



Bridewell Royal Hospital

King Edward's Witley & Barrow Hills School



Report and Financial Statements

for the year ended 31 July 2021

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Report of the Court

Key Information

	Year Ended 31/07/21 £000s	Year Ended 31/07/20 £000s	% Change
<u>Financial Results</u>			
Total Income	12,663	12,264	3
Total Expenditure	12,810	12,768	-
Gains/(Losses) on Investments	4,192	(802)	Nm
Net Income/(Expenditure)	4,045	(1,306)	
Operating Deficit	(147)	(504)	Nm
Core School Activities Operating Deficit	(1,274)	(622)	Nm
School Activities Special Projects	-	(316)	Nm
Other Charitable Activities	1,127	434	Nm
	(147)	(504)	
Endowed Funds	19,622	15,429	27
Restricted Funds	3,911	3,629	8
Unrestricted Funds	14,412	14,842	(3)
<u>Group Information</u>	Average 2020/21	Average 2019/20	% Change
Number of pupils	606	592	2
% of Boarders	22%	28%	(6)
Number of bursary pupils	48	52	(8)
Average bursary	£24,200	£21,700	12

Nm – not meaningful

Report of the Court (Continued)

The Court, the trustee body of Bridewell Royal Hospital which incorporates King Edward's Witley and Barrow Hills School, presents its report and audited financial statements for the year ended 31 July 2021.

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

Goals and Objectives

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

King Edward's Witley

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

The aims of King Edward's are:

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

Report of the Court (Continued)

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

Barrow Hills School

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

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

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

The aims of Barrow Hills are:

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

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

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

Report of the Court (Continued)

In the past year King Edward's has had a pupil roll of 400 pupils from more than 40 countries. 48 pupils, from low income families or from home circumstances where a boarding education was deemed beneficial or necessary, were provided a means-tested bursary. 73% of these received fee support of between 81-100%. Barrow Hills has educated some 220 pupils aged 2-13.

In pursuit of its aims the Court and School Governors agree management objectives annually for both Schools. For 2020/21 these were:

- To further the vision of providing an all-through education where appropriate;
- To enhance further the educational product for pupils and the service to parents who have rightly demanding expectations in purchasing in the high cost independent education sector:
 - to maintain excellence in teaching, learning and pupil progress at King Edward's;
 - to remain focused on delivering the market respected, pastorally and academically driven preparatory school product at Barrow Hills. Continue to build on academic progress and the excellent personal development of the children;
 - to utilise and embrace the additional curriculum and co-curriculum resources that King Edward's provides to maximise benefit without unduly changing the character of Barrow Hills;
- To continue to achieve scale in the provision of education to address long-term affordability;
- To accelerate the post-merger opportunities in order to build on the foundations for pupil growth across both Schools;
- To agree a 10 Year strategic plan for both Schools; and
- To further the Bridewell Founding Mission.

High academic standards were achieved in both Schools. At Barrow Hills 45% of leavers were awarded scholarships to a range of public schools, including King Edward's. All 13+ leavers obtained places at their chosen senior schools. At King Edward's, 65% of pupils achieved grades 9-7 at GCSE, with 81% achieving grades 9-6. The majority of pupils in Upper 6th followed the International Baccalaureate (IB) in which the average points scored was 35.9 points out of a possible 45, compared to a world average of 33.02. 87% of pupils secured their first choice university and 67% of all places were at Russell Group universities. Of note, one of Bridewell's Foundation pupils secured a place at The University of Oxford to read History and Politics and, elsewhere, pupils went on to universities including Warwick, King's College London, Exeter, Manchester, Loughborough, Edinburgh and Durham. The school continues its historic ties to The City of London Corporation with 4 pupils going on to study business related degrees at Baynes Business School at City University. This is indicative of the wider trend for our pupils to go on to Business and Finance related degrees with 30% of all pupils reading a subject from within this field at university. This builds on the outstanding IB results achieved by our IB pupils studying Economics and/or Business Management.

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

Report of the Court (Continued)

COVID-19

During the Spring term, following the UK Government nationally imposed lockdown, both Schools were able to respond quickly by offering a comprehensive remote teaching and learning programme together with the provision of online resources. Both Schools continued to deliver high quality academic curriculum and co-curricular on site, online and via hybrid education provision. Both Schools remained open to a small number of key worker children, bursary and vulnerable pupils.

Public Benefit

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

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

COVID-19 restrictions meant that normal activities were paused or reshaped, however efforts continued with a number of initiatives taking place:

- As part of the Charity's ongoing work to support The City of London Corporation children, at the end of the Summer term King Edward's welcomed two City of London Corporation primary schools for residential visits to enjoy the campus facilities including swimming, food technology and music.
- King Edward's hosted and sponsored various competitions including a Spring photography competition for local Primary and Prep schools, receiving entries from over 70 children; a Virtual Spring Art Exhibition; a Virtual Spy Academy for 30 children and a remote chess competition for 69 schools.
- King Edward's ran a Virtual Science Lecture series for local Primary and Prep schools.
- In May, actor David Hall became 'Sir Isaac Newton' for King Edward's Science Lectures, entertaining and educating children from 11 schools via Zoom. In June, David went on to host a series of virtual Mathmagics! Workshops for 8 schools.
- King Edward's and Barrow Hills facilities, including the swimming pool and astro, were made available for local primary schools and sports clubs.

