



Bridewell Royal Hospital



Report and Financial Statements

for the year ending 31 July 2020

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Report of the Court

Key Information

Financial Results	Year Ended 31/07/20 £000s	Year Ended 31/07/19 £000s	% Change
Total Income	12,264	13,887	(12)
Total Expenditure	12,768	13,680	(7)
(Losses)/Gains on Investments	(802)	331	nm
Net (Expenditure)/Income	(1,306)	538	

Operating (Deficit)/Surplus	(504)	207	nm
Core School Activities Operating (Deficit)/Surplus	(622)	42	nm
School Activities Special Projects	(316)	(77)	nm
Other Charitable Activities	434	242	nm
	(504)	207	

Endowed Funds	15,429	16,040	(4)
Restricted Funds	3,629	3,806	(5)
Unrestricted Funds	14,842	15,360	(3)

Group Information	Average 2019/20	Average 2018/19	% Change
Number of pupils	592	612	(3)
% of Boarders	28%	34%	(18)
Number of bursary pupils	52	74	(30)
Average bursary	£21,700	£23,500	(8)

nm – not meaningful

Report of the Court (Continued)

The Court, the trustee body of Bridewell Royal Hospital which incorporates King Edward's School Witley and Barrow Hills School, presents its report and audited financial statements for the year ended 31 July 2020.

Bridewell Royal Hospital was established by King Edward VI by Royal Charter of Letters Patent dated 26 June 1553. The Royal Charter of Letters Patent has been amended during subsequent years. The present Constitution is the Scheme made by the Charity Commissioners in November 1988 as amended by Resolutions of the Bridewell Court passed in March 2013 and March 2015. Bridewell Royal Hospital is presided over by HRH The Duchess of Gloucester and is registered with the Charity Commission under registered charity number 311997.

Goals and Objectives

The objects of Bridewell Royal Hospital (the Foundation), laid down in the 1988 scheme, and as amended in 2013 and 2015, are the advancement of education, currently met by providing boarding and day schooling for girls and boys aged 2 to 18 and the provision of bursaries, scholarships and other educational benefits. In particular, the Foundation, as part of its commitment to public benefit, provides financial support primarily for children whose home circumstances make boarding education beneficial. In addition to the endowed funds of the Foundation, there are restricted funds held for special purposes, such as the development of facilities, bursaries, prizes and other educational purposes.

King Edward's School Witley

King Edward's vision: The School was founded in 1553 as "a House to lodge Christ in". King Edward's School Witley (King Edward's) provides an environment which nurtures children to achieve success in their chosen fields; to become happy, confident, independent learners; to become fulfilled, active, decent people of integrity, with global awareness, wisdom, humility and a sense of duty; and to be aware of how they have become so.

The aims of King Edward's are:

- To ensure that boys and girls receive an excellent academic education;
- To support and enrich learning at all academic levels and inspire intellectual adventure;
- To ensure that every pupil finds school an enjoyable, challenging and happy experience;
- To be a second home to our boarders and enable those with a particular need for boarding education to be here;
- To deliver outstanding pastoral care to all our pupils;
- To engender moral values, personal standards, integrity, self-discipline and respect;
- To encourage independent thought, leadership and teamwork skills and a sense of responsibility and service towards others and the environment;
- To promote a healthy and active lifestyle;
- To nurture diverse talents to the full, enabling students to discover pastimes of lasting value;

Report of the Court (Continued)

- To create a genuinely diverse community, which is outward and forward looking but with a shared purpose;
- To promote cultural diversity and international understanding, and
- To celebrate our heritage and traditions as a City School and a “Royal, Ancient and Religious Foundation”.

Barrow Hills School

Barrow Hills is an independent Christian co-educational school welcoming all and enabling each child to develop their ethical, spiritual and moral values. The School seeks to inspire a love of learning and to encourage all to fulfil their aspirations and potential within an atmosphere of mutual respect and compassion. It encourages a strong sense of all belonging to one family; in the school, in the community and in the wider world.

Pupil Profile: At Barrow Hills children are encouraged to be:

- Curious about everything; and brave when meeting new challenges;
- Scholarly in the way that they learn and in their love of learning;
- Compassionate towards others, in the School and in the wider world;
- Generous of spirit, sharing their time and their gifts;
- Joyful in their appreciation of their families, their friendships, their School and the world;
- Truthful and true to themselves; and
- Responsible in what they say and in what they do.

The aims of Barrow Hills are:

- To ensure that girls and boys receive an excellent academic education and develop scholarship;
- To give excellent pastoral care, responding to our children as unique individuals, promoting their personal and academic development;
- To engender moral values and personal qualities; and
- To help children discover and realise their talents, particularly in art, drama, music, design and technology, and sport.

These objectives are carried forward while maintaining the affordability of an excellent preparatory education, benefiting from economies of scale without compromising the ‘family feel’ that permeates both Schools. The Schools share resources including sports, performing arts, extra-curricular and boarding opportunities whilst continuing to meet operational objectives and maintain efficient processes throughout the organisation.

The Charity achieves its objects through the operation of King Edward’s, a thriving co-educational boarding and day senior school, and Barrow Hills, an excellent preparatory, co-educational, day school nearby. The aims and objects of both Schools are inherently charitable in the provision of education to girls and boys; additionally, the founding mission of the Charity finds expression today in the provision of bursary supported boarding education to children who need it within the environment of a mainstream independent school for local and international children seeking an excellent all-round education. Furthermore, every effort is made to provide access to facilities and activities to those otherwise unable to afford them.

Report of the Court (Continued)

In the past year King Edward's has been home to some 400 children from 42 countries. 52 pupils, from low income families or from home circumstances where a boarding education was deemed beneficial or necessary, were provided a means-tested bursary. 71% of these received fee support of between 81-100%. Barrow Hills has educated some 200 pupils aged 2-13.

In pursuit of its aims the Court and School Governors agree management objectives annually for both Schools. For 2019/20 these were:

- To further the post-merger vision of providing an all-through education where appropriate;
- To enhance further the educational product for pupils and the service to parents who have rightly demanding expectations in purchasing in the high cost private education sector:
 - to maintain excellence in teaching, learning and pupil progress at King Edward's;
 - to remain focused on delivering the market respected, pastorally and academically driven preparatory school product at Barrow Hills. Continue to build on academic progress and the excellent personal development of the children;
 - to utilise and embrace the additional curriculum and co-curriculum resources that King Edward's provides to maximise benefit without unduly changing the character of Barrow Hills;
- To continue to achieve scale in the provision of education to address long-term affordability;
- To accelerate the post-merger opportunities in order to build on the foundations for pupil growth across both Schools; and
- To further the Bridewell Founding Mission.

High academic standards were achieved in both Schools, with King Edward's achieving many individual successes at IB and its best results ever at GCSE and A-level. Virtually all candidates secured places at a university of their choice. At Barrow Hills a third of the leavers were awarded scholarships to a range of public schools, including King Edward's. All 13+ leavers obtained places at their chosen senior schools.

During the year pupils from both Schools have benefited from closer links, including the sharing of facilities, shared events and workshops and specialist teaching. Administrative and organisational improvements have been made across both Schools in areas such as facilities management, human resources, finance and procurement, producing significant economies of scale.

