



The Fellowship
of the
School of Economic Science

Report and Financial Statements
for the year ended
31 December 2023

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

Executive Committee (Trustees):

Stephen Silver (Principal)	Elizabeth Mazzola
Chris Rees (Treasurer)	Kumar Kumara
Richard Ibbett (General Secretary)	Matt McNeill
David Woodhead (from September 2023)	Sherry Moran
Elina Grigoriou	Yolande Hesse

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W1U 3AJ

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Bankers

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Investment Managers

CCLA Investment Management Ltd,
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Date of Purchase – 29th July, 2021

P1 Investment Management Ltd,
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Date of Purchase – 23rd August, 2021

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1. *Foundation and Vision*

1.1. **A Search for Truth**

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

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

Leon MacLaren

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

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

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

1.2. **Aim of the School of Philosophy and Economic Science**

The School aims to be a centre of spiritual and practical knowledge and enquiry for people leading everyday working and family lives. The intention is to help individuals

lead full, rich and useful lives, to be of service in society and to evolve the spiritual aspect of their being in accordance with natural laws.

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

Leon MacLaren

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

2. *Objects of the Charity*

2.1. The Rules set out the Objects of the Charity

The Objects are:

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

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

2.2. Carrying out the Objects of the Charity

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

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

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

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

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

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

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

2.3. Guiding principles – service without reward

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

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

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

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

2.4. Charity

The Charity is registered in England and Wales as Educational Charity No. 313115. It is also registered with the Office of the Scottish Charity Regulator under registration number SC039950. The governing instrument of the Charity is the Rules of the Fellowship of the School of Economic Science as amended at the Annual General Meeting of 24 July 2021.

2.5. Public Benefit

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

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

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

The Waterperry Retreat Programme, now in its second year, is open to all students of the School, together with friends and family. The idea is to share fully the insights into a variety of subjects that have been acquired by members of the School over many years.

In response to meeting the need of Ukrainian refugees, accommodation had been provided at Waterperry, for two families – two mothers and three children – and in the Leeds School building, also for two families – two mothers and four children. In November 2023, both families at Waterperry and one of the families in Leeds moved out into local rented accommodation.

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

3. Delivering the Objects

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

3.1. Philosophy

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

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

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

Most students recognise the value of attending retreats in person. For the autumn term 2023 with building works at Waterperry numbers had to be limited. Many retreats were run as hybrid events, with some students attending in-person and others on Zoom.

At all locations throughout the UK we have returned to offering in-person courses, both for introductory courses and more senior groups, reflecting the willingness of existing students to attend in-person groups. There are many students who are unwilling or

unable to attend groups in-person and Zoom provides a necessary and valuable facility. Equally, there are many students who are very keen to attend in-person groups, at least in part because of the social advantages of being in the same room as other students again.

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

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

3.2. Meditation

The School has found that exploring natural laws governing the inner life requires a method of cultivating inner stillness and for this purpose students are offered an introduction to the practice of mantra meditation after a few terms' study of philosophy. Thereafter, regular practice of meditation is central to the study and practice of philosophy. The value of meditation has become widely accepted in recent years and the Fellowship is pleased to support and participate in that development with the benefit of over 50 years' experience of continuous practice. Tutorials are always available for new and seasoned meditators, and these have continued in-person and online using Zoom.

3.3. Economics and Law

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

Public courses in Economics with Justice cover five terms. Participants gain an understanding of natural aspects of economics and apply this in their daily lives. Classes are offered in-person and, for those distant from our centres, online; this has been welcomed by participants with busy lives.

Advanced Economics classes continue to strengthen the collective understanding of this vast subject and its relevance to all our lives. These are open to anyone who has completed the formal five-term course so that various topics can be studied in more depth. A 2023 Colloquium provided a platform for the studies of each class to be presented to all the others.

The 2023 Annual Economics Lecture and the 2023 Symposium both explored the theme of Natural Taxation. These open events attract people who have not participated in any of the courses. The Symposium welcomed speakers from other organisations. Topics ranged across the effects of taxation on families, on international finance, and on the environment.

Tutors and students came together for the 2023 Economics and Law Conference over six days at Nanpantan Hall and on-line. The topic was 'Living Naturally.' At this and other events, the use of hybrid technology and the participation of those from associated schools around the world have helped strengthen and broaden studies and the course offerings.

A new one term course in law is being offered in Spring 2024 to the public under the Horizons programme: 'Freedom Under Law'. This presents an understanding of the UK's Common Law system, Equity, the Constitution, Human Rights, and International Law, topics that universal importance and timeless interest.

The Law Study Group has now been meeting for over 50 years and continues in good health. The focus remains Freedom Under Law. 2023 being the Coronation year, the Law group undertook a critical look at the role of the Monarchy in our Constitution. Subsequent presentations have dealt with present and historic law cases, and the lives of influential jurists. Consideration has been given to challenges and threats to our Constitution and the legal system as a whole.

3.4. Promoting the Arts

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

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

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

In addition, the Charity encourages and supports the arts through various activities at Waterperry Estate and elsewhere, including dramatic and operatic performances in the theatre. During 2023 a full programme of events took place which included the Oxford Storytelling Festival, Handmade Oxford, Celebrating Ceramics, and the Waterperry Opera Festival.

In 2023 Make it at Market Series 2 was filmed at Waterperry Gardens. This craft show, presented by Dom Chinaea, filmed craftspeople at the start of their careers as they were mentored towards turning their craft into a sustainable business. The 15 part series was shown on BBC1 at the end of 2023 and is still available on BBC iPlayer.

3.5. Sanskrit

The Sanskrit Faculty has nearly 200 members in the UK and continues to make a substantial contribution to philosophical studies in the School. Its courses range from introductory to advanced levels, including Vedic chanting, the study of Panini grammar and the study of the original Sanskrit of philosophical works. Some twenty international online groups, organised from London, are attended by students from Europe, Australasia, South Africa and the Americas. There were two International Sanskrit Conferences, one at Waterperry and one online, attended by over three hundred students in total, and also two residential weekends held mainly for UK students. Similar such events are planned for 2024.