Fundraising and Grantmaking

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

In the 2020/21 year voluntary fundraising activity included raising funds for bursary provision as well as work with individuals and trusts and an ongoing Legacy Campaign. Donors are encouraged by means of regular stewardship events, including events for those who have pledged legacies to the Foundation and those who have given annually. The Development and Alumni office control all fundraising activities and subscribe to the Institute of Development Professionals in Education guidelines, which encompass all regulations surrounding fundraising as outlined in the Fundraising Preference Service and Information Commissioner Guidelines.

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

Report of the Court (Continued)

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

During the year food was donated to support the Godalming Food Bank.

Report of the Court (Continued)**Summary Financial Information****Abridged Financial Information For Year Ended 31 July 2021**

	School Activities		Other Charitable Activities		Total	Total
	£000s	£000s	£000s	£000s	£000s	£000s
	2021	2020	2021	2020	2021	2020
Income						
School Fees	10,526	10,496	-	-	10,526	10,496
Donations and Grants	142	264	853	147	995	411
Investment income	-	-	653	750	653	750
Bank interest	35	37	-	-	35	37
Ancillary trading (other Educational Income)	293	286	-	-	293	286
Non-Ancillary trading (Lettings and other)	161	284	-	-	161	284
Total Incoming Resources	11,157	11,367	1,506	897	12,663	12,264
Expenditure						
Teaching	(6,481)	(6,278)	-	-	(6,481)	(6,278)
Welfare	(463)	(465)	-	-	(463)	(465)
Catering	(1,103)	(917)	-	-	(1,103)	(917)
Premises	(2,883)	(2,994)	-	-	(2,883)	(2,994)
Administration	(1,497)	(1,566)	(42)	(38)	(1,539)	(1,604)
Fundraising	-	-	(62)	(110)	(62)	(110)
Other (Lettings and other)	(4)	(85)	(30)	(28)	(34)	(113)
Bursaries	-	-	(245)	(287)	(245)	(287)
Total Expenditure	(12,431)	(12,305)	(379)	(463)	(12,810)	(12,768)
Net (outgoing) / incoming funds from Operations before transfers and investment gains	(1,274)	(938)	1,127	434	(147)	(504)

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

Report of the Court (Continued)

Financial Review

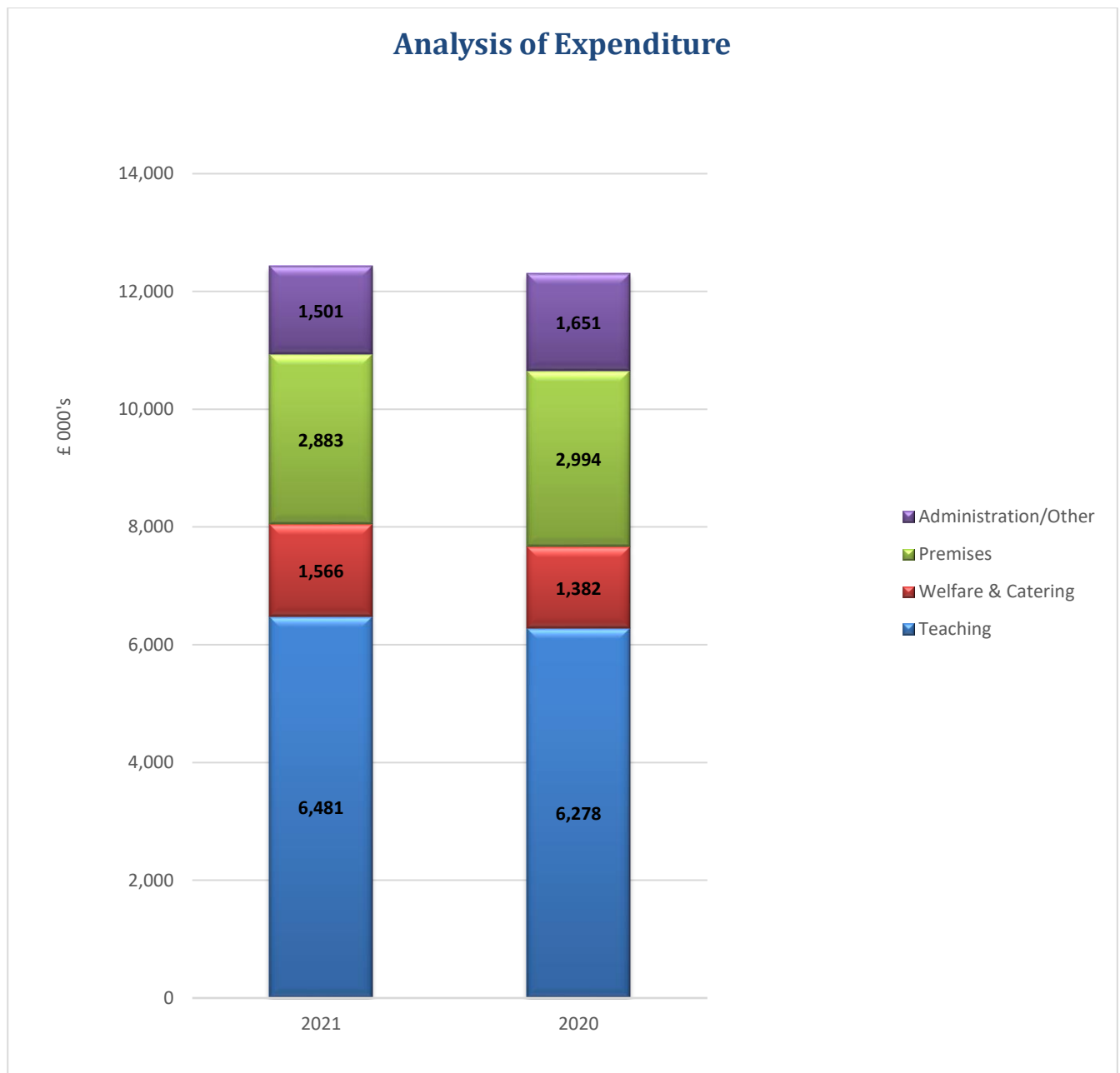
The operating deficit was (£147k) (2020: (£504k)).