COVID-19

During the summer term, following the UK Government nationally imposed lockdown, both Schools were able to respond quickly by offering a comprehensive remote teaching and learning programme together with the provision of online resources. Pupils at Barrow Hills School were able to use 'tablets' provided by the School to facilitate studying from home. Both Schools remained open to a small number of key worker children and bursary pupils including, for some, during the traditional school holiday periods. In addition, in the second half of the summer term, both schools welcomed back small groups of pupils in line with Government guidelines.

Report of the Court (Continued)

Public Benefit

The Schools' objectives and activities are inherently charitable and every effort is made to ensure that the Schools provide public benefit to those who would otherwise be unable to attend them.

Due consideration has been given to the Charity Commission's published Guidance on Public Benefit.

Both Schools' commitment to the wider community and to providing access to facilities and activities to those who would otherwise be unable to afford them continues. King Edward's has continued to provide regular teaching and support to children from local schools including Science, Maths, Modern Languages, Theatre and Music workshops. Pupils have been providing maths support and enrichment for Gifted and Talented children at Busbridge School and St Mary's School, Chiddingfold, and pastoral and social support at St Dominic's School, Hambledon. Barrow Hills has hosted football tournaments, cross-country races and an athletics pentathlon for over 200 children from local schools and some 140 children per week have attended swimming classes at King Edward's 25m indoor swimming pool. Money has been raised at King Edward's for our twinned class at Lawson High School in Kenya, CALM, the David School in Sierra Leone and the New Destiny Orphanage in Cameroon among others and at Barrow Hills for UK charities including Parkinson's UK and Change 1's Life.

Fundraising and Grantmaking

The Charity aims to generate additional funds by means of voluntary fundraising and investment of endowed and restricted funds so as to further its Charitable objects. The Court sets targets each year in respect of the performance of invested funds and also budgets in respect of voluntary fundraising activity.

In the 2019/20 year voluntary fundraising activity included raising funds for bursary provision as well as work with individuals and trusts and an ongoing Legacy Campaign. Donors are encouraged by means of regular stewardship events, including events for those who have pledged legacies to the Foundation and those who have given annually. The Development and Alumni office control all fundraising activities and subscribe to the Institute of Development Professionals in Education guidelines, which encompass all regulations surrounding fundraising as outlined in the Fundraising Preference Service and Information Commissioner Guidelines.

The Charity did not use a professional fundraiser or commercial participator and did not receive any complaints regarding its fundraising activities. The Charity ensures it protects the public from behaviour which is an unreasonable intrusion on a person's privacy, is unreasonably persistent or places undue pressure on a person to give money or other property by following Ethical Fundraising Guidelines set by the Institute of Development Professionals in Education.

The policy of the Foundation is to offer bursaries, in particular to support children whose circumstances would make a boarding education beneficial, including those from disadvantaged or vulnerable backgrounds. The offer of bursaries is subject to means testing and assessment of boarding need and ability to benefit; guidance is also offered to help candidates seeking additional financial support from other charities that work closely with King Edward's.

Report of the Court (Continued)**Summary Financial Information****Abridged Financial Information For Year Ended 31 July 2020**

	School Activities		Other Charitable Activities		Total	Total
	£000s	£000s	£000s	£000s	£000s	£000s
	2020	2019	2020	2019	2020	2019
Income						
School Fees	10,496	12,008	-	-	10,496	12,008
Donations and Grants	264	-	147	360	411	360
Investment income	-	-	750	740	750	740
Bank interest	37	53	-	-	37	53
Ancillary trading (other Educational Income)	286	281	-	-	286	281
Non-Ancillary trading (Lettings and other)	284	445	-	-	284	445
Total Incoming Resources	11,367	12,787	897	1,100	12,264	13,887
Expenditure						
Teaching	(6,278)	(6,568)	-	-	(6,278)	(6,568)
Welfare	(465)	(526)	-	-	(465)	(526)
Catering	(917)	(1,191)	-	-	(917)	(1,191)
Premises	(2,994)	(2,943)	-	-	(2,994)	(2,943)
Administration	(1,566)	(1,483)	(38)	(33)	(1,604)	(1,516)
Fundraising	-	-	(110)	(157)	(110)	(157)
Other (Lettings and other)	(85)	(111)	(28)	(52)	(113)	(163)
Bursaries	-	-	(287)	(616)	(287)	(616)
Total Expenditure	(12,305)	(12,822)	(463)	(858)	(12,768)	(13,680)
Net (outgoing) / incoming funds from Operations before transfers and investment gains	(938)	(35)	434	242	(504)	207

Income from School Activities is considered to be all income other than donations and income from investments held in restricted and endowed funds and the School bursary fund, and expenditure from School Activities is all expenditure other than bursaries, fundraising costs and administration expenses specifically related to the endowed funds.

Report of the Court (Continued)

Financial Review

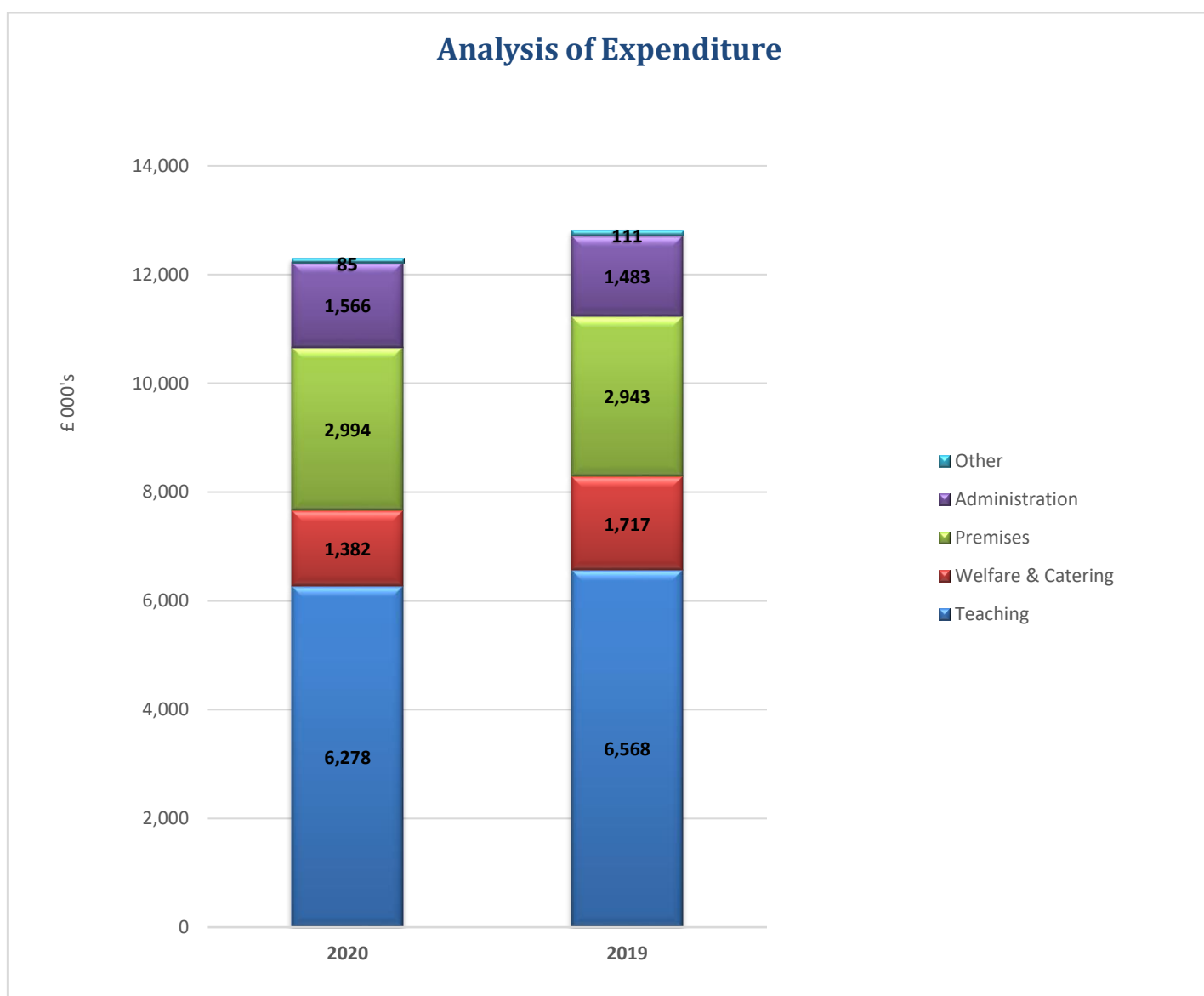
The operating (deficit)/surplus was (£504k) (2019: £207k).