3.6. Renaissance Studies

Steady work has been the hallmark of our year in the Faculty of Renaissance Studies. Interest in Marsilio Ficino continues to spread in the School, in the academic world, and beyond. Ficino reading groups have been conducted online, and at Waterperry. A Horizons Group on Ficino meets regularly, as does a reading group in Scotland. Ficino Studies in Australia continue; the Irish school have been hosting online lectures on Ficino and a group in South Africa, based in Durban and Pietermaritzburg is compiling a new collection of readings.

A review of the past fifty years of Ficino studies, in which the School has played a significant part, will be published shortly in the *Proceedings of the International Association of Neo-Latin Studies*.

This year again we held an international online celebration of Ficino's birthday. We also collaborated with the Warburg Institute on a celebration of the life of the great Ficino scholar, Michael J.B. Allen, who died in February 2023. He had been a true friend to our group over many years.

But the main focus of attention during the year has been on completion of the translation of the final book of Ficino's letters. This is making steady progress, with three groups

working on it, two based in London and one in the Northwest. Discussions on the content of these letters lead students into deep considerations of Platonic philosophy.

3.7. Publications

During the year the School published *Language*, containing Mr S.M. Jaiswal's sixteen annual language lectures.

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

3.8. Online activities

Over the last couple of years, we have continued to develop our social media presence. We now post regularly on Instagram, X (Twitter), Facebook and YouTube, reaching around 32,000 people. Moreover these efforts are co-ordinated, so that good news stories are pushed through all these platforms quickly and easily. This is also most helpful for promotion of courses, lectures, events etc.

Livestreaming continues on Facebook and YouTube. On YouTube we now have a number of filmed lectures, as well as 'shorts', one-minute videos. Additionally we are now working to develop animations of short quotes. Writing in March 2024, we have had 300,000 views, with 8,400 subscribers to our channel. Viewers are watching around 1000 hours of content each month. Our work on YouTube is attracting many kind comments from current students but also from people who were previously attending classes as well as people new to the School. Here's just one example: *'Recently found this channel and very glad I did. These videos get right at the heart of philosophy as a way of life. Keep them coming!'*

4. Governance

4.1. Structure

Senior Tutor

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

There is close communication with the Trustees in relation to these matters through regular meetings between the Senior Tutor and the Principal, meetings with the Executive Committee and through the Trustees' active participation in the work of the School. The Senior Tutor does not receive any salary from the Charity, although

expenses are paid and accommodation and paid assistance are provided to enable him to fulfil his role. The Senior Tutor has no control over the finances of the Charity.

Trustees

The Trustees of the Charity are defined by the Fellowship Rules (12). At the AGM 2023 the outgoing elected trustee was Ed Saunders, after many years of devoted service.

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

David Woodhead was co-opted onto the Committee at its meeting in September 2023.

As at December 2023, the trustees and their responsibilities are shown here:

Stephen Silver (Principal) (3) (4) (5) (14)	Chris Rees (Treasurer) (1) (2) (3) (7)
Richard Ibbett (General Secretary)	David Woodhead (8)
Elizabeth Mazzola (4) (6) (12) (13)	Elina Grigoriou (10)
Kumar Kumara (8)	Matthew McNeill (7)
Sherry Moran (9)	Yolande Hesse (8) (11)

Notes:

- (1) Chair of the Finance Sub-Committee
- (2) Attends the Investment Sub-Committee
- (3) Member of the Staff Sub-Committee
- (4) Member of the Elderly and Vulnerable Students Committee
- (5) Member of the UK Marketing Working Group
- (6) Member of the Membership Committee
- (7) Member of the Technology Sub-Committee
- (8) Member of the Estates Sub-Committee
- (9) Executive member on WGL Board (Waterperry Gardens Ltd)
- (10) Sustainability Policy development
- (11) Nanpantan Liaison
- (12) Liaison - Branches
- (13) Safeguarding Officer
- (14) Liaison - Senior Tutor & Stream Heads

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

The Principal and the Treasurer are elected annually under Rules 8 and 9 respectively. The Principal is also the Chair of the Executive Committee and of the Fellowship. Each

of the Trustees can be contacted via the School's head office at 11 Mandeville Place, London W1U 3AJ.

Membership Committee

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

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

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

The Membership Committee continues to monitor the breadth and strength of the membership of the Fellowship. Prior to the 2023 AGM, one person moved from Associate to Ordinary Membership and three people accepted the invitation to join the Fellowship. Since the AGM, no people have resigned and six members have died.

The membership of the Fellowship on 31 December 2023 consisted of 236 Ordinary Members and 50 Associate Members.

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

Property Trustees

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

The current Property Trustees appointed by the Executive Committee are:

Ian Mason
John Meltzer
Hugh Venables

Endowment Treasurer

Bart Dunlea was re-appointed to the role of Endowment Treasurer following the AGM.

4.2. Trustee Election, Induction and Training

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

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

4.3. Statement of Trustees' responsibilities

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

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

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

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

safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees and staff, through the Finance Sub-committee meetings, continue to improve the financial accounting practices in recognition of their obligations and in response to the advice from the Charity's auditors. In particular, the property maintenance budget is renewed annually. A Finance Manual was adopted in 2017. An exercise to review and document the finance processes was started in 2022. When complete this may supersede the current Finance Manual.

4.4. Management arrangements

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

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

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

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

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

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

There was no Extraordinary General Meeting in 2023.

4.5. Staff

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

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

Ralph Lennard, a long time School student and member of the accounts team, died and is missed. On a happier note, Yanhua Oh (Hua) is on maternity leave, having given birth to a baby daughter.

Remuneration Policy

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

4.6. Committees & Sub-Committees

There are seven sub-committees appointed by the Executive under Rule 12 (7): Finance; Investment; Risk Management; Staff; Technology; Creative Projects and Estates. The Trustees are also represented on the Elderly and Vulnerable Students Committee, which is otherwise appointed from among the student body.

Elderly and Vulnerable Students Sub-Committee

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

Risk Management Sub-Committee

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

As with previous years, responding appropriately to Covid-19 was a major risk mitigation activity, especially for the running of retreats. At all times government and NHS guidelines were followed in terms of social distancing and hygiene.

The Estates Sub-Committee has gathered much of the basic information for each of the School's properties, which includes evidence of compliance with regulatory requirements.

Financial risk is mitigated by the Finance Sub-Committee's detailed review of the budget. The Investment Sub-Committee considers investment risk.