The aggregate Fund balances increased to £37,945k (2020: £33,900k).

Group Activities

The Group's income from School activities reduced to £11,157k (2020: £11,367k). Pupil numbers were 606 (2020: 592), boarding pupils of 133 (2020: 168) and day pupils of 473 (2020: 424). Total fees were £10,526k (2020: £10,496k).

Group expenditure on School Activities was £12,431k (2020: £12,305k).



Report of the Court (Continued)

Charitable Activities

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

Means-tested public benefit and bursary support provided by the Foundation was £245k (2020: £287k). In addition, support from The City of London Corporation and major educational charities, in particular, Royal National Children's Springboard Foundation, The Reedham Trust, The Mitchell City of London Educational Foundation, The Emmott Foundation, Buttle UK, The Portal Trust, The Heights Educational Bursary Trust, The BMTA Trust and The Thornton Smith Plevins Trust provided a further £930k (2020: £843k) of bursary funding. The Court and pupils are extremely grateful to these organisations for their ongoing support along with the many Old Witleians and Bridewell Fellows who donate generously.

Distribution of Bursary Awards

As part of the Foundation's commitment to provide public benefit, means-tested bursaries were distributed to 48 pupils (2020: 52), with an average bursary of £24,200 (2020: £21,700). 73% (2020: 71%) of these pupils received awards of between 81-100% of fees. In addition, the cost of School uniform and materials provided to all pupils is included within fees. Bursary awards are distributed broadly across the forms and the vast majority are awarded to boarding pupils from the United Kingdom. In addition to bursaries, 53 pupils were in receipt of scholarships (2020: 55) across the full range of academic, arts, music and sports.

Future Plans

During 2020/21 a Governor led Working Group put forward a Strategic Plan, which was approved by The Court, focusing on the following areas:

1. Improving pupil experience at both Bridewell Schools

To ensure that pupils at both King Edward's and Barrow Hills receive a transformative education, exciting co-curricular opportunities and are supported to flourish in a globally connected world, the Governors have approved investment in both education and infrastructure supported by a £10m borrowing facility, which has been secured from Barclays Bank Plc. New strategic staff appointments have been made within the teaching staff to support in the implementation of the Schools' vision. Alongside this investment, Bridewell will be undertaking three exciting capital works projects which will be completed by September 2022:

Exhibition Hall

A £3.5m refurbishment of the King Edward's Exhibition Hall started in July 2021. The development will see a centrally placed Welcome Hub for all members of the School and local community. This project includes an extended ground floor café which will provide a place to meet socially and to learn collaboratively. A first floor library area, with smaller break-out rooms, will enable pupils and staff to pursue independent and group research.

Report of the Court (Continued)

Upper Sixth Form House

To enrich the experience of senior pupils and provide an opportunity for greater independence as a preparation for university/college life, two existing houses will receive a £3m re-design and refurbishment to create a co-educational day and boarding house with large collaborative working areas and en-suite facilities in all bedrooms.

Gurdon's Lane

A £750k improvement of Gurdon's Lane, the main School entrance, to include a Porter's Lodge, wider vehicular access, improved pedestrian access and greener space.

Enhanced facilities at Barrow Hills

In addition, resurfacing of the tennis courts was completed in August 2021, together with improvements in other areas of the site. Improvements to the pre-prep and prep outdoor spaces will be undertaken in 2021/22.

