We have audited the financial statements of Bedales School (the 'Charity') for the year ended 31 August 2022 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 2022 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

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

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; and
- 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

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

Date: **25 November 2022**
.....

Chartered Accountants
Statutory Auditor

Ashcombe Court
Woolsack Way
Godalming
Surrey
United Kingdom
GU7 1LQ

BEDALES SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2022

		Unrestricted funds	Pension reserve	Restricted funds	Total Unrestricted funds	Pension reserve	Restricted funds	Total
	Notes	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
<u>Income and endowments from:</u>								
Donations and legacies	3	-	-	5,000	5,000	-	-	-
Income from charitable activities	4	20,184,322	-	-	20,184,322	19,085,339	-	19,085,339
Other income	5	286,355	-	-	286,355	287,873	-	287,873
Total income		20,470,677	-	5,000	20,475,677	19,373,212	-	19,373,212
<u>Expenditure on:</u>								
Expenditure on charitable activities	6	19,569,501	54,000	250	19,623,751	17,971,460	48,000	18,020,343
Other Expenditure	11	203,598	-	-	203,598	225,373	-	225,373
Total resources expended		19,773,099	54,000	250	19,827,349	18,196,833	48,000	18,245,716
Net income for the year/ Net incoming resources		697,578	(54,000)	4,750	648,328	1,176,379	(48,000)	(883)

BEDALES SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2022

	Unrestricted funds	Pension reserve	Restricted funds	Total Unrestricted funds	Pension reserve	Restricted funds	Total
	2022 £	2022 £	2022 £	2022 £	2021 £	2021 £	2021 £
Net income for the year/ Net incoming resources	697,578	(54,000)	4,750	648,328	1,176,379	(48,000)	1,127,496
Other recognised gains and losses							
Actuarial gain on defined benefit pension schemes	-	2,809,000	-	2,809,000	-	1,387,000	1,387,000
Net movement in funds	697,578	2,755,000	4,750	3,457,328	1,176,379	1,339,000	2,514,496
Fund balances at 1 September 2021	23,829,632	(2,755,000)	33,550	21,108,182	22,653,253	(4,094,000)	18,593,686
Fund balances at 31 August 2022	<u>24,527,210</u>	<u>-</u>	<u>38,300</u>	<u>24,565,510</u>	<u>23,829,632</u>	<u>(2,755,000)</u>	<u>21,108,182</u>

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 23 and 24.

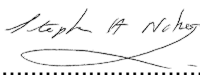
BEDALES SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	12	32,163,490		31,770,691	
Investments	13		2		2
			<u>32,163,492</u>		<u>31,770,693</u>
Current assets					
Stocks	15	18,403		25,082	
Debtors	16	5,395,388		4,811,023	
Cash at bank and in hand		3,694,290		4,000,564	
			<u>9,108,081</u>		<u>8,836,669</u>
Creditors: amounts falling due within one year	18	(11,067,863)		(10,475,863)	
Net current liabilities			<u>(1,959,782)</u>		<u>(1,639,194)</u>
Total assets less current liabilities			30,203,710		30,131,499
Creditors: amounts falling due after more than one year	19		(5,638,200)		(6,268,317)
Net assets excluding pension deficit			<u>24,565,510</u>		<u>23,863,182</u>
Defined benefit pension liability	20		-		(2,755,000)
Net assets excluding pension deficit			<u>24,565,510</u>		<u>21,108,182</u>
Income funds					
Restricted funds	25		38,300		33,550
<u>Unrestricted funds</u>					
General	24	24,527,210		23,829,632	
Pension reserve	24	-		(2,755,000)	
			<u>24,527,210</u>		<u>21,074,632</u>
			<u>24,565,510</u>		<u>21,108,182</u>

The financial statements were approved by the Governors, and authorised for issue, on 25th November 2022 and signed on their behalf by:


.....
S A Nokes (Chair)
Chairman

Company Registration No. 00276785

BEDALES SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	22		2,615,198		2,679,245
Investing activities					
Purchase of tangible fixed assets		(2,021,556)		(2,910,172)	
Proceeds on disposal of tangible fixed assets		15,667		-	
Interest receivable		26,878		25,418	
Interest payable		(187,794)		(151,590)	
Net cash used in investing activities			(2,166,805)		(3,036,344)
Financing activities					
Repayment of bank loans		(754,667)		(377,333)	
Net cash used in financing activities			(754,667)		(377,333)
Net decrease in cash and cash equivalents			(306,274)		(734,432)
Cash and cash equivalents at beginning of year			4,000,564		4,734,996
Cash and cash equivalents at end of year			3,694,290		4,000,564

BEDALES SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

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 effects of the COVID-19 pandemic as well as the current UK and global economic uncertainty and inflationary pressures 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 2022

1 Accounting policies

(Continued)

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
IT Equipment	6.67-25% straight line
Motor vehicles	10-25% straight line
Equipment	10-20% per annum straight line

Freehold land and assets in the course of construction are not depreciated.

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.

BEDALES SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

1 Accounting policies

(Continued)

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 2022

1 Accounting policies

(Continued)

1.19 Pension costs

The School contributes to the Teachers' Pension 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' Pension 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 (to the extent that the School is expected to benefit through future reductions in contributions or refunds) 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 2022

1 Accounting policies

(Continued)

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.

Bad debt provision

Judgement is applied when assessing the expected amounts to be received from outstanding term fees, each individual debtor balance is reviewed and a provision is recognised based on a considered expectation of the proportion of the debt that may not be recovered.

3 Donations and legacies

	Restricted funds	Total
	2022	2021
	£	£
Legacies receivable	5,000	-
	<u> </u>	<u> </u>

BEDALES SCHOOL

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

4 Income from charitable activities

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Gross fees	21,531,026	20,516,859
Extra lessons income	833,644	802,306
Registration fees	65,544	69,589
The John Badley Foundation bursaries	137,278	129,079
Bedales Grant Trust Fund bursaries	272,778	257,222
Less: Total scholarships, bursaries, other remissions and costs	(2,655,948)	(2,689,716)
	<u>20,184,322</u>	<u>19,085,339</u>

5 Other income

	Unrestricted funds 2022 £	Unrestricted funds 2021 £
Net gain on disposal of tangible fixed assets	15,667	-
Other income	5,223	85
Interest receivable	26,878	25,418
Rental income	238,587	51,632
Coronavirus Job Retention Scheme grants	-	210,738
	<u>286,355</u>	<u>287,873</u>

BEDALES SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

6 Expenditure on charitable activities

	Unrestricted funds 2022 £	Pension reserve 2022 £	Restricted funds 2022 £	Total 2022 £	Unrestricted funds 2021 £	Pension reserve 2021 £	Restricted funds 2021 £	Total 2021 £
Teaching costs	13,439,448	-	250	13,439,698	12,946,580	-	883	12,947,463
Depreciation, amortisation and other similar costs	1,628,757	-	-	1,628,757	1,515,528	-	-	1,515,528
Premises	3,076,426	-	-	3,076,426	2,151,143	-	-	2,151,143
Support costs	1,343,919	54,000	-	1,397,919	1,311,732	48,000	-	1,359,732
Welfare	80,951	-	-	80,951	46,477	-	-	46,477
	<u>19,569,501</u>	<u>54,000</u>	<u>250</u>	<u>19,623,751</u>	<u>17,971,460</u>	<u>48,000</u>	<u>883</u>	<u>18,020,343</u>

BEDALES SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

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

2022
£

2021
£

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	26,940	20,330
Depreciation of owned tangible fixed assets	1,628,757	1,515,528
Profit on disposal of tangible fixed assets	(15,667)	-
Pension scheme actuarial (gains)/losses	(2,809,000)	(1,387,000)
Other pension scheme movements	333,000	282,000
Pension contributions	279,000	234,000
	<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 £658 (2021: £Nil) in relation to two Governors (2021: Nil) were reimbursed to the Governors during the period. No other payments were made to any Governors.