No progress was made in 2023 on establishing a new Risk Management Committee, nor updating the risk register.

Following discussion with our Auditor a revised approach is being undertaken to document the major risks and assurance measures. This has started, in March 2024, with a workshop of all trustees facilitated by our Audit Partner.

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

Finance Sub-Committee

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

Investment Sub-Committee

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

Staff Sub-Committee

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

Technology Sub-Committee

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

Creative Projects Sub-Committee

The Executive occasionally gets requests for support to students in the School who wish to carry out particular creative projects. Currently, the sub-committee is suspended. There have been no new requests for over two years. The sub-committee could be revived if and when there are future projects to be evaluated.

Estates Sub-Committee

The Estates Sub-Committee has representatives from many of the branches around the UK. The Sub-Committee's role is to provide support to the property stewards for their plans for property maintenance and improvement and to advise the Executive on proposals for major budget requests.

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

4.7. Properties

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

The decision was made in 2023 to sell two of the School's investment properties: St Oswald's Studios and 96 Sedlescombe Road. St Oswald's Studios had been used extensively in the past to support artists in the School. For a while one of the studios was used to house the Art in Action office. Most recently four of the five studios had been rented out commercially, although the rental income did not represent a decent return. There are increasing requirements for energy performance that landlords have to meet; St Oswald's, given its age and construction, fell a long way short. The cost to bring the studios up to those standards was prohibitive. The decision was to sell the property as a development site. There was significant interest from developers and the property was sold for just under £2 million.

After Mr Bernard Saunders died, 96 Sedlescombe Road had been rented out on a multiple occupancy basis. During 2023, the local authority advised that to continue to rent out on a multiple occupancy basis significant investment would have to be made to

meet the necessary building regulations. It was determined that the cost to meet those regulations would not be recovered in any reasonable timeframe and the house has been put on the market. At the time of writing we have an agreed sale, subject to contract.

In addition to its residential premises, the Fellowship owns nine other freehold properties and one long-leasehold, used for the purpose of delivering its courses. Otherwise, many Branches take premises on short leases or occupy premises under licence to deliver courses.

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

Mandeville Place

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

We continue to keep under review the 2021 working group report. There were several recommendations that might be attractive for potential hirers, including investigating improving the WiFi capability in the building. This would also support the growing demand for hybrid group meetings at Mandeville Place, and provide the necessary infrastructure for an upgrade to the telephone system. In 2023, the WiFi capability in the basement was improved.

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

We improved security at Mandeville Place during 2023.

Nanpantan Hall

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

In 2023 we hosted 19 private and 24 School events.

Nanpantan Hall is growing as a centre for philosophy classes. Our first class started in January 2022. We now have 5 groups with approximately 50 students attending on Tuesday and Wednesday evenings.

Nanpantan Hall has 31 acres of grounds, woodland and meadow which have proven to be an important asset for attracting private events to the Hall. The grounds are within the boundaries of the Charnwood Forest and also within the Charnwood Forest GeoPark. The Charnwood Geopark is to be nominated as a UNESCO site because of its internationally important geology. Approximately ½ mile from the Hall the first discovery was made of the earliest known complex animal life form. There are only three places in the world where the 560-million-year-old fossils have been found. The area is also the landscape that inspired the young David Attenborough.

Because Nanpantan Hall is part of this special landscape we have been able to apply for a grant for tree planting and the general ecological improvements of the grounds. We have now received confirmation that our application has been approved for a £33,000 grant from the National Forest. A scheme has been developed for the planting of 1,200 trees and 130m of new hedge.

The scheme had to be fully implemented by 28 February 2024 for the School to receive the grant. Volunteer weekends have been planned to complete the planting.

The Coach House continues to be leased to the 'Nanpantan Hall Nurture Centre', a school for high achieving autistic children under the age of 11, recently assessed as 'outstanding' by OFSTED across all their key assessments.

We intend to produce a proposal for developing the six horse stables as three classrooms, which could be used by the 'Nanpantan Hall Nurture Centre' during the day and for philosophy classes in the evenings and weekends.

The relationship continues with a local Christian addiction recovery centre, 'The Carpenter's Arms'. Small groups of men visited throughout the year to volunteer in the grounds and forest. By clearing bramble, self-sown trees and scrub we are bringing more light and air to the forest floor allowing the understory and its fauna and flora to flourish.

Eight local people have allotments and manage the grounds within the walled garden.

A couple occupy a small area within the walled garden to keep five bee hives. A local pig keeper keeps two of her Tamworth pigs within the woods. In return the pigs, as forest gardeners, are bringing the forest floor back to full health.

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

Waterperry and Waterperry Gardens Limited

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

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

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

2023 was yet another challenging year. Prices rose fast and yet another minimum wage increase had its knock-on effect. However visitor numbers remained strong and the year ended with WGL making a profit of £33,000 (2022: £85,000).

Sustainability has been very much in mind in 2023 as we move towards going peat-free in the plant area and nursery. Two large rainwater catchment tanks have been installed in the garden centre and nursery. The rainwater is used for watering the plants in both areas.

Apart from serving the public, WGL also maintains the Waterperry estate and makes an important contribution to the local economy and employment, employing 69 staff and turning over £2.3 million per annum. Students on the School's courses at Waterperry enjoy the benefit of the beautiful gardens and setting.

A major building project started in September 2023 with en-suite bathrooms being installed on the top floor of the house. Completion is due in April 2024. This will make the house more attractive both for School students' accommodation and for private hire.

4.8. Achievement and Performance

The School is not a public fund-raising charity and does not set fund-raising targets or specific aims for expansion. The main sources of funding are fees from courses, gifts, legacies, and returns on investments. Steps continue to be taken to find supplementary sources of income, primarily through rental of our buildings when not in use by the School.

During 2023, 168 new students enrolled for the national online philosophy course. In addition, 1108 students enrolled for in-person courses across the country.

For the last term in 2023, the Autumn term, there were 194 students enrolled in national online philosophy courses, a decrease of 61 over the previous year.

In addition, for the in-person philosophy courses, in the Autumn term 2023, there were 1,968 students enrolled in London and the Branches, an increase of 415 on the previous year.

For the Economics course offered online and in-person in London, 92 new students enrolled in 2023.

There were 95 students enrolled in the Autumn 2023 term, a decrease of 87 compared to Autumn 2022.