2. Further development of the bursary programme

There will be a focus on extending the reach of the bursary programme and increasing the number of bursary supported pupils within Bridewell. The recruitment of a new Bursary and Charities Officer will support the enhancement of relationships with The City of London Corporation and partnerships with charities. Targeted partnerships with The City of London Corporation schools and charities will extend the reach of Bridewell bursaries to ensure that those pupils that will benefit from boarding or a King Edward's/Barrow Hills education are financially supported.

3. Extending the Bridewell reach

There will be continued cultivation of existing and new partnerships with City schools to ensure that children are given the opportunity to enjoy a Bridewell residential activity. The profile of the Bridewell mission will be raised through improved marketing and outreach work within the local community, the City and nationally.

Investment Performance

For the year to 31 July 2021 the achieved total return on the Endowed Fund was 20.94% (2020: (0.39%)).

This return met the long term aim of maintaining the real value of the Endowed Fund while increasing the amount of total return applied to fund bursaries.

Report of the Court (Continued)

Policies

Investment Policy

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

In seeking a balance between the interests of current and future beneficiaries the Governors consider, with their Investment Advisers, the appropriate balance between the proportion of the total return that should be applied as income and the proportion that should be retained and accumulated within the Endowed Fund. Governors are conscious that a relatively stable pattern of application is important in allowing the Schools to make sustainable bursary awards, so while the application has been approved each year, this has been determined within a policy set and reviewed every three years. The most recent review was conducted in 2019 and it was agreed that the application for 2019/20 would be 3.25% of the average value of the Endowed Fund over the twelve quarters to 31 December 2018, with the application for the subsequent two years being, subject to circumstances, based on the average value to 31 December 2019 and 2020. The income received by the School in cash from the Endowed Fund in 2020/21 was £15k higher than the figure calculated using this formula and it was decided that in the current exceptional, COVID-19 related circumstances the application to income for the year would be increased to the income actually received.

Reserves and Liquidity Policy

The Court's policy on Reserves is to maintain sufficient current assets and cash deposits in the General Fund to mitigate the risks to income from unforeseen sources: the provision of sufficient resources to carry out planned repairs and improvements; and to provide a contingency for unanticipated and uninsured estates expenditure. As at 31 July 2021 unrestricted reserves represented by net current assets and cash deposits amounted to £718k (2020: £2,365k). In addition a £10m borrowing facility has been secured from Barclays Bank Plc to provide funding to support the capital projects mentioned on pages 12 and 13. As at 31 July 2021 this facility was unutilised. The Governors consider that sufficient current assets and cash deposits are maintained or are available to Bridewell to mitigate the above mentioned risks and to ensure that the operations of the Schools may continue for at least twelve months.

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

Impact of COVID-19

Following the national lockdown due to the Coronavirus pandemic, the Schools discounted the Summer term fees to reflect the Spring term lack of boarding provision and the change to remote learning. The impact of the Summer term discount was a £650k reduction in income. To mitigate this loss, and to protect jobs at both schools, the Charity participated in the UK Government's Coronavirus Job Retention Scheme, receiving £140k of grant income. Other savings were made where possible, the most significant of which were in catering, amounting to circa. £150k. Whilst uncertain, the Charity does not believe that the impact of the COVID-19 virus will have a long-term material adverse effect on its financial condition or liquidity.

Report of the Court (Continued)

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

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

Structure & Governance

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

Report of the Court (Continued)

Organisational Management

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

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

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

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

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

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

Group Structure and Relationships

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

Report of the Court (Continued)

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

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

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

Recruitment and Training of Governors

The Nominations Committee recommends candidates for appointment to the Court. The City of London Corporation appoints up to 12 Governors, currently 5 Aldermen and 7 members of Common Council. Between 8 and 18 Co-Opted Governors are appointed by the Court. New Governors are introduced to the workings of the Charity by the Treasurer and the Clerk, and to the Schools through the Heads and Director of Finance & Operations. Governors are encouraged to attend relevant courses from BSA / AGBIS and other bodies.

Report of the Court (Continued)

The Court

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

* Resigned from the Finance & General Purposes sub-committee in June 2021

** Resigned from the Finance & General Purposes sub-committee in March 2021

Clerk: Mr D A Rogers FCCA

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

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

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

Director of Finance & Operations: Mr D A Rogers FCCA

Report of the Court (Continued)