The aggregate Fund balances decreased to £33,900k (2019: £35,206k).

Group Activities

The Group's income from School activities reduced to £11,367k (2019: £12,787k). Pupil numbers were 592 (2019: 612), boarding pupils of 168 (2019: 206) and day pupils of 424 (2019: 406). Total fees were £10,496k (2019: £12,008).

Group expenditure on School Activities was £12,305k (2019: £12,822k).



Report of the Court (Continued)

Charitable Activities

The Charity is responding to a changing market and widening the pastoral care provided to its bursary pupils. During the summer term, when the School site was largely closed due to COVID-19, King Edward's was able to accommodate several bursary pupils whose education and wellbeing were supported at School.

Means-tested public benefit and bursary support provided by the Foundation was £287k (2019: £616k). In addition, support from the City of London and major educational charities, in particular, Royal National Children's Springboard Foundation, the Reedham Trust, the Mitchell City of London Educational Foundation, the Emmott Foundation, Buttle UK, Sir John Cass's Foundation, The Heights Educational Bursary Trust, the BMTA Trust and the Thornton Smith Plevins Trust provided a further £843k (2019: £1,118k) of bursary funding. The Court and pupils are extremely grateful to these organisations for their ongoing support along with the many Old Witleians and Bridewell Fellows who donate generously.

Distribution of Bursary Awards

As part of the Foundation's commitment to provide public benefit, means tested bursaries were distributed to 52 pupils (2019: 74), with an average bursary of £21,700 (2019: £23,500). 71% (2019: 65%) of these pupils received awards of between 81-100% of fees. In addition, the cost of School uniform and materials provided to all pupils is included within fees. Bursary awards are distributed broadly across the forms and the vast majority are awarded to boarding pupils from the United Kingdom. In addition to bursaries, 55 pupils were in receipt of scholarships (2019: 49) across the full range of academic, arts, music and sports.

Future Plans

The Charity appointed new Heads at both Schools in September 2019. In addition to the continued focus on the educational and pastoral enhancements for pupils, the intention is to invest further in the school buildings and facilities which in 2019/20 included new cricket nets, refurbishing the tennis courts surface, enhancements to the sports hall complex, relining the swimming pool, substantial classroom refurbishments and a major upgrade of the Upper Gurdon's playing fields. A Governor Working Group has been meeting, together with the Heads, to produce a new 10 year Strategic Plan covering the academic curriculum, teaching and learning in and beyond the classroom, re-purposing buildings, future bursary provision and further development of the Charity in order that its objectives continue to be delivered in a manner fully relevant to the 21st century.

Report of the Court (Continued)

Investment Performance

For the year to 31 July 2020 the achieved total return on the Endowed Fund was -0.39% (2019: 4.81%).

Whilst the Endowed Fund achieved a negative return in 19/20, the Court considers this to be a short-term impact of market conditions relating to the COVID-19 pandemic and that the long term aim of maintaining the real value of the Endowed Fund while increasing the amount of total return applied to fund bursaries will still be met.

Policies

Investment Policy

From 1 August 2007, the Governors have managed all their investments on a total return basis, adopting an investment policy of “preserving the real value of the endowment held in investments, whilst maximising the amount available to meet the needs of each generation of beneficiaries”.

In seeking a balance between the interests of current and future beneficiaries the Governors consider, with their Investment Advisers, the appropriate balance between the proportion of the total return that should be applied as income and the proportion that should be retained and accumulated within the Endowed Fund. Governors are conscious that a relatively stable pattern of application is important in allowing the Schools to make sustainable bursary awards, so while the application has been approved each year, this has been determined within a policy set and reviewed every three years. The most recent review was conducted in 2019 and it was agreed that the application for 2019/20 would be 3.25% of the average value of the Endowed Fund over the twelve quarters to 31 December 2018, with the application for the subsequent two years being, subject to circumstances, based on the average value to 31 December 2019 and 2020. The income received by the school in cash from the Endowed Fund in 2019/20 was £91k higher than the figure calculated using this formula and it was decided that in the current exceptional, Covid related circumstances the application to income for the year would be increased to the income actually received.

Reserves and Liquidity Policy

The Court’s policy on Reserves is to maintain sufficient current assets and cash deposits in the General Fund to mitigate the risks to income from unforeseen sources: the provision of sufficient resources to carry out planned repairs and improvements; and to provide a contingency for unanticipated and uninsured estates expenditure. As at 31 July 2020 unrestricted reserves were represented by net current assets and cash deposits of £2,365k (2019: £2,614k) including cash in the Designated School Bursary Fund of £851k (2019: £761k), less final term deposits due after more than one year of £858k (2019: £784k). The Governors consider that sufficient current assets and cash deposits are maintained to mitigate the above mentioned risks. In addition, the Court seeks to ensure that there are sufficient liquid funds so that the operations of the Schools may continue for at least twelve months.

The Court and the Sub-Committees review the financial and other operating aspects of both Schools on a termly basis, enabling the principal risks and uncertainties facing the Charity to be monitored. These aspects, as identified by both the Governors and key management personnel, are further reviewed on an annual basis by the Court through a formal business risk assessment process with interim reviews by the Finance & General Purposes sub-committee. Each Autumn, the Governors have an additional meeting to discuss business strategy.

Report of the Court (Continued)

Impact of COVID-19

Following the national lockdown due to the Coronavirus pandemic, the Schools discounted the summer term fees to reflect no boarding provision, the change to remote learning and to assist parents at this difficult time. To provide certainty to parents the 2020/21 school fees were frozen at 2019/20 levels. The impact of the summer term discount was a £1.4m reduction in income. To mitigate this loss, and to protect jobs at both schools, the Group participated in the UK Government's Coronavirus job retention scheme, receiving £264k of grant income. Other savings were made in catering, transport and utilities amounting to circa. £400k. Whilst uncertain, the Charity does not believe that the impact of the COVID-19 virus will have a long-term material adverse effect on its financial condition or liquidity.