During 2023 an average of over 110 different students registered each term for the Horizons courses, many registering for more than one course each.

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

The following activities have been undertaken:

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

4.9. Development Plan

As reported in previous years, the Strategy Working Group (SWG) ran from 2020 to 2022, following which a Development Group was established under the leadership of the Senior Tutor. This group meets termly to review major initiatives across the tutorial and student body.

The updated code of conduct, that resulted from discussion with senior students was published on the School's website.

A major piece of work from the SWG was the document: *Principles Guiding the Purpose and Form of the School*. This resulted from extensive research on the four pillars of the School: Group Satsanga, Service, Meditation and Retreats. The document is an extensive reference document. Following review and comments from senior students, it will be

updated and consideration will be given to a summary being made available on the School's website.

A Tutor Manual was developed. It has been used as a reference document for local training for tutors and assistant tutors. A Tutor training day was run at Mandeville Place, attended by about 50 tutors and assistants from around the country. This will be repeated in 2024.

Work continues on the 'service as a way of life' initiative. The early part material has been updated with more reference to integrating service into one's daily life.

The new budget control process implemented in 2021 has proved useful and is now established on an annual basis, as is the new capital expenditure budget process. The branch leaders and budget holders meet online with the Executive Committee during a weekend in November, so that they can present their proposed budgets to the members of the Executive Committee. This gives them a greater understanding of Branch activities, more visibility of potential future expenditure and a process whereby competing demands on financial resources can be assessed against published criteria.

5. Financial Review & Results

The consolidated Statement of Financial Activities which accompanies this report shows that the Group had a surplus in the 12 months to end December 2023 of £1,748,000 (2022: deficit of £1,461,000). The principal reason for this was unrealised gains of £1,197,000 (2022: unrealised losses of £1,457,000).

The Charity's income from courses and retreats was slightly higher than in 2022, at £1,220,000 (2022: £1,123,000), primarily because of a gradual return to retreats, an increase in retreat charges, and an increase in branch student numbers, and despite a sharp drop in online student numbers. Overall fee income increased to £1,223,000 (2022: £1,126,000). Total voluntary income for the year increased substantially over the previous year at £936,000 (2022: £434,000), of which donations and gift aid were down at £132,000 (2022: £145,000), but legacy income increased to £804,000 (2022: £289,000). The Trustees are most grateful for students' donations, as well as legacy income.

5.1. Net Unrealised Gains on Investments

The total unrealised gains for the year included an increase in the valuation of investment properties from £7,060,000 to £7,885,000.

This was due principally to an increase in the valuations of

- St. Oswald's Studios from £1,000,000 to £1,950,000, of which 80%, four of the five studios, were classed as investments;
- 96 Sedlescombe Road from £1,525,000 to £1,700,000 (in the event an offer of

£1,550,000 has been accepted recently, which will result in a further adjustment in the 2024 accounts).

There was a net gain of £382,000 (2022: net loss of £317,000) on Listed Investments from £2,977,000 to £4,042,000. The increase in the value of the investment funds, was due to positive conditions in the market, as well as the investment of £780,000 of temporarily surplus cash in a Deposit fund at CCLA. Four branches also placed funds in the same account, which was paying between 4.9% and 5.1% interest in the period in which the funds were invested. No funds were drawn down from listed investments during the year.

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

5.2. Investment Income from Property

Gross investment income for the year was higher at £273,000 (2022: £223,000). This included rent unpaid by the tenants of two studios at St Oswald's, written off last year, but which was collected in 2023.

5.3. Waterperry Gardens Limited

In 2023 global financial uncertainty was seen to have its effect on WGL. Larger size purchases such as furniture were again far less common than in 2021. Visitor numbers remained high. The full programme of outdoor events went ahead. This led to a net profit of £34,000 (2022: £91,000) for the year before tax.

The WGL Board decided to donate half its eligible profit for 2023 to the charity with Gift Aid. This amounts to £23,000. As a result WGL will pay Corporation Tax on half its profit but will retain the balance for working capital. This will be reflected in the 2024 results. In the year to 31 December 2023, the charity benefited from the £59,000 gift aid from WGL announced last year.

5.4. Reserves Policy

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

- to minimise the charity's requirement for debt;
- for operational purposes, to maintain properties, (with a net book value at 31 December 2023 of £15,577,000 (2022: £15,287,000), equipment, etc, which are used extensively for educational and residential purposes in accordance with the Charity's objects.

Property ownership provides long term security of tenure, a measure of financial resilience, the opportunity for higher standards of maintenance, facilities adapted to the

Charity's specific requirements, and for lower running costs in the long term than occurs with a dependency upon rented accommodation.

Free Reserve

The free reserve is the balance of total funds (£29,046,000) less the value of those funds already identified as:

- Restricted funds; £394,000
- Designated Funds; £1,428,000
- Tangible Fixed Assets; £15,577,000
- Investment properties; £7,885,000

Total free reserve: £3,762,000.

The Trustees consider that an adequate target level of Operating Reserve is approximately £2,350,000. This would provide sufficient reserves to meet the charity's running costs for a period of six months in the event of major disruption to our activities.

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

The Trustees invest the surplus funds in line with our investment policy.

5.5. Designated Funds

Building and Capital Asset Reserve – £428,000

This fund is used for the following purposes:

- To hold building acquisition funds for purchasing additional accommodation, particularly in the larger branches without property, where many students attend classes held in rented accommodation. Finding suitable premises with consent for educational use in the right location is difficult, so there are only limited opportunities for the Charity to make such investments.
- This Fund can be used for buildings improvement and refurbishment. The project to upgrade the second floor of Waterperry House is being funded from this reserve.

Opportunity Reserve – £1,000,000

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational

capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2024 the Trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee.

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

5.6. Investment Policy and Performance

Investment Policy and Performance

No funds were added to or drawn down from the CCLA Investment Fund or the P1 Fund in 2023. The School's investment in CCLA rose over the year from £2,211,000 to £2,502,000 at 31 December 2023. This was a rise of 13.2%, reflecting substantial increases in equity values around the world. Bond prices also rose, but the biggest rises were in overseas equities, especially US equities. The School's P1 investments were also up, from £683,000 to £739,000, an 8.2% increase. The Investment Sub-Committee reviews the performance of both managers regularly, and currently concludes that they are managing our assets in the manner we had expected when we first invested with them. Whilst CCLA invest directly across a wide range of asset classes and geographies, P1 concentrates on relatively few investment managers who offer what are believed to be more eco-friendly and sustainable investments. The latter have recently not been as profitable as more widely spread investments, but the expectation is that they will produce good long-term returns.