Administration & Advisers

Principal Offices	Bridewell Royal Hospital King Edward's Witley Petworth Road Wormley Godalming Surrey GU8 5SG	Barrow Hills School Roke Lane Witley Godalming Surrey GU8 5NY
Auditor	Menzies LLP Centrum House 36 Station Road Egham Surrey TW20 9LF	
Solicitor	Moore Barlow LLP The Oriel Sydenham Road Guildford Surrey GU1 3SR	
Bankers	NatWest Group 62/63 Threadneedle Street London EC2R 8LA	Barclays Bank Plc 1 Churchill Place Canary Wharf London, E14 5HP
Investment Advisers	Schroder & Co Ltd 100 Wood Street London EC2V 7ER CCLA Investment Management Ltd Senator House 85 Queen Victoria Street London EC4V 4ET	Sanlam Private Wealth South Ltd Exchange Building St John's Street Chichester PO19 1UP
Insurance Broker	Marsh Brokers Ltd Capital House 1-5 Perrymount Road Haywards Heath West Sussex RH16 3SY	

Report of the Court (Continued)

Statement of the Court's Responsibilities

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the policies adopted are in accordance with SORP 2019 and with applicable accounting standards, subject to any material departures disclosed and explained in the financial statements, and
- Prepare the financial statements on the going concern basis unless it is inappropriate to assume that the Charity and the Group will continue with their operations in accordance with their objectives.

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

In so far as the Court is aware:

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

Approved by the Court on 24 November 2021
and signed on its behalf by:

J S Voisin

Mrs J S Voisin (Treasurer and Chair of Governors)

Independent Auditor's Report to the Members of the Court of Bridewell Royal Hospital For the Year Ended 31 July 2021

Opinion

We have audited the financial statements of Bridewell Royal Hospital (the 'Parent Charity') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheet, Consolidated Statement of Cash Flows and 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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

This has been done in order for the accounts to provide a true and fair view in accordance with the Generally Accepted Accounting Practice effective for reporting periods beginning on or after 1 January 2019.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 July 2021 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and in other respects the requirements of the Charities Act 2011.

Basis for opinion

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

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

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

Independent Auditor's Report to the Members of the Court of Bridewell Royal Hospital For the Year Ended 31 July 2021 (Continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Members of the Court 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 where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Court is inconsistent in any material respect with the financial statements; or
- sufficient and proper 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 the Members of the Court

As explained more fully in the Statement of the Court's responsibilities, the Members of the Court 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 controls as the Members of the Court determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Members of the Court are responsible for assessing the Group's and the parent Charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Members of the Court either intend to liquidate the Group or Parent Charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Independent Auditor's Report to the Members of the Court of Bridewell Royal Hospital For the Year Ended 31 July 2021 (Continued)

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- The Group and parent Charity is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including the Charities Act 2011, Safeguarding Vulnerable Groups Act 2006 and employment law. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Group and the parent Charity is complying with those legal and regulatory frameworks by making inquiries to management and those responsible for legal and compliance procedures. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Charity's financial statements to material misstatement, including how fraud might occur. We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas; posting of fraudulent journal entries, authorisation, processing, and payment of fraudulent expenses and timing of revenue recognition.

Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates; and identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>.

**Independent Auditor's Report to the Members of the Court of Bridewell Royal Hospital
For Year Ended 31 July 2021 (Continued)**

Use of our report

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

Menzies LLP

Menzies LLP

Chartered Accountants
Statutory Auditor
Centrum House
36 Station Road
Egham
Surrey
TW20 9LF

Date: 24th November 2021

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

Consolidated Statement of Financial Activities for the Year Ended 31 July 2021

	Notes	Unrestricted Funds £000s	Restricted Funds £000s	Endowed Funds £000s	2021 Total £000s	2020 Total £000s
Income and endowments from:						
Charitable activities						
School fees	1	10,526	-	-	10,526	10,496
Ancillary trading income		293	-	-	293	286
Other trading activities						
Non-ancillary trading income	2	161	-	-	161	284
Investments						
Investment income		76	62	515	653	750
Bank and other interest		35	-	-	35	37
Voluntary sources						
Government Grants and donations	3	143	151	701	995	411
Total incoming resources		11,234	213	1,216	12,663	12,264
Expenditure on:						
Raising funds						
Non-ancillary trading		4	-	-	4	85
Financing costs		21	-	-	21	28
Investment management		8	10	24	42	37
Fundraising & development		62	-	-	62	110
		95	10	24	129	260
Charitable activities						
Education and grant making		12,436	245	-	12,681	12,508
Total expenditure	4&5	12,531	255	24	12,810	12,768
Net (outgoing) / incoming funds from operations before transfers and investment returns						
		(1,297)	(42)	1,192	(147)	(504)
Gains/(losses) on investments		376	324	3,492	4,192	(802)
Transfers	12&14	491	-	(491)	-	-
Net (expenditure)/income		(430)	282	4,193	4,045	(1,306)
Fund balances brought forward		14,842	3,629	15,429	33,900	35,206
Fund balances carried forward		14,412	3,911	19,622	37,945	33,900