The Court is satisfied that there are systems in place to mitigate adequately the major risks to which the Foundation is exposed. The principal risks together with the key controls include:

Risk Categories	Current Principal Risks and Uncertainties	Key Controls
Objectives & Mission	-	Reviewed by Court
Charity, Law & Regulation	None beyond sector wide challenges	Reviewed by Court and Sub-Committees
Governance & Management	Governance and management split across two Schools	Bridewell Court directly governs both Schools since September 2016
External Influences	Sector wide challenges including Brexit	Specific post-Brexit strategy formed part of the Court's agenda
Operational Processes	Asset protection	Established authorities, procedures and limits
Pupil recruitment	Pupil recruitment and retention	Monthly data monitored
Technological	Sector wide reliance on technological systems	Reviewed by Education & ICT Sub-Committee
Academic	-	Reviewed by Education & ICT Sub-Committee and Court
Pastoral	-	Safeguarding Policy, Central DBS Register and Child Protection
Financial	Ensuring financial commitments aligned annually with anticipated fee income	Financial Planning and Budgeting overseen by Finance & General Purposes Sub-Committee and Court with Interim Monthly Key Data reports.
	Long-term bursary support	Investment in Development Fundraising with Governor Sub-Committee oversight
Privacy	-	Data Protection Policy
Environmental, Health & Safety	-	Monitored by Health & Safety Sub-Committee

Report of the Court (Continued)

Structure & Governance

The structure, governance and operation of Bridewell Royal Hospital is in accordance with the 1988 Constitution as amended in March 2013 by appropriate Resolutions of the Court under section 280 of the Charities Act 2011. The Constitution was amended by further Resolutions of the Court in 2015 to facilitate the merger of King Edward's with Barrow Hills and to provide an appropriate governance structure for the future management of the Schools, while maintaining throughout the close ties with the Corporation of London. In May 2019 the Court undertook a review of the Constitution to ensure that certain aspects fit with more general legal requirements, with a particular focus on employment and safeguarding issues. Some of these amendments are currently being discussed with the Charity Commission prior to being formally adopted.

Organisational Management

The Court as the direct Governing Body of the Schools, meets at least once each term, usually chaired by the Treasurer on behalf of the Vice-President.

The Constitution includes Articles of Government for each School which include:

- (1) The Governors shall prescribe the general educational policy of the School, what reports shall be required to be made to them by the Head and the arrangements respecting the School terms, vacations and holidays.
- (2) The Governors shall consider fully any views and proposals relating to any matter within the province of the Governors which may be submitted to them from time to time by the Head.
- (3) The Governors shall, in consultation with the Head, make suitable arrangements to enable the teachers to submit to the Governors their views and proposals concerning any matters relating to the conduct of the School.
- (4) The Head shall have under his or her control the choice of books, the method of teaching, the arrangements of classes and school hours and generally the whole internal organisation, management and discipline of the School, including the power of suspending pupils from attendance for any cause considered by him or her to be adequate, provided that on suspending any pupil he or she shall forthwith report the case to the Governors, but not including the power of expelling pupils from the School without reference to the Treasurer.

Management of the Foundation's Endowed Fund is delegated under the terms of the Constitution to the Estates Governors' Committee. Subject to reporting all actions and proceedings to the Court, the Committee is empowered to appoint Investment Advisers, set investment policy and monitor results. The Committee meets twice each year, receiving written and verbal reports from the appointed Investment Advisers. On behalf of the Committee the Investment Accountant maintains regular communication with the Investment Advisers, reviewing investment activity and monthly valuations, bringing any significant matters to the attention of the Committee.

In addition to receiving the report of the Estates Governors Committee, the Court receives reports from the sub-committees: Finance & General Purposes; Education & ICT, and Health and Safety. Each School Management Group presents strategic, operational and academic matters to these sub-committees, together with reporting progress against Annual Objectives, all of which are then subsequently presented to the Court for approval. In addition, selected governors oversee Health & Safety, Governor Induction & Training, Staff Liaison, Learning Support and Child Safeguarding.

Report of the Court (Continued)

The Finance and General Purpose Sub-Committee each year makes recommendations to the Court in respect of the pay and remuneration of the officers and key management personnel. In doing so, regard is had to the performance of the Schools and the individuals together with sector comparatives (published by the professional bodies in the sector).

Group Structure and Relationships

Bridewell Royal Hospital comprises two trading schools, King Edward's School Witley and Barrow Hills School, along with a wholly owned non-charitable subsidiary, KES Enterprise Limited.

KES Enterprise Limited, which was incorporated on 2 February 2004, provides special educational needs and other services and facilities to the Schools and other educational bodies that occupy the Schools' premises on a temporary basis. The financial results are consolidated in these accounts.

By reason of its foundation and governance, the Foundation has a significant and special relationship with the City of London, a major benefactor and supporter of the Foundation since 1553. It promotes relationships with the Corporation and the Inner London Boroughs to reflect their historical connection with the Foundation, as well as to direct bursarial support to children in need of boarding education from these Boroughs. The Foundation works closely with other educational grant-making charities to enhance the funds available to provide bursaries for children in need of a boarding education.

The Schools have positive links with the local community, including work experience, community service and an annual arts programme that serves the local community and attracts many visitors, including school visits.

Recruitment and Training of Governors

The Nominations Committee recommends candidates for appointment to the Court. The Corporation of the City of London appoints up to 12 Governors, currently 5 Aldermen and 3 members of Common Council. Between 8 and 18 Co-Opted Governors are appointed by the Court. New Governors are introduced to the workings of the Charity by the Treasurer and the Clerk, and to the Schools through the Heads and Director of Finance. Governors are encouraged to attend relevant courses from BSA / AGBIS and other bodies.

Report of the Court (Continued)

The Court

	President:	HRH The Duchess of Gloucester GCVO	
	Vice President:	Alderman Sir David Wootton MA (Cantab)	<i>Retired October 2020</i>
		Alderman Sir Peter Estlin BSc FCA	<i>From October 2020 1) 2)</i>
	Treasurer & Chair of Governors:	Mrs J S Voisin BA Hons (Oxon)	1) 2) 3) a+b 4) a+b
Co	Mr D J D Allen BSc FCA		1) 2)
Co	The Venerable Stuart Beake MA (Cantab)		3) a
Co	Mr K I R Bannister BSc (Hons)	<i>From September 2020</i>	1) 2)
Co	Mr R E T Bennett LLB		1)
Co	Employment Judge B G Burgher LLB (Hons) PGDip EC Law		
Co	Mrs E C Cairncross BA		2)
Co	Mr M J Chadwick ACA CTAI		1) 2) 3) a+b
Ald	Alderman Sir Peter Estlin BSc FCA	<i>Vice President from October 2020</i>	1) 2)
Ald	Alderman T R Hailes BA (Hons) Hon LLD MStJ JP		1)
CC	Mrs C W Haines BA CertEd DipM		
Co	Mr A J W Hudson MA (Cantab) PGCE NPQH	<i>Retired December 2019</i>	
Ald	Alderman A J N King MSc		1)
Co	Mrs J Lunnon BA (Hons)		3) a
Ald	Alderman N S L Lyons MA (Cantab)		1)
Co	Mr C R Marriott MA BEd (Hons)		3) a+b
Co	Dr A D Pinkerton PhD FRGS		2) 3) a
Co	Mr S H Ravenscroft LLB		2)
CC	Deputy R D Regan OBE FCIS		2)
Co	Mr G W Rockingham BSc (Hons) MRICS		
CC	Mr I C N Seaton MBE LLB		1) 2)
Co	Mr R A J Stovold		1) 4) a+b
Ald	Alderman	Estate Governors Committee	1)
CC	Common Council	Finance & General Purposes sub-committee	2)
Co	Co-Opted School Governor	Education & ICT sub-committees	3) a KESW; b BHS
		Health & Safety sub-committees	4) a KESW; b BHS