As noted in section 5.1 above, the Executive Committee decided to put both St Oswald's Studios and 96 Sedlescombe Road on the market, the former because it was becoming increasingly uneconomic to maintain, the latter because the property can no longer be let on a multi-occupier basis as it has been.

5.7. Fees

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

There are still many historical anomalies in the fees structure, which are difficult to justify. The plan is to review the fees, with the aim of developing a structure that is more consistent and transparent.

The daily fee for retreats at Waterperry and Nanpantan was also reviewed in light of running costs of the centres and compared to other similar retreats. The standard rate for retreats at both buildings and online was set at £60 a night for 2023.

5.8. Reserves

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

5.9. Post-Audit Events

Sale of properties

St Oswald's Studios in Hammersmith was becoming increasingly uneconomic to run as an investment property and required significant investment. The Trustees decided to put it on the market. Interest in the property was intense and a sale was agreed, subject to contract, at the end of 2023 at £1,950,000. Completion took place in February 2024.

96 Sedlescombe Road was also put on the market in 2024, having been unsuccessfully marketed the previous year. An offer has been accepted, subject to contract, of £1,550,000.

Trading Subsidiary

2024 could again be challenging due to wage inflation. It has been an incredibly wet start to the year. Turnover figures for WGL are 5% up on last year for the first quarter.

Going Concern

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

Fundraising

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

6. *Plan for the Future*

The School's main aims are set out in Section 1. Historically, the Charity has aimed to respond to needs and demands on its services as they arise rather than seeking to generate new activities, beyond making those services known to as wide a community as possible. The aim was to allow for organic growth and development without the constraints of a structured long-term plan. As discussed in Section 4.9 above, this

approach has been superseded initially by the work of the SWG and now the Development Group.

Work has started on developing a Sustainability Policy and Plan. This is looking at the impact of the School's activities in terms of costs and value, as well as the impact, positive or negative, on the environment and society. This is a major initiative which will influence our thinking over the coming years. One project already started in 2023 is to consider the feasibility of installing a solar farm at Waterperry that could provide power to the house and to WGL.

Most branches, and London, have updated their website to present a more consistent look and feel. A new company has been hired to manage the London and national online social media marketing campaigns. It is too early to measure any improvement.

The Waterperry estate composed of WGL and the House and grounds, is a key and unique asset supporting and contributing to the main objectives and purpose of the School, 'The general uplift of society remains the immediate aim, while help on the way to liberation remains the ultimate aim.' WGL, a commercial horticulture and art centre, with high visitor numbers of approximately 170,000 visitors a year, is wholly owned by the Fellowship. Its public profile is a media-featured visitor destination. In the last ten years WGL has delivered a year-on-year profit. The House is used as a retreat centre for the School's programmes, but declining student numbers and popular online preferences have reduced full capacity bookings and therefore paid usage is subsidized by the School.

The Executive formed a Waterperry Business Plan Working Group in December 2023 to investigate and deliver an ongoing development strategy, plan, and budget for the unified site.

The outreach vision formulated by the Working Group for Waterperry is: 'A unique contemplative retreat, horticulture and arts centre: a place of peace and beauty that awakens, feeds and nourishes the Body, Mind and Soul'. Waterperry is, and can be further developed to be a showcase for living the Advaita teachings and principles, financially sustainable through its mix of offerings, delivering a unique and inspirational venue to the students of the School and the broader community.

Specific building projects to be included in this plan and budget proposal will be a solar farm for site energy efficiency, a new catering facility and a roof for the amphitheatre.

The Working Group will enlist specialist knowledge from the School as needed, e.g. sustainability planning, property management and marketing.

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

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

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

Approved by the Trustees on 7 June 2024 and signed on their behalf by:

S. Silver

Chair

C. Rees

Treasurer

Independent auditor's report

Opinion

We have audited the financial statements of The Fellowship of the School of Economic Science (the 'parent charity') for the year ended 31 December 2023 which comprise the consolidated statement of financial activities, the group and parent charity balance sheets, the consolidated statement of cash flows and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- Give a true and fair view of the state of the group and parent charity's affairs as at 31 December 2023 and of the group's incoming resources and application of resources, for the year then ended
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- Have been prepared in accordance with the requirements of the Charities Act 2011

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on The Fellowship of the School of Economic Science's ability to

continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other Information

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

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- The information given in the trustees' annual report is inconsistent in any material respect with the financial statements
- Sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- We have not received all the information and explanations we require for our audit

Responsibilities of trustees

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

In preparing the financial statements, the trustees are responsible for assessing the group and the parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

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

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

Capability of the audit in detecting irregularities

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

- We enquired of management, which included obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - Identifying, evaluating, and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected, or alleged fraud;
 - The internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- We inspected the minutes of meetings of those charged with governance.
- We obtained an understanding of the legal and regulatory framework that the group operates in, focusing on those laws and regulations that had a material effect on the financial statements or that had a fundamental effect on the operations of the group from our professional and sector experience.
- We communicated applicable laws and regulations throughout the audit team and remained alert to any indications of non-compliance throughout the audit.

- We reviewed any reports made to regulators.
- We reviewed the financial statement disclosures and tested these to supporting documentation to assess compliance with applicable laws and regulations.
- We performed analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments, assessed whether the judgements made in making accounting estimates are indicative of a potential bias and tested significant transactions that are unusual or those outside the normal course of business.