Consolidated and Charity Balance Sheet as at 31 July 2021

	Notes	Group		Charity	
		2021 £000s	2020 £000s	2021 £000s	2020 £000s
FIXED ASSETS					
Tangible assets	6	11,493	10,711	11,493	10,711
Investments	7	24,891	20,737	24,891	20,737
		36,384	31,448	36,384	31,448
CURRENT ASSETS					
Stock		76	67	76	67
Debtors	8	1,290	650	1,389	755
Cash and deposits		3,692	4,819	3,577	4,698
		5,058	5,536	5,042	5,520
CURRENT LIABILITIES					
Creditors payable within one year	9	(2,704)	(2,226)	(2,688)	(2,210)
NET CURRENT ASSETS		2,354	3,310	2,354	3,310
TOTAL ASSETS LESS CURRENT LIABILITIES		38,738	34,758	38,738	34,758
LONG-TERM LIABILITIES					
Creditors payable after one year	9	(793)	(858)	(793)	(858)
NET ASSETS	10	37,945	33,900	37,945	33,900
ENDOWED FUNDS	12	19,622	15,429	19,622	15,429
RESTRICTED FUNDS	13	3,911	3,629	3,911	3,629
UNRESTRICTED FUNDS	14	14,412	14,842	14,412	14,842
		37,945	33,900	37,945	33,900

These financial statements were approved by the Governing Body on 24 November 2021 and were signed on its behalf by:

Alderman Sir Peter Estlin

J S Voisin

Mr M J Chadwick

The notes on pages 33 to 43 form part of these financial statements.

Consolidated Cash Flow Statement

	Note	For the year ended 31 July 2021		For the year ended 31 July 2020	
		£000s	£000s	£000s	£000s
Cash Outflow from Operating Activities	<i>A</i>		(618)		(1,380)
Returns on Investments and Servicing of Finance					
Dividends and Bank Interest			688		787
Cash Inflow/(Outflow)			70		(593)
Capital Expenditure and Financial Investment					
Payments for Tangible Fixed Assets		(1,235)		(354)	
Withdrawals from/(Payments to) Investment Fund		38		(81)	
Cash Outflow			(1,197)		(435)
Decrease in Cash in Period			(1,127)		(1,028)
Net Funds as at 1 August 2020			4,819		5,847
Net Funds as at 31 July 2021	<i>B&C</i>		3,692		4,819

Notes to the Consolidated Cash Flow Statement

Note A	Reconciliation of Net Outgoing Resources to Operating Cash Flow	2021 £000s	2020 £000s
	Net Outgoing Resources	(147)	(504)
	Investment Income	(653)	(750)
	Bank and other Interest	(35)	(37)
	Depreciation	453	441
	(Increase)/Decrease in Stocks	(9)	9
	Increase in Debtors	(640)	(78)
	Increase/(Decrease) in Creditors	413	(461)
	Cash Outflow from Operating Activities	(618)	(1,380)

Note B	Analysis of Cash and Cash Equivalents	2021 £000s	2020 £000s
	Cash in Hand	3,692	4,819

Note C	Analysis of Changes in Net Debt	1 August 2020 £000s	Cash Flow £000s	31 July 2021 £000s
	Cash	4,819	(1,127)	3,692

Statement of Accounting Policies for the Year Ended 31 July 2021

Basis of preparation of the financial statements

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

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Charities SORP (FRS 102) 2019.

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

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

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

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

Fees and Similar Income

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

Bridewell Bursaries

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

Investment Income

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

Government Grant Income

Government grants are recognised in the Statement of Financial Activities over the periods in which the Charity recognises expenses for the related costs for which the grants are intended to compensate.

Statement of Accounting Policies for the year ended 31 July 2021

Going Concern

As reported in the Report of the Court on page 14, following the national lockdown due to the Coronavirus pandemic, the Schools discounted the Summer term fees to reflect the Spring term lack of boarding provision and the change to remote learning. The impact of the Summer term discount was a £650k reduction in income. To mitigate this loss, and to protect jobs at both Schools, the Charity participated in the UK Government's Coronavirus Job Retention Scheme, receiving £140k of grant income. Other savings were made where possible, the most significant of which were in catering, amounting to circa. £150k. Whilst uncertainty exists, the Court does not believe that the impact of the COVID-19 virus will have a long-term material adverse effect on its financial condition or liquidity. The Court has reviewed the level of funding available to the Charity together with the expected demand for school places and future cash flow projections. The Court expect that the Charity will have adequate resources to continue its activities for a period in excess of 12 months from the date these accounts were signed. The Court is not aware of any material uncertainties over the Charity's continuing viability.

Accounting Judgements and Key Sources of Estimation Uncertainty

The Members of the Court are required to make judgements, estimates and assumptions about the carrying value of assets and liabilities within the Group. These are based on historical experience and other factors that are deemed to be relevant. These estimates and assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised in the period in which the estimate is revised and if applicable in future periods. At 31 July 2021, the Court deemed that the main area of judgement for the Group concerns the depreciation and capitalisation policies adopted with regards to fixed assets, but do not deem that changes to these policies result in a material misstatement to the figures.

Resources Expended

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

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

Termination payments are accrued at the point that notice is given to the employee concerned.