BEDALES SCHOOL

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

10 Employees

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

	2022	2021
	Number	Number
Teaching	151	151
Support	223	211
	<hr/>	<hr/>
Total	374	362
	<hr/> <hr/>	<hr/> <hr/>

The staff full time equivalents in the year were 276 (2021: 260).

Employment costs	2022	2021
	£	£
Wages and salaries	10,570,185	10,247,451
Social security costs	1,072,629	987,283
Other pension costs	1,796,884	1,712,729
	<hr/>	<hr/>
	13,439,698	12,947,463
	<hr/> <hr/>	<hr/> <hr/>

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

	2022	2021
	Number	Number
£60,001 - £70,000	8	6
£70,001 - £80,000	2	2
£80,001 - £90,000	-	3
£90,001 - £120,000	2	3
£120,001 - £130,000	2	1
£160,001 - £170,000	1	1
	<hr/> <hr/>	<hr/> <hr/>

During the year, the school made redundancy and/or termination payments which totalled £132,935 (2021: £156,463) relating to 6 individuals (2021: 8).

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 were £620,794 (2021: £612,846).

BEDALES SCHOOL

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

11 Other Expenditure

	Unrestricted funds	Unrestricted funds
	2022	2021
Bank loan interest	146,806	100,246
Bank charges	7,656	8,945
Bad debt provision	8,148	64,838
Financing costs	40,988	51,344
	<u>203,598</u>	<u>225,373</u>

BEDALES SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

12 Tangible fixed assets

	Freehold Land	Buildings	Assets under construction	Fixtures and fittings	IT Equipment	Motor vehicles	Equipment	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 September 2021	15,489	48,200,534	-	207,100	2,697,418	423,613	943,770	52,487,924
Additions	-	1,010,446	744,188	-	179,764	67,075	20,083	2,021,556
Disposals	-	-	-	-	-	(3,000)	-	(3,000)
At 31 August 2022	15,489	49,210,980	744,188	207,100	2,877,182	487,688	963,853	54,506,480
Depreciation and impairment								
At 1 September 2021	-	17,628,429	-	206,602	2,032,793	291,509	557,900	20,717,233
Depreciation charged in the year	-	1,260,454	-	42	232,036	54,150	82,075	1,628,757
Eliminated in respect of disposals	-	-	-	-	-	(3,000)	-	(3,000)
At 31 August 2022	-	18,888,883	-	206,644	2,264,829	342,659	639,975	22,342,990
Carrying amount								
At 31 August 2022	15,489	30,322,097	744,188	456	612,353	145,029	323,878	32,163,490
At 31 August 2021	15,489	30,572,105	-	498	664,625	132,104	385,870	31,770,691

BEDALES SCHOOL

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

12 Tangible fixed assets (Continued)

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

	2022 £	2021 £
Motor vehicles	2,183	15,398
IT Equipment	50,526	56,193
	<u>52,709</u>	<u>71,591</u>

13 Fixed asset investments

	Other investments
Cost or valuation	
At 1 September 2021 & 31 August 2022	2
Carrying amount	
At 31 August 2022	2
At 31 August 2021	2

	2022 £	2021 £
Other investments comprise:		
Investments in subsidiaries	2	2

14 Subsidiaries

Details of the Charity's subsidiaries at 31 August 2022 are as follows:

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

BEDALES SCHOOL

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

14 Subsidiaries

(Continued)

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	-	(16,860)

15 Stocks

	2022 £	2021 £
Finished goods and goods for resale	18,403	25,082

16 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	5,100,599	4,503,670
Amounts owed by fellow group undertakings	8,040	6,000
Other debtors	54,116	22,681
Prepayments	232,633	278,672
	<u>5,395,388</u>	<u>4,811,023</u>

17 Loans and overdrafts

	2022 £	2021 £
Bank loans	<u>4,807,334</u>	<u>5,562,001</u>
Payable within one year	754,667	754,666
Payable after one year	<u>4,052,667</u>	<u>4,807,335</u>
Amounts included above which fall due after five years:		
Payable by instalments	<u>1,400,000</u>	<u>1,788,668</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.