As at 20 November 2020

Clerk: Mr A C Lewis BSc MRICS

The Court delegates day-to-day management of the Charity to the following officers and key management personnel;

Head – King Edward’s School Witley: Mrs J R Wright BA (Hons) PGCE

Head – Barrow Hills School Witley: Mr P J Oldroyd BA PGCE

Director of Finance & Administration: Mr A C Lewis BSc MRICS

Report of the Court (Continued)

Administration & Advisers

Principal Offices	Bridewell Royal Hospital King Edward's School Witley Petworth Road Wormley Godalming Surrey GU8 5SG	Barrow Hills School Roke Lane Witley Godalming Surrey GU8 5NY
Auditor	Menzies LLP Centrum House 36 Station Road Egham Surrey TW20 9LR	
Solicitor	Moore Barlow LLP The Oriel Sydenham Road Guildford Surrey GU1 3SR	
Banker	NatWest Group 62/63 Threadneedle Street London EC2R 8LA	
Investment Advisers	Schroder & Co Limited 100 Wood Street London EC2V 7ER	Sanlam Private Wealth South Limited Exchange Building St John's Street Chichester PO19 1UP
Insurance Broker	Marsh Brokers Ltd Education Practice Capital House 1-5 Perrymount Road Haywards Heath West Sussex RH16 3SY	

Report of the Court (Continued)

Statement of the Court's Responsibilities

Charity law requires the Court to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charity and the Group and of its financial activities for that year. In preparing those financial statements the Court is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the policies adopted are in accordance with SORP 2015 and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity and the Group will continue with their operations in accordance with their objectives.

The Court is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Charity and the Group to enable it to ensure that the financial statements comply with the Charities Act 2011 and with Orders from the Charity Commissioners for England and Wales. It is also responsible for safeguarding the assets of the Charity and the Group and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

In so far as the Court is aware:

- There is no relevant audit information of which the auditors are unaware, and
- The Members have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Court on 25 November 2020
and signed on its behalf by:

J S Voisin

Mrs J S Voisin (Treasurer and Chair of Governors)

Independent Auditor's Report to the Members of the Court of Bridewell Royal Hospital For Year Ended 31 July 2020

Opinion

We have audited the financial statements of Bridewell Royal Hospital (the 'parent Charity') and its subsidiary (the 'Group') for the year ended 31 July 2020 set out on pages 22 to 41. 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).

The financial statements have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) in preference to the Accounting and Reporting by Charities: Statements of Recommended Practice issued on 1 April 2005 which is referred to in the extant regulations but has been withdrawn.

This has been done in order for the financial statements to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2015.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Charity's affairs as at 31 July 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in other respects the requirements of the Charities Act 2011.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Independent Auditor's Report to the Members of the Court of Bridewell Royal Hospital For Year Ended 31 July 2020 (Continued)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Members of the Court's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Members of the Court have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Charity's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Members of the Court are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the information and we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the report of the Court; or
- sufficient accounting records have not been kept; or
- the parent Charity 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.

Independent Auditor's Report to the Members of the Court of Bridewell Royal Hospital For Year Ended 31 July 2020 (Continued)

Responsibilities of Governors

As explained more fully in the Statement of the Court's responsibilities, the Members of the Court are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the Members of the Court 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 Members of the Court are responsible for assessing the Group's and the parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Court either intend to liquidate the Group or parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's report.

Use of our report

This report is made solely to the Members of the Court, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the Members of the Court those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Charity and the Members of the Court, as a body, for our audit work, for this report, or for the opinions we have formed.

Menzies LLP

Menzies LLP

Chartered Accountants

Statutory Auditor

Centrum House

36 Station Road

Egham

Surrey

TW20 9LR

Date: 25th November 2020

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

Consolidated Statement of Financial Activities for the Year Ended 31 July 2020

	Notes	Unrestricted Funds £000s	Restricted Funds £000s	Endowed Funds £000s	2020 Total £000s	2019 Total £000s
Income and endowments from:						
Charitable activities						
School fees	1	10,496	-	-	10,496	12,008
Ancillary trading income		286	-	-	286	281
Other trading activities						
Non-ancillary trading income	2	284	-	-	284	445
Investments						
Investment income		95	81	574	750	740
Bank and other interest		37	-	-	37	53
Voluntary sources						
Grants and donations	3	282	129	-	411	360
Total incoming resources		11,480	210	574	12,264	13,887
Expenditure on:						
Raising funds						
Non-ancillary trading		85	-	-	85	111
Financing costs		28	-	-	28	4
Investment management		5	8	24	37	33
Fundraising & development		110	-	-	110	157
		228	8	24	260	305
Charitable activities						
Education and grant making		12,220	288	-	12,508	13,375
Total expenditure	4&5	12,448	296	24	12,768	13,680
Net (outgoing) / incoming funds from operations before transfers and investment returns						
		(968)	(86)	550	(504)	207
(Losses)/Gains on investments		(100)	(91)	(611)	(802)	331
Transfers	12-14	550	-	(550)	-	-
Net (expenditure)/income		(518)	(177)	(611)	(1,306)	538
Fund balances brought forward		15,360	3,806	16,040	35,206	34,668
Fund balances carried forward		14,842	3,629	15,429	33,900	35,206

Consolidated and Charity Balance Sheet as at 31 July 2020

	Notes	Group		Charity	
		2020 £000s	2019 £000s	2020 £000s	2019 £000s
FIXED ASSETS					
Tangible assets	6	10,711	10,798	10,711	10,798
Investments	7	20,737	21,458	20,737	21,458
		31,448	32,256	31,448	32,256
CURRENT ASSETS					
Stock		67	76	67	76
Debtors	8	650	572	755	486
Cash and deposits		4,819	5,847	4,698	5,751
		5,536	6,495	5,520	6,313
CURRENT LIABILITIES					
Creditors payable within one year	9	(2,226)	(2,761)	(2,210)	(2,579)
NET CURRENT ASSETS		3,310	3,734	3,310	3,734
TOTAL ASSETS LESS CURRENT LIABILITIES		34,758	35,990	34,758	35,990
LONG-TERM LIABILITIES					
Creditors payable after one year	9	(858)	(784)	(858)	(784)
NET ASSETS	10	33,900	35,206	33,900	35,206
ENDOWED FUNDS	12	15,429	16,040	15,429	16,040
RESTRICTED FUNDS	13	3,629	3,806	3,629	3,806
UNRESTRICTED FUNDS	14	14,842	15,360	14,842	15,360
		33,900	35,206	33,900	35,206

These financial statements were approved by the Governing Body on 25th November 2020 and were signed on its behalf by:

Mr D J D Allen

Timothy Hailes

Bridewell Royal Hospital

The notes on pages 26 to 41 form part of these financial statements.