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

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

Use of our report

This report is made solely to the parent charity's trustees as a body, in accordance with section 144 of the Charities Act 2011 and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the parent charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent charity and the parent charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Date 18 June 2024

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

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

Consolidated statement of financial activities**For the year ended 31st December 2023**

	Note	Unrestricted £'000	Restricted £'000	2023 Total £'000	Unrestricted £'000	Restricted £'000	2022 Total £'000
Income from:							
Donations and legacies	2	930	6	936	423	11	434
Charitable activities							
Courses & Retreats	3	1,220	–	1,220	1,123	–	1,123
Other activities	3	3	–	3	3	–	3
Other trading activities	4	2,794	7	2,801	2,475	2	2,477
Investments	5	294	–	294	224	–	224
Total income		5,241	13	5,254	4,248	13	4,261
Expenditure on:							
Raising funds:	6						
Costs of trading activity		2,361	–	2,361	2,160	–	2,160
Other costs of raising funds		44	–	44	46	–	46
Investments		180	–	180	120	–	120
Charitable activities							
Courses & Retreats	6	2,086	16	2,102	1,917	18	1,935
Other activities	6	12	4	16	4	–	4
Total expenditure		4,683	20	4,703	4,247	18	4,265
Net income/(expenditure) before net gains/(losses) on investments		558	(7)	551	1	(5)	(4)
Net gains/(losses) on investments		1,197	–	1,197	(1,457)	–	(1,457)
Net Income/ (expenditure)		1,755	(7)	1,748	(1,456)	(5)	(1,461)
Transfers between funds		–	–	–	–	–	–
Net movement in funds		1,755	(7)	1,748	(1,456)	(5)	(1,461)
Reconciliation of funds:							
Total funds brought forward		26,897	401	27,298	28,353	406	28,759
Total funds carried forward		28,652	394	29,046	26,897	401	27,298

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

All of the above results are derived from continuing activities. There were no other recognised gains or losses other than those stated above. Movements in funds are disclosed in Note 23 to the financial statements.

The notes on pages 39 to 55 form part of these financial statements.

Balance sheets

As at 31st December 2023

	Note	The group		The charity	
		2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fixed assets:					
Tangible assets	13	15,577	15,287	15,500	15,197
Investment properties	14	7,885	7,060	7,885	7,060
Investments	15	4,042	2,977	4,399	3,334
		27,504	25,324	27,784	25,591
Current assets:					
Stock	17	464	490	81	78
Debtors	18	704	285	715	292
Cash at bank and in hand		1,123	1,770	891	1,501
		2,291	2,545	1,687	1,871
Liabilities:					
Creditors: amounts falling due within one year	19	741	543	577	343
Net current assets		1,550	2,002	1,110	1,528
Total assets less current liabilities		29,054	27,326	28,894	27,119
Creditors: amounts falling due after one year	20	8	28	-	-
Total net assets		29,046	27,298	28,894	27,119
Funds:	23				
Restricted income funds		394	401	394	401
Unrestricted income funds:					
Designated funds		1,428	2,000	1,428	2,000
Fair value reserve		6,640	5,443	6,640	5,443
General funds		20,432	19,275	20,432	19,275
Non-charitable trading funds		152	179	-	-
Total unrestricted funds		28,652	26,897	28,500	26,718
Total charity funds		29,046	27,298	28,894	27,119

The notes on pages 39 to 55 form part of these financial statements.

Approved by the Trustees on 7 June 2024

S. Silver
Chair

C. Rees
Treasurer

Consolidated statement of cash flows

For the year ended 31st December 2023

	Note	2023	2022
		£'000	£'000
Cash flows from operating activities	24		
Net cash provided by/(used in) operating activities		363	(62)
Cash flows from investing activities:			
Dividends, interest and rents from investments		294	224
Purchase of fixed assets		(619)	(122)
Transfer of assets to investment property cost		7	-
Purchase of investments		(692)	-
Net cash provided by/(used in) investing activities		(1,010)	102
Change in cash and cash equivalents in the year		(647)	40
Cash and cash equivalents at the beginning of the year		1,770	1,730
Cash and cash equivalents at the end of the year		1,123	1,770

The notes on pages 39 to 55 form part of these financial statements.

Notes to the financial statements

For the year ended 31st December 2023

1 Accounting policies

a) Basis of preparation

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

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

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

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

b) Statutory information

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

c) Public benefit entity

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

d) Going concern

The Trustees are confident that the Charity remains a going concern and, combined with the mitigating actions described in the Trustees' report, has sufficient cash, investment and property reserves to cope with any financial issues for the foreseeable future. To protect the longer term interests of the charity, there is currently a review of the estate and operations ongoing, and the Trustees intend to make the necessary decisions in order to ensure the financial stability of the Charity for the longer term.

e) Income

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

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

Notes to the financial statements

For the year ended 31st December 2023

1 Accounting policies (continued)

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

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

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

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

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

f) Interest receivable

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

g) Fund accounting

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

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

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

h) Expenditure and irrecoverable VAT

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

Expenditure is classified under the following activity headings:

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

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

i) Allocation of support costs and governance costs

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

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

Support and governance costs are apportioned as follows:

▪ Cost of raising funds	6.1%
▪ Investments	7.4%
▪ Courses & retreats	85.9%
▪ Other activities	0.7%

Notes to the financial statements

For the year ended 31st December 2023

1 Accounting policies (continued)

j) Operating leases

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

k) Taxation

The Fellowship is a registered charity and therefore is not liable to income or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities. The subsidiary company is subject to corporation tax but any profits arising will normally be Gift Aided to the parent charity, so generally no tax charge will arise.

l) Tangible fixed assets

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

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

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

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

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

m) Investment properties

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

Investments

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

Investments in subsidiaries

Investments in subsidiaries are at cost.

Notes to the financial statements

For the year ended 31st December 2023

1 Accounting policies (continued)

n) Stocks

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

o) Debtors

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

p) Cash at bank and in hand

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

q) Creditors and provisions and financial instruments

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

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

r) Foreign currencies

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

s) Pensions

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

t) Volunteers

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

u) Charitable donations

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

Notes to the financial statements

For the year ended 31st December 2023

2 Income from donations and legacies

	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Legacies	804	–	804	289
Donations and gift aid	126	6	132	145
	<u>930</u>	<u>6</u>	<u>936</u>	<u>434</u>

3 Income from charitable activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Courses & retreats	1,220	–	1,220	1,123
Other activities	3	–	3	3
Total income from charitable activities	<u>1,223</u>	<u>–</u>	<u>1,223</u>	<u>1,126</u>

4 Income from other trading activities

	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Waterperry Gardens income	2,324	–	2,324	2,185
Sales of:				
Books and CDs	28	–	28	40
Refreshments	21	–	21	16
Income from room hire	293	–	293	213
Various other sources of income	128	7	135	23
	<u>2,794</u>	<u>7</u>	<u>2,801</u>	<u>2,477</u>