BEDALES SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Creditors: amounts falling due within one year

	Notes	2022 £	2021 £
Bank loans	17	754,667	754,666
Other taxation and social security		245,550	238,817
Trade creditors		361,441	387,248
Fees received in advance		7,267,123	6,606,939
Fees in advance scheme		791,716	926,193
Entrance deposits		1,248,270	1,099,991
Other creditors		259,813	350,377
Accruals and deferred income		139,283	111,632
		<u>11,067,863</u>	<u>10,475,863</u>

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:

	2022 £	2021 £
Within one year	791,716	926,193
One to two years	400,996	820,095
Two to five years	824,768	428,064
After five years	359,769	212,823
	<u>2,377,249</u>	<u>2,387,175</u>

19 Creditors: amounts falling due after more than one year

	Notes	2022 £	2021 £
Bank loans	17	4,052,667	4,807,335
Fees in advance scheme		1,585,533	1,460,982
		<u>5,638,200</u>	<u>6,268,317</u>

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 2022

20 Retirement benefit schemes

(Continued)

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 £131,828 (2021 - £132,512).

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 2022

20 Retirement benefit schemes

(Continued)

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 2022 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 £54,000 (2021: £48,000).

Key assumptions

	2022 %	2021 %
Discount rate	4.2	1.7
Expected rate of increase of pensions in payment	2.9	2.7
Expected rate of salary increases	3.9	3.7
Expected rate of inflation (CPI)	2.9	2.7

Mortality assumptions

The assumed life expectations on retirement at age 65 are:

	2022 Years	2021 Years
Retiring today		
- Males	23	23
- Females	25	26
Retiring in 20 years		
- Males	25	25
- Females	27	27

Amounts recognised in the profit and loss account:

	2022 £	2021 £
Current service cost	289,000	219,000
Net interest on defined benefit liability/(asset)	44,000	63,000
Contributions by the employer	(279,000)	(234,000)
Total costs	54,000	48,000

BEDALES SCHOOL

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

20 Retirement benefit schemes

(Continued)

Amounts taken to other comprehensive income:

	2022 £	2021 £
Actual return on scheme assets	774,000	(1,829,000)
Less: calculated interest element	199,000	159,000
	<hr/>	<hr/>
Return on scheme assets excluding interest income	973,000	(1,670,000)
Actuarial changes related to obligations	(4,829,000)	283,000
Restriction of defined benefit pension surplus	1,047,000	-
	<hr/>	<hr/>
Total (gains)/losses	<u>(2,809,000)</u>	<u>(1,387,000)</u>

The actuarial valuation on which the defined benefit pension surplus/deficit is based produced a surplus of £1.047m. Under accounting standards, a surplus can only be recognised if the School has the ability to reduce contributions to the pension scheme in future or reclaim refunds through the scheme. On the basis that this may not be possible, the Governors believe that the surplus should be restricted to £Nil.

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

	2022 £	2021 £
Present value of defined benefit obligations	9,828,000	14,465,000
Fair value of plan assets	(10,875,000)	(11,710,000)
	<hr/>	<hr/>
(Surplus)/deficit in scheme	(1,047,000)	2,755,000
	<hr/>	<hr/>
Restriction of surplus	1,047,000	-
	<hr/>	<hr/>
Total liability recognised	<u>-</u>	<u>2,755,000</u>

Movements in the present value of defined benefit obligations:

	2022 £
Present value at 1 September 2021	14,465,000
Current service cost	289,000
Benefits paid	(367,000)
Contributions from scheme participants	27,000
Actuarial gains and losses	(4,829,000)
Interest cost	243,000
	<hr/>
At 31 August 2022	<u>9,828,000</u>

BEDALES SCHOOL

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

20 Retirement benefit schemes

(Continued)

The defined benefit obligations arise from plans funded as follows:

	2022
	£
Wholly unfunded obligations	-
Wholly or partly funded obligations	9,828,000
	<u>9,828,000</u>

Movements in the fair value of plan assets:

	2022
	£
Fair value of assets at 1 September 2021	11,710,000
Interest income	199,000
Actuarial gains and losses	(973,000)
Benefits paid	(367,000)
Contributions by the employer	279,000
Contributions from scheme participants	27,000
	<u>10,875,000</u>

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

	2022	2021
	£	£
Equity instruments	2,773,000	6,721,540
Cash and cash equivalents	6,297,000	4,274,150
Property	1,805,000	714,310
	<u>10,875,000</u>	<u>11,710,000</u>

21 Capital commitments

At 31 August 2022 the Charity had capital commitments which were not provided for in the financial statements of £705,000 (2021: £910,000).