Pension Schemes

King Edward's and Barrow Hills contribute to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Charity. In accordance with FRS 102 the scheme is accounted for as a defined contribution scheme. The Schools also contributed to individual personal pension schemes for non-teaching staff at varying rates. Contributions to schemes are charged as they become payable in accordance with the rules of the schemes.

Statement of Accounting Policies for the year ended 31 July 2021

Transfers of Funds

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

School Buildings and Equipment

Capitalisation

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

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

Depreciation

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

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

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

Investments

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

Total Return Accounting

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

The value of the 'Original Gift' was determined as £3,775,662 this being the value of the invested assets at 31 March 1979 plus the amount then outstanding under a Recoupment Order together with subsequent donations.

Cash

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

Statement of Accounting Policies for the year ended 31 July 2021

Stock

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

Taxation

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

Donations

Donations receivable are credited to the General Unrestricted Fund unless the donor directs otherwise.

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

Assets from other charities

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

Notes to the Accounts for the Year Ended 31 July 2021

1. Fees Receivable	2021 £000s	2020 £000s
Gross Fees	11,331	11,340
Awards, Discounts and Introduction Fees	(805)	(844)
	10,526	10,496

Means-tested Support:

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

	No. of Pupils	2021 £000s	No. of Pupils	2020 £000s
Endowed Funds		-		-
Restricted Funds		245		287
School Bursary Fund		-		-
		245		287
The City of London Corporation Bursaries		406		425
Charitable Organisations		464		418
Total	48	1,115	52	1,130

2. Non-ancillary trading income	2021 £000s	2020 £000s
Lettings	5	109
Staff accommodation	153	157
Other	3	18
	161	284

3. Government grants and donations	2021 £000s	2020 £000s
Unrestricted		
Government grant Income	140	264
Miscellaneous	3	18
	143	282
Restricted		
The Annual Giving Fund	64	52
The Bridewell Fellowship Fund	34	71
Old Witleians' Scholarship Fund	2	2
Miscellaneous	51	4
	151	129
Endowed		
Harry Hawkins Bequest	701	-
Total	995	411

Notes to the Accounts for the Year Ended 31 July 2021 (Continued)

Government Grant Income

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

	2021	2020
	£000s	£000s
4. Expenditure		
Auditor's Remuneration		
Audit	23	22
Other Services	21	15
Operating lease expenditure	57	57
Staff Emoluments		
Gross Emoluments	6,500	6,675
Benefits in Kind	32	32
Employer's National Insurance Contribution	626	657
Pension Costs		
- defined benefit scheme	835	815
- defined contribution schemes	137	138
Redundancy and termination payments	12	152
	8,142	8,469

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

	2021	2020
	No.	No.
£60,001 - £70,000	2	3
£70,001 - £80,000	3	3
£100,001 - £110,000	1	-
£120,001 - £130,000	1	2

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

	2021	2020
	£000s	£000s
Total	457	425

Notes to the Accounts for the Year Ended 31 July 2021 (Continued)

The average number of employees at King Edward's and Barrow Hills in the period was 249 (2020: 253) of which 81 (2020: 81) were full time equivalent teaching staff. Neither the Members of the Court nor persons connected with them received any remuneration or other benefits in the year (2020: nil), the aggregate amount of travel expenses claimed by Members of the Court was nil (2020: £40).

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of The Teachers' Pension Scheme

As a result of the latest scheme valuation employer contributions were increased in September 2019 from a rate of 16.4% to 23.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

The next valuation is expected to take effect in 2023.

A copy of the latest valuation report can be found at:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

Scheme Changes

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

Notes to the Accounts for the Year Ended 31 July 2021 (Continued)

Since then, claims have also been lodged against the main public service schemes including the TPS. The Department has conceded those in line with the rest of the Government. In July 2020 HM Treasury launched a 12-week public consultation which will provide evidence to support the delivery of an appropriate remedy for the affected schemes, including TPS. A remedy has been agreed for members of the TPS Scheme.

In December 2019, a further legal challenge was made against the TPS relating to an identified equalities issue whereby male survivors of opposite-sex marriages and civil partnerships are treated less favourably than survivors in same-sex marriages and civil partnerships. The Secretary of State for Education agreed not to defend the case. In June 2020, the Employment Tribunal recorded its findings in respect of the claimant. Department of Education is currently working to establish what changes are necessary to address this discrimination.

Any impact of these events will be taken into account when the next scheme valuation is implemented. This is scheduled to be implemented in April 2023, based on April 2020 data.

The charge to the Statement of Financial Activities for the year in respect of Teachers' Pension contributions was £835k (2020: £815k).