5 Income from investments

	Unrestricted £'000	Restricted £'000	2023 Total £'000	2022 Total £'000
Rent – investment properties	273	–	273	223
Gain on sales of investment	13	–	13	–
Bank deposit and short term interest	8	–	8	1
	<u>294</u>	<u>–</u>	<u>294</u>	<u>224</u>

Notes to the financial statements

For the year ended 31st December 2023

6a Analysis of expenditure (current year)

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

Notes to the financial statements

For the year ended 31st December 2023

6b Analysis of expenditure (prior year)

	Cost of raising funds £'000	Investments £'000	Charitable activities				Support costs £'000	Total £'000
			Courses and retreats £'000	Other Activities £'000	Governance costs £'000			
Staff costs (Note 9)	829	-	-	-	-	601	1,430	
Direct supply costs	200	-	237	-	-	-	437	
Cost of sales	783	-	-	-	-	-	783	
Publicity	41	-	166	-	-	-	207	
Premises – running costs	140	-	221	-	-	-	361	
Premises – major repairs	11	-	146	-	-	-	157	
Legal & professional	-	80	19	-	-	-	99	
Audit and other fees	10	-	-	-	35	-	45	
Administration	102	-	213	1	-	91	407	
Depreciation	44	-	286	2	-	-	332	
Charitable donations (note 8)	-	-	7	-	-	-	7	
	<u>2,160</u>	<u>80</u>	<u>1,295</u>	<u>3</u>	<u>35</u>	<u>692</u>	<u>4,265</u>	
Support costs	44	38	609	1	-	(692)	-	
Governance costs	2	2	31	-	(35)	-	-	
Total expenditure	<u>2,206</u>	<u>120</u>	<u>1,935</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>4,265</u>	

Notes to the financial statements

For the year ended 31st December 2023

7 Net income for the year

This is stated after charging:

	2023	2022
	£'000	£'000
Depreciation	322	332
Auditor's remuneration:		
Audit	44	44
	<u><u>44</u></u>	<u><u>44</u></u>

8 Donation/Grant making

	2023	2022
	£'000	£'000
Grant to A Purves – Economics Research	4	7
Donation to Ukrainian families	3	–
	<u><u>7</u></u>	<u><u>7</u></u>

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

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

Staff costs were as follows:

	2023	2022
	£'000	£'000
Salaries and wages	1,372	1,242
Social security costs	104	96
Employer's contribution to defined contribution pension schemes	104	92
	<u><u>1,580</u></u>	<u><u>1,430</u></u>

One employee (2022: 1) earned between £70,000–£79,999 not including employer's National Insurance contributions during the year.

The total employee benefits including pension contributions and employer's National Insurance contributions of the key management personnel were £211,648 (2022: £210,020).

The Trustees were not paid and did not receive any other benefits from employment with the Charity in the year (2022: £Nil). One Trustee was reimbursed £2,868 for planning application fees paid on behalf of the charity (2022: One Trustee was reimbursed £3,234).

Trustees' expenses are for attendance at meetings of the Trustees or business meetings on behalf of the charity. In 2023, four trustees had expenses of £536 (2022: One Trustee had expenses of £85).

Notes to the financial statements

For the year ended 31st December 2023

10 Staff numbers

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

	2023	2022
	No.	No.
Raising funds (trading activity)	69	66
Courses and retreats	18	18
	<hr/> 87 <hr/>	<hr/> 84 <hr/>

69 (2022: 66) employees above were employed by Waterperry Gardens Limited and the remaining 18 (2022: 18) were employed by the parent charity.

11 Related party transactions

There are no donations from related parties which are outside the normal course of business and no restricted donations from related parties. There are no related party transactions to disclose for this financial year (2022: none).

12 Taxation

The charity is exempt from corporation tax as all its income is charitable and is applied for charitable purposes. The charity's trading subsidiary Waterperry Gardens Limited is liable to pay corporation tax at 19% on any profits not gift aided to the parent charity. In 2023 it had a tax liability of £4,200 (2022: £10,900).

Notes to the financial statements

For the year ended 31st December 2023

13 Tangible fixed assets

The group

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	12,990	322	6,170	19,482
Additions in year	-	-	619	619
Transfer to investment property costs	-	-	(7)	(7)
Disposals in year	-	-	(17)	(17)
At the end of the year	12,990	322	6,765	20,077
Depreciation				
At the start of the year	410	291	3,494	4,195
Charge for the year	81	6	235	322
Eliminated on disposal	-	-	(17)	(17)
At the end of the year	491	297	3,712	4,500
Net book value				
At the end of the year	12,499	25	3,053	15,577
At the start of the year	12,580	31	2,676	15,287

The charity

	Freehold property £'000	Leasehold property £'000	Equipment/ improvements £'000	Total £'000
Cost				
At the start of the year	12,990	11	5,134	18,136
Additions in year	-	-	594	594
Transfer to investment property costs	-	-	(7)	(7)
Disposals in year	-	-	(17)	(17)
At the end of the year	12,990	11	5,704	18,705
Depreciation				
At the start of the year	410	2	2,527	2,939
Charge for the year	81	1	201	283
Eliminated on disposal	-	-	(17)	(17)
At the end of the year	491	3	2,711	3,205
Net book value				
At the end of the year	12,499	8	2,993	15,500
At the start of the year	12,580	9	2,607	15,197

All of the above assets are used for charitable purposes.

Notes to the financial statements

For the year ended 31st December 2023

14 Investment properties

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Fair value at the start of the year	7,060	8,212	7,060	8,212
Revaluation during the year	825	(1,152)	825	(1,152)
Fair value at the end of the year	<u>7,885</u>	<u>7,060</u>	<u>7,885</u>	<u>7,060</u>
Historic cost at the end of the year	<u>4,363</u>	<u>4,363</u>	<u>4,363</u>	<u>4,363</u>

The investment properties have been valued by a qualified surveyor as part of a professional appraisal for the year end 31 December 2023.