Consolidated Cash Flow Statement

	Note	For the year ended 31 July 2020		For the year ended 31 July 2019	
		£000s	£000s	£000s	£000s
Cash Outflow from Operating Activities	<i>A</i>		(1,380)		(120)
Returns on Investments and Servicing of Finance					
Dividends and Bank Interest			787		793
Cash (Outflow)/Inflow			(593)		673
Capital Expenditure and Financial Investment					
Payments for Tangible Fixed Assets		(354)		(377)	
Payments to investment fund		(81)		(87)	
Cash Outflow			(435)		(464)
(Decrease)/Increase in Cash in Period			(1,028)		209
Net Funds as at 1 August 2019			5,847		5,638
Net Funds as at 31 July 2020	<i>B</i>		4,819		5,847

Notes to the Consolidated Cash Flow Statement

Note A Reconciliation of Net (Outgoing)/Incoming Resources to Operating Cash Flow	2020 £000s	2019 £000s
Net (Outgoing)/Incoming Resources	(504)	207
Investment Income	(750)	(740)
Bank and other Interest	(37)	(53)
Depreciation	441	467
Decrease/(Increase) in Stocks	9	(22)
(Increase)/Decrease in Debtors	(78)	171
Decrease in Creditors	(461)	(150)
Cash Outflow from Operating Activities	<u>(1,380)</u>	<u>(120)</u>

Note B Analysis of Net Funds

	31 July 2020 £000s	Cash Flow £000s	31 July 2019 £000s	Cash Flow £000s	31 July 2018 £000s
Cash	<u>4,819</u>	<u>(1,028)</u>	<u>5,847</u>	<u>209</u>	<u>5,638</u>

Statement of Accounting Policies for the Year Ended 31 July 2020

Basis of preparation of the financial statements

Bridewell Royal Hospital is a registered charity established by Royal Charter of Letters Patent dated 26 June 1553. The address of the registered office is disclosed on the administration and advisors page.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) published on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value except for investments which are recognised at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and Charities Act 2011.

Bridewell Royal Hospital constitutes a public benefit entity as defined by FRS 102.

The Statement of Financial Activities and Balance Sheet consolidate the financial statements of the Charity and its subsidiary undertaking KES Enterprise Limited. The results of the subsidiary are consolidated on a line by line basis.

The functional currency of the Group is deemed to be pounds sterling. This is because that is the primary currency of the economic environment in which the Group operates.

Fees and Similar Income

Fees receivable, grants and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the Schools, but include contributions received for bursaries from restricted and endowed funds and from the School Bursary Fund.

Bridewell Bursaries

Bursaries provided by Bridewell Royal Hospital are recognised within the financial period in which they are utilised to fund the payment of School fees.

Investment Income

Income from investments is included in the Statement of Financial Activities on a receivable basis, with dividends being recognised in the accounting period in which they are declared.

Grant Income

Government grants are recognised in the statement of financial activities over the periods in which the Charity recognises expenses for the related costs for which the grants are intended to compensate.

Statement of Accounting Policies for the year ended 31 July 2020

Going Concern

As reported in the Report of the Court on page 13, following the national lockdown due to the Coronavirus pandemic, the Schools discounted the summer term fees to reflect no boarding provision, the change to remote learning and to assist parents at this difficult time. To provide certainty to parents the 2020/21 school fees were frozen at 2019/20 levels. The impact of the summer term discount was a £1.4m reduction in income. To mitigate this loss, and to protect jobs at both Schools, the Group participated in the UK Government's Coronavirus job retention scheme, receiving £264k of grant income. Other savings were made in catering, transport and utilities amounting to circa. £400k. Whilst uncertain, the Court does not believe that the impact of the COVID-19 virus will have a long-term material adverse effect on its financial condition or liquidity. The Court has reviewed the level of funding available to the Group together with the expected demand for school places and future cash flow projections. The Court expect that the Group will have adequate resources to continue its activities for a period in excess of 12 months from the date these accounts were signed. The Court is not aware of any material uncertainties over the Group's continuing viability.

Accounting judgements and key sources of estimation uncertainty

The Members of the Court are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities within the Group. These are based on historical experience and other factors that are deemed to be relevant. These estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised and if applicable in future periods. At 31 July 2020, the Court deemed that the main area of judgement for the Group concerns the depreciation and capitalisation policies adopted with regards fixed assets, but do not deem that changes to these policies result in a material misstatement to the figures.

Resources Expended

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, internal and external audit, any legal advice relating to the Charity, and all the costs of complying with constitutional and statutory requirements, such as the costs of Committee meetings and of preparing statutory accounts and satisfying public accountability.

Pension Schemes

King Edward's and Barrow Hills contribute to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Charity. In accordance with FRS102 the scheme is accounted for as a defined contribution scheme. The Schools also contributed to individual personal pension schemes for non-teaching staff at varying rates. Contributions to schemes are charged as they become payable in accordance with the rules of the schemes.

Statement of Accounting Policies for the year ended 31 July 2020

Transfers of Funds

Transfers of funds from endowed and restricted funds to unrestricted funds are subject to the approval of the Governors and must comply with the Charity Commission requirements, with any such transfers being disclosed in the notes to the accounts.

School Buildings and Equipment

Capitalisation

Although King Edward's was established on its present site in 1867, the cost of the freehold land and buildings is based on costs incurred since 1948. It does not include the 100 acres of freehold land and other buildings that have been in use since 1867. Barrow Hills was established in 1950. Its freehold land and buildings were transferred to King Edward's School Witley at net book value on 1 September 2015.

Items costing less than £10,000 are written off as an expense as acquired.

Depreciation

The Governors believe that the freehold buildings will, with regular maintenance, continue to meet the needs of the Schools for the foreseeable future.

Depreciation is provided, on a straight line basis, to write off the excess of cost over estimated residual value utilising the estimated useful lives of the assets, which are as follows:

Main School Building - not depreciated
Freehold Buildings - 50 years
Equipment and Fittings - 3 to 15 years
Motor Vehicles - 5 years

Investments

Fixed asset investments in quoted shares, traded bonds and similar investments are measured initially at cost and subsequently at fair value (their market value) at the reporting date. Realised and unrealised gains and losses are credited to the Statement of Financial Activities.

Total Return Accounting

The Charity Commission made an Order on 14 August 2007 permitting Bridewell Royal Hospital to adopt the use of a Total Return approach in relation to its Endowed Funds. This power permits the Governors to invest the Endowed Funds with a view to maximising the total return and to make available an appropriate portion of the total return to fund expenditure each year.

The value of the 'Original Gift' was determined as £3,838,768, this being the value of the invested assets at 31 March 1979 plus the amount then outstanding under a Recoupment Order together with subsequent donations. £63,106 was transferred into the Endowed Fund upon the merger with The Royal Asylum of St Ann's Society.

Cash

Cash deposits which are intended to be held as part of the investment portfolio for more than one year from the reporting date are classified as Fixed Asset Investments. Cash and cash deposits which are held to manage the working capital requirements of the Group are recognised in the asset class which best reflects their intended use.

Statement of Accounting Policies for the year ended 31 July 2020

Stock

Stock is stated at the lower of cost and net realisable value.

Taxation

Bridewell Royal Hospital is a registered charity and pays no tax on surpluses generated from its charitable activities. Income tax recoverable on investment income, covenants and income received under the Gift Aid Scheme is included in the revenue account of the accounting period in which the income is receivable.

Donations

Donations receivable are credited to the General unrestricted fund unless the donor directs otherwise.