BEDALES SCHOOL

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

22 Cash generated from operations	2022	2021
	£	£
Surplus for the year	648,328	1,127,496
Adjustments for:		
Interest receivable	(26,878)	(25,418)
Interest payable	187,794	151,590
Gain on disposal of tangible fixed assets	(15,667)	-
Depreciation and impairment of tangible fixed assets	1,628,757	1,515,528
Difference between pension charge and cash contributions	54,000	48,000
Movements in working capital:		
Decrease/(increase) in stocks	6,679	(10,846)
(Increase) in debtors	(584,365)	(363,779)
Increase in creditors	716,550	236,674
Cash generated from operations	2,615,198	2,679,245

BEDALES SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

23 Analysis of net assets between funds

	Unrestricted funds	Pension reserve	Restricted funds	Total Unrestricted funds	Pension reserve	Restricted funds	Total
	2022	2022	2022	2022	2021	2021	2021
	£	£	£	£	£	£	£
Fund balances at 31 August 2022 are represented by:							
Tangible assets	32,163,492	-	-	32,163,492	31,770,693	-	31,770,693
Net current liabilities	(1,998,082)	-	38,300	(1,959,782)	(1,672,744)	33,550	(1,639,194)
Long term liabilities	(5,638,200)	-	-	(5,638,200)	(6,268,317)	-	(6,268,317)
Pension scheme liability	-	-	-	-	(2,755,000)	-	(2,755,000)
	<u>24,527,210</u>	<u>-</u>	<u>38,300</u>	<u>24,565,510</u>	<u>23,829,632</u>	<u>33,550</u>	<u>21,108,182</u>

24 Unrestricted funds

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

	Movement in funds				Balance at 1 September 2021	Movement in funds				Balance at 31 August 2022
	Balance at 1 September 2020	Incoming resources	Resources expended	Revaluations, gains and losses		Incoming resources	Resources expended	Revaluations, gains and losses		
	£	£	£	£	£	£	£	£	£	
General	22,653,253	19,373,212	(18,196,833)	-	23,829,632	20,470,677	(19,773,099)	-	24,527,210	
Pension reserve	(4,094,000)	-	(48,000)	1,387,000	(2,755,000)	-	(54,000)	2,809,000	-	
	<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>	<u>20,470,677</u>	<u>(19,827,099)</u>	<u>2,809,000</u>	<u>24,527,210</u>	

BEDALES SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

25 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:

	Balance at 1 September 2020	Resources expended	Balance at 1 September 2021	Movement in funds		Balance at 31 August 2022
	£	£	£	Incoming resources £	Resources expended £	£
Kadian Observatory Fund	13,117	(883)	12,234	-	(250)	11,984
Digital Library Fund	21,316	-	21,316	5,000	-	26,316
	<u>34,433</u>	<u>(883)</u>	<u>33,550</u>	<u>5,000</u>	<u>(250)</u>	<u>38,300</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.

26 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.

27 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 £272,778 (2021: £257,222) 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 £137,278 (2021: £129,079) towards the awarding of bursaries.

One Governor (2021: one Governor) and two members of key management (2021: two 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 2022

28 Analysis of changes in net (debt)/funds

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	4,000,564	(306,274)	3,694,290
Loans falling due within one year	(754,666)	(1)	(754,667)
Loans falling due after more than one year	(4,807,335)	754,668	(4,052,667)
	<u>(1,561,437)</u>	<u>448,393</u>	<u>(1,113,044)</u>