15 Listed investments

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Investments at the start of the year	2,977	3,306	3,334	3,663
Deposits	780	-	780	-
Withdrawals	(88)	-	(88)	-
Fees	(9)	(12)	(9)	(12)
Net gain/(losses) on value of shares	382	(317)	382	(317)
Investments at the end of the year	<u>4,042</u>	<u>2,977</u>	<u>4,399</u>	<u>3,334</u>
Investments consist of				
Listed investments	4,042	2,977	4,042	2,977
Investment in Subsidiary	-	-	357	357
Market value at the end of the year	<u>4,042</u>	<u>2,977</u>	<u>4,399</u>	<u>3,334</u>

Notes to the financial statements

For the year ended 31st December 2023

16 Subsidiary undertaking

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

	2023 £'000	2022 £'000
Turnover	2,324	2,186
Turnover from sales to parent undertaking	32	27
Cost of sales	(1,929)	(1,734)
Gross profit	<u>427</u>	<u>479</u>
Administrative expenses	(353)	(352)
Management charge payable to parent undertaking	(37)	(34)
Operating profit / (loss)	<u>37</u>	<u>93</u>
Interest payable to parent undertaking	(3)	(2)
Profit / (loss) on ordinary activities	<u>34</u>	<u>91</u>
Tax on profit	(1)	(6)
Profit / (loss) for the financial year	<u><u>33</u></u>	<u><u>85</u></u>
The aggregate of the assets, liabilities and funds was:		
Assets	847	1,059
Donation to parent under gift aid	(59)	(200)
Liabilities	(279)	(323)
Funds	<u><u>509</u></u>	<u><u>536</u></u>

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

17 Stock

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Books	81	78	81	78
Garden centre stock	383	412	-	-
	<u><u>464</u></u>	<u><u>490</u></u>	<u><u>81</u></u>	<u><u>78</u></u>

Notes to the financial statements

For the year ended 31st December 2023

18 Debtors

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Amounts due from subsidiary	-	-	37	47
Trade debtors	97	100	113	112
H M Revenue & Customs	14	26	14	26
Prepayments	79	86	37	34
Other debtors	514	73	514	73
	704	285	715	292

Amounts due from subsidiary comprise a loan, current total £37,472, from the parent charity to the subsidiary to pay for expenditure on brown motorway tourist signs. It is repayable within 5 years at an interest rate of 2.25%. The loan is included at cost, as the impact of discounting would be immaterial to the financial statements.

Other debtors include two legacies totalled £492,962 bequeathed to the charity but not yet received during the year.

19 Creditors: amounts falling due within one year

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
Trade creditors	109	92	124	94
Accruals	321	94	296	57
External loans	25	59	9	9
Taxes and social security costs	149	117	24	19
Deferred income	80	85	80	85
Other creditors	57	96	44	79
	741	543	577	343

Accruals include Waterperry House upgrade project costs, estimated based on completion assessment carried out by architects and surveyors which had not been billed to the charity by end of the year, totalled £247,376. The invoices have been received and fully settled by March 2024.

Notes to the financial statements

For the year ended 31st December 2023

20 Creditors: amounts falling due after one year

	The group		The charity	
	2023 £'000	2022 £'000	2023 £'000	2022 £'000
External loans payable in more than one year	-	17	-	-
Deferred Tax	8	11	-	-
	8	28	-	-

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

21 Pension scheme

The Fellowship operates a defined contribution scheme and contributes 7% of the salary of those staff who have decided to enter into a personal pension arrangement, direct to the insurer. The charge for the period was £79,911 (2022: £74,166).

22a Analysis of group net assets between funds (current year)

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

22b Analysis of group net assets between funds (prior year)

	Restricted £'000	Designated £'000	General funds £'000	Total funds £'000
Tangible fixed assets	-	-	15,287	15,287
Fixed asset investments	-	2,000	8,037	10,037
Net current assets	401	-	1,601	2,002
Creditors: amount falling due in over one year	-	-	(28)	(28)
Net assets at the end of the year	401	2,000	24,897	27,298

Notes to the financial statements

For the year ended 31st December 2023

23a Movements in funds (current year)

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

Purposes of restricted funds

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

Purposes of designated funds

Building and Capital Asset reserve

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

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

Notes to the financial statements

For the year ended 31st December 2023

Opportunity Reserve

The Opportunity Reserve is intended to provide funds to meet special targets of opportunity or need that further the mission of the organisation, which may or may not have specific expectation of incremental or long-term increased income. The Opportunity Reserve is also intended as a source of internal funds for organisational capacity building, such as staff development, research and development, or investment in infrastructure that will build long-term capacity. In 2024 the Trustees intend to research and plan the replacement of the current accounting and CRM system, and then implement it. This will be funded from the Opportunity Reserve. The target amount of the Opportunity Reserve is determined by the Executive Committee.

Benevolent Fund

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

23b Movements in funds (prior year)

	At the start of the year £'000	Income and gains £'000	Expenditure and losses £'000	Transfers £'000	At the end of the year £'000
Restricted funds:					
Specific charitable activities	279	13	(18)	-	274
Future branches properties	127	-	-	-	127
Total restricted funds	406	13	(18)	-	401
Unrestricted funds:					
Designated funds:					
Building and capital asset reserve	1,000	-	-	-	1,000
Opportunity reserve	1,000	-	-	-	1,000
Total designated funds	2,000	-	-	-	2,000
Fair value reserve	6,900	-	(1,457)	-	5,443
General funds	19,152	2,035	(1,912)	-	19,275
Non-charitable trading funds	301	2,213	(2,335)	-	179
Total unrestricted funds	28,353	4,248	(5,704)	-	26,897
Total funds	28,759	4,261	(5,722)	-	27,298

Notes to the financial statements

For the year ended 31st December 2023

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

	2023 £'000	2022 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,748	(1,461)
(Gains)/losses on investments	(1,207)	1,469
Investment manager fees	9	12
Depreciation	322	332
(Increase)/decrease in stocks	26	(120)
(Increase)/decrease in debtors	(419)	72
(Decrease)/increase in creditors	178	(142)
Investment income	(294)	(224)
Net cash provided by / (used in) operating activities	363	(62)

25 Operating lease commitments receivable as a lessor

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

	Property 2023 £'000	2022 £'000
Less than one year	138	76
One to five years	111	-
Over five years	-	-
	249	76

26 Results of the parent charity

	2023 £'000	2022 £'000
Turnover	4,226	2,317
Net result of the charity	1,775	(1,338)