Legacies are accounted for when there has been grant of probate, executors have established that there are sufficient net assets in the estate to pay the legacy and any conditions attached to the legacy are either within the control of the Charity or have been met.

Assets from other charities

In accordance with current practice in the Not For Profit sector, where assets are transferred from another charity they are accounted for at fair value through the Statement of Financial Activities.

Notes to the Accounts for the Year Ended 31 July 2020

1. Fees Receivable	2020	2019
	£000s	£000s
Gross Fees	11,340	12,942
Awards, Discounts and Introduction Fees	(844)	(934)
	10,496	12,008

Means-tested Support:

Included in the above gross fees is bursarial funding, significant grants and support from:

	No. of Pupils	2020	No. of Pupils	2019
		£000s		£000s
Endowed Funds		-		428
Restricted Funds		287		188
School Bursary Fund		-		-
		287		616
City of London Bursaries		425		432
Charitable Organisations		418		686
Total	52	1,130	74	1,734

2. Non-ancillary trading income - Unrestricted	2020	2019
	£000s	£000s
Lettings	109	268
Staff accommodation	157	156
Other	18	21
	284	445

3. Grants and donations	2020	2019
	£000s	£000s
Unrestricted		
Grant Income	264	-
Miscellaneous	18	82
	282	82
Restricted		
The Annual Giving Fund	52	76
The Bridewell Fellowship Fund	71	173
Old Witleians' Scholarship Fund	2	1
Miscellaneous	4	28
	129	278
Total	411	360

Notes to the Accounts for the Year Ended 31 July 2020 (Continued)

Grant Income

Funds were received during the year under the Government's Coronavirus job retention scheme. There were no unfulfilled conditions or other contingencies attaching to the grant. No other form of government assistance was received during the year.

4. Expenditure	2020	2019
	£000s	£000s
Auditor's Remuneration		
Audit	22	22
Other Services	15	13
Operating lease expenditure	57	59
Staff Emoluments		
Gross Emoluments	6,675	6,690
Benefits in Kind	32	23
Employer's National Insurance Contribution	657	633
Pension Costs		
- defined benefit scheme	815	730
- defined contribution schemes	138	123
Redundancy and termination payments	152	32
	8,469	8,231

The numbers of employees whose emoluments exceeded £60,000 in the year were:

	2020	2019
	No.	No.
£60,001 - £70,000	3	4
£70,001 - £80,000	3	0
£120,001 - £130,000	2	1
£130,001 - £140,000	0	1

The remuneration and other benefits provided to key management personnel in the year were:

	2020	2019
	£000s	£000s
Gross Emoluments	241	257
Benefits in Kind	1	3
Employer's National Insurance Contributions	32	33
Pension Costs	40	32
Total	314	325

Notes to the Accounts for the Year Ended 31 July 2020 (Continued)

The average number of employees at King Edward's and Barrow Hills in the period was 253 (2019: 263) of which 81 (2019: 87) were full time equivalent teaching staff. Neither the Members of the Court nor persons connected with them received any remuneration or other benefits in the year (2019: nil), the aggregate amount of travel expenses claimed, by 1 Member of the Court, was £40 (2019: £132).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of The Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation the TPS employers contribution rate increased to 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation was to align its introduction with employers' budget planning cycles.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

Notes to the Accounts for the Year Ended 31 July 2020 (Continued)

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The charge to the Statement of Financial Activities for the year in respect of Teachers' pension contributions was £987k (2019: £730k).

5. Analysis of Total Resources Expended

	Staff Costs £000s	Other £000s	Depreciation £000s	Total 2020 £000s	Total 2019 £000s
Expenditure on raising funds					
Fund Raising Costs	91	19	-	110	157
Other	45	105	-	150	148
	136	124	-	260	305
Teaching Costs	6,026	122	130	6,278	6,568
Welfare	360	105	-	465	526
Catering	-	908	9	917	1,191
School Administration	1,057	499	1	1,557	1,522
Premises	880	1,813	301	2,994	2,943
Governance Costs	10	-	-	10	9
Bursaries	-	287	-	287	616
	8,333	3,734	441	12,508	13,375
Total 2020	8,469	3,858	441	12,768	13,680
Total 2019	8,231	4,982	467	13,680	

Notes to the Accounts for the Year Ended 31 July 2020 (Continued)

6. Tangible Fixed Assets

Consolidated & Charity	Freehold Land & Buildings £000s	Equipment, Fittings & Motor Vehicles £000s	Total £000s
Cost			
1 August 2019	10,215	3,068	13,283
Additions	-	354	354
Transfers	85	(85)	-
Disposals	-	(229)	(229)
31 July 2020	10,300	3,108	13,408
Depreciation			
1 August 2019	952	1,533	2,485
Charge for the Year	148	293	441
Transfers	25	(25)	-
Disposals	-	(229)	(229)
31 July 2020	1,125	1,572	2,697
Net Book Values			
31 July 2020	9,175	1,536	10,711
31 July 2019	9,263	1,535	10,798

All the fixed assets are held for charitable use. In the view of the Governors, the current market value of the freehold land and buildings is substantially greater than the cost stated. The Governors consider it is not appropriate to value regularly the freehold land and buildings.

The transfers represent building components that are being depreciated over a shorter economic useful life than the main buildings.

Notes to the Accounts for the Year Ended 31 July 2020 (Continued)

7. Investments

a) Consolidated and Charity	2020	2019
Investments	£000s	£000s
Balance with investment managers as at 1 August 2019	21,458	21,040
New money invested	81	87
(Loss)/Gain on investments	(802)	331
Balance as at 31 July 2020	20,737	21,458

Included within the above investments are the following holdings, which represent more than 5% of the total investments held.

	2020	2019
Schroder Charity Multi Asset Fund	68.3%	69.2%

Analysis of Investments	2020	2019
	£000s	£000s
Cash and cash equivalents	132	396
Listed Investments	20,605	21,062
Total	20,737	21,458

KES Enterprise Limited

KES Enterprise Limited is a Company limited by shares registered in England and Wales with Company number 05031707. The registered office of the company is the same as that of its parent included on page 17. Bridewell Royal Hospital owns 100% of the share capital of KES Enterprise Limited. The principal activity of KES Enterprise Limited is the provision of special educational needs and other services and facilities to the Schools and other educational bodies that occupy the School's premises on a temporary basis. It will pay to Bridewell Royal Hospital under the Gift Aid Scheme a sum of £7k in respect of the Year Ended 31 July 2020 (2019: £132k).

	2020	2019
	£000s	£000s
Income	149	290
Expenditure	(142)	(158)
Surplus	7	132
Net Assets	7	132

Notes to the Accounts for the Year Ended 31 July 2020 (Continued)

b) Total Return

From 1 August 2007, the Governors have managed all their investments on a total return basis, adopting an investment policy of "preserving the real value of the endowment held in investments, whilst maximising the amount available to meet the needs of each generation of beneficiaries".

The details of the permanent endowed fund investments and the movements in the unapplied total return are set out below.

	Original Gift £000s	Unapplied Total Return £000s	Total £000s
At 1 August 2019	3,776	12,264	16,040
Opening balance adjustment	63	-	63
	<u>3,839</u>	<u>12,264</u>	<u>16,103</u>
Investment losses		(611)	(611)
Investment income		574	574
Investment manager's fee		(24)	(24)
Total Income		<u>550</u>	<u>550</u>
	<u>3,839</u>	<u>12,203</u>	<u>16,042</u>
Unapplied total return allocated to income in the year		(550)	(550)
Total Applied		<u>(550)</u>	<u>(550)</u>
At 31 July 2020	<u>3,839</u>	<u>11,653</u>	<u>15,492</u>

The opening balance adjustment relates to the value of the transfer from The Royal Asylum of St. Ann's Society on 31st July 2017.

Notes to the Accounts for the Year Ended 31 July 2020 (Continued)

8. Debtors	Consolidated		Charity	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
Fees and Other Pupil Expenses	273	149	273	149
Provision for Doubtful Debts	(100)	(115)	(100)	(115)
	173	34	173	34
Accrued Interest and Dividends	186	166	186	166
Tax Recoverable	9	8	9	8
Prepayments and Accrued Income	271	340	271	196
Other Debtors	11	24	11	24
Amounts due from Subsidiary Undertaking	-	-	105	58
	650	572	755	486

9. Creditors	Consolidated		Charity	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
Fees Received in Advance	499	610	486	436
Taxation and Social Security Costs	154	168	154	168
Accruals	274	604	271	596
Other Creditors	1,299	1,379	1,299	1,379
	2,226	2,761	2,210	2,579

Creditors due after more than one year	Consolidated		Charity	
	2020 £000s	2019 £000s	2020 £000s	2019 £000s
Final term deposits	858	784	858	784

Notes to the Accounts for the Year Ended 31 July 2020 (Continued)

10. Allocation of the Group Net Assets

	Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Total
	£000s	£000s	£000s	£000s	£000s
Endowed Funds	-	16,091	(51)	-	16,040
Restricted Funds	-	2,635	1,171	-	3,806
Unrestricted Funds	10,798	2,732	2,614	(784)	15,360
Total 2019	10,798	21,458	3,734	(784)	35,206
Endowed Funds	-	15,555	(126)	-	15,429
Restricted Funds	-	2,558	1,071	-	3,629
Unrestricted Funds	10,711	2,624	2,365	(858)	14,842
Total 2020	10,711	20,737	3,310	(858)	33,900

11. Operating Leases

	2020 £000s	2019 £000s
The total outstanding commitments in respect of operating lease rentals are:		
In respect of leases expiring:		
Within one year	52	58
Between two and five years	46	54
	98	112

Notes to the Accounts for the Year Ended 31 July 2020 (Continued)

12. Endowed Funds

Consolidated	1 August £000s	Total Incoming Resources £000s	Total Expenditure £000s	Transfers £000s	Bursaries £000s	Investment Gains/ (Losses) £000s	31 July £000s
King Edward's School Witley	15,641	549	(33)	(15)	(425)	262	15,979
The Royal Asylum of St Ann's Society	57	3	-	5	(3)	(1)	61
Total funds for pupils' support 2019	15,698	552	(33)	(10)	(428)	261	16,040
King Edward's School Witley	15,979	571	(23)	(548)	-	(607)	15,372
The Royal Asylum of St Ann's Society	61	3	(1)	(2)	-	(4)	57
Total funds for pupils' support 2020	16,040	574	(24)	(550)	-	(611)	15,429

- The Royal Asylum of St Ann's Society arises from the merger with the Charity and is to be used to provide bursary support for pupils.
- The King Edward's School Witley fund is to be used to provide bursary support for pupils.
- The transfer of £550k reflects the amount of unapplied total return allocated to income in the year. £10k was spent on governance costs and £540k was spent on other operational costs, supporting the Schools during this challenging financial period.

Notes to the Accounts for the Year Ended 31 July 2020 (Continued)

13. Restricted Funds

Charity	1 August £000s	Total Incoming Resources £000s	Total Expenditure £000s	Transfers £000s	Investment Gains / (Losses) £000s	31 July £000s
The Enabling Account	2,531	78	(59)	-	54	2,604
Bridewell Foundation Bursary Fund	586	249	(123)	5	-	717
Mrs Thomson Bursary Fund	250	-	-	(14)	-	236
The Royal Asylum of St Ann's Society	132	5	(6)	-	(1)	130
Other	103	29	(22)	9	-	119
Funds for pupils' support 2019	3,602	361	(210)	-	53	3,806
The Enabling Account	2,604	75	(63)	-	(86)	2,530
Bridewell Foundation Bursary Fund	717	123	(217)	-	-	623
Mrs Thomson Bursary Fund	236	-	-	-	-	236
The Royal Asylum of St Ann's Society	130	6	(6)	-	(5)	125
Other	119	6	(10)	-	-	115
Funds for pupils' support 2020	3,806	210	(296)	-	(91)	3,629

Of the £296k funds expended for pupil support, £287k related to bursaries.

- The Enabling Account arises from the merger with the King Edward's School Witley Education Trust and is to be used for Bursary support for pupils with a boarding need together with funding their further education.
- The Bridewell Foundation Bursary Fund consists of the following:
 - The Bridewell Fellowship Fund which provides income from Fellows to provide bursaries.
 - The Bridewell Foundation Campaign which was set up to provide funding for pupils and other School related purposes.
 - The Annual Giving Fund which receives donations to provide funding for pupils and a specific annual purpose.
- The Royal Asylum of St Ann's Society arises from the merger with the Charity and is to be used to provide bursary support for pupils.

Notes to the Accounts for the Year Ended 31 July 2020 (Continued)

- The Mrs Thomson Bursary Fund arises from a donation to provide support in line with the donor's wishes.
- Other includes the following:
 - The Old Witleians' Scholarship Fund was set up by the Old Witleians' Association for the provision of Bursaries for pupils at King Edward's and has now been passed to the School to administer on behalf of the Association.
 - The Garfield Weston Foundation arises from a donation for the renovation of the Charter Hall.
 - The Chase-Haines Award Fund arises from a donation to provide resources for a prize to be awarded to a Sixth Form Foundation Bursary pupil who has gained a place at a Higher Education Institute to study a fashion and textile or related course.
 - The George Wood fund arises from a donation to provide additional training opportunities for staff.

All the above funds, with the exception of the enabling account, are represented by current assets.

14. Unrestricted Funds

	1 August £000s	Total Incoming Resources £000s	Total Expenditure £000s	Transfers £000s	Investment Gains/ (Losses) £000s	31 July £000s
School Bursary Fund	3,291	186	(-)	-	17	3,494
General Fund	12,077	12,788	(13,009)	10	-	11,866
Funds for pupils' support 2019	15,368	12,974	(13,009)	10	17	15,360
School Bursary Fund	3,494	95	(5)	-	(100)	3,484
General Fund	11,866	11,121	(12,179)	550	-	11,358
Funds for pupils' support 2020	15,360	11,216	(12,184)	550	(100)	14,842

In line with the Governors' direction, the Schools' current year's unrestricted deficit has been transferred to the General Fund.

The principal aim of the School Bursary Fund, a designated fund, is to provide bursaries but it may also be used to support other costs of the School.

The transfer of £550k reflects the amount of unapplied total return allocated to income in the year.

In accordance with the Reserves and Liquidity Policy set out in the Report of the Court on page 12, the General Fund represents fixed assets of £10,711k and net current assets of £1,505k, less final term deposits due after more than one year of £858k.

16. Related party transactions

During the year donations totalling £3,500 (2019: £26,121) were received from Governors.