5. Analysis of Total Resources Expended

	Staff Costs £000s	Other £000s	Depreciation £000s	Total 2021 £000s	Total 2020 £000s
Expenditure on raising funds					
Fund Raising Costs	47	15	-	62	110
Other	-	67	-	67	150
	<u>47</u>	<u>82</u>	<u>-</u>	<u>129</u>	<u>260</u>
Teaching Costs	5,659	685	137	6,481	6,278
Welfare	342	121	-	463	465
Catering	-	1,097	6	1,103	917
School Administration	1,073	423	1	1,497	1,557
Premises	1,012	1,562	309	2,883	2,994
Governance Costs	9	-	-	9	10
Bursaries	-	245	-	245	287
	<u>8,095</u>	<u>4,133</u>	<u>453</u>	<u>12,681</u>	<u>12,508</u>
Total 2021	<u>8,142</u>	<u>4,215</u>	<u>453</u>	<u>12,810</u>	<u>12,768</u>
Total 2020	<u>8,469</u>	<u>3,858</u>	<u>441</u>	<u>12,768</u>	

Notes to the Accounts for the Year Ended 31 July 2021 (Continued)

6. Tangible Fixed Assets

Consolidated & Charity	Freehold Land & Buildings £000s	Items in the Course of Construction £000s	Equipment, Fittings & Motor Vehicles £000s	Total £000s
Cost				
1 August 2020	10,300	-	3,108	13,408
Additions	35	509	691	1,235
Disposals	-	-	(158)	(158)
31 July 2021	10,335	509	3,641	14,485
Depreciation				
1 August 2020	1,125	-	1,572	2,697
Charge for the Year	154	-	299	453
Disposals	-	-	(158)	(158)
31 July 2021	1,279	-	1,713	2,992
Net Book Values				
31 July 2021	9,056	509	1,928	11,493
31 July 2020	9,175	-	1,536	10,711

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

Notes to the Accounts for the Year Ended 31 July 2021 (Continued)

7. Investments

a) Consolidated and Charity	2021	2020
Investments	£000s	£000s
Balance with investment managers as at 1 August 2020	20,737	21,458
New money invested	-	81
Funds withdrawn	(38)	-
Gain/(Loss) on investments	4,192	(802)
Balance as at 31 July 2021	24,891	20,737

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

	2021	2020
Schroder Charity Multi Asset Fund	-	68.3%
CCLA COIF Charities Ethical Investment Fund	66.4%	-

Analysis of Investments	2021	2020
	£000s	£000s
Cash and cash equivalents	-	132
Listed Investments	24,891	20,605
Total	24,891	20,737

KES Enterprise Limited

KES Enterprise Limited is a Company limited by shares registered in England and Wales with Company number 05031707. The registered office of the company is the same as that of its parent included on page 19. Bridewell Royal Hospital owns 100% of the share capital of KES Enterprise Limited. The principal activity of KES Enterprise Limited is the provision of special educational needs and other services and facilities to the Schools and other educational bodies that occupy the School's premises on a temporary basis. It will pay to Bridewell Royal Hospital under the Gift Aid Scheme a sum of £1k in respect of the Year Ended 31 July 2021 (2020: £7k).

	2021	2020
	£000s	£000s
Income	72	149
Expenditure	(71)	(142)
Surplus	1	7
Net Assets	1	7

Notes to the Accounts for the Year Ended 31 July 2021 (Continued)

b) Total Return

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

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

	Original Gift £000s	Unapplied Total Return £000s	Total £000s
At 1 August 2020	3,839	11,653	15,492
Opening adjustment	(63)	(57)	(120)
Investment gains	-	3,482	3,482
Investment income	-	512	512
Investment manager's fee	-	(24)	(24)
Total Income	-	488	488
	3,776	15,566	19,342
Unapplied total return allocated to income in the year	-	(488)	(488)
Total Applied	-	(488)	(488)
At 31 July 2021	3,776	15,078	18,854

The opening adjustment relates to the merger with The Royal Asylum of St. Ann's Society.

8. Debtors

	Consolidated		Charity	
	2021 £000s	2020 £000s	2021 £000s	2020 £000s
Fees and Other Pupil Expenses	185	273	185	273
Provision for Doubtful Debts	(71)	(100)	(71)	(100)
	114	173	114	173
Accrued Legacy Donation	701	-	701	-
Accrued Interest and Dividends	164	186	164	186
Tax Recoverable	25	9	25	9
Prepayments and Accrued Income	274	271	274	271
Other Debtors	12	11	12	11
Amounts due from Subsidiary Undertaking	-	-	99	105
	1,290	650	1,389	755

Notes to the Accounts for the Year Ended 31 July 2021 (Continued)**9. Creditors**

	Consolidated		Charity	
	2021 £000s	2020 £000s	2021 £000s	2020 £000s
Fees Received in Advance	700	499	687	486
Taxation and Social Security Costs	157	154	157	154
Accruals	594	274	794	271
Other Creditors	1,253	1,299	1,050	1,299
	2,704	2,226	2,688	2,210

Creditors due after more than one year

	Consolidated		Charity	
	2021 £000s	2020 £000s	2021 £000s	2020 £000s
Final term deposits	793	858	793	858

10. Allocation of the Group Net Assets

	Fixed Assets £000s	Investments £000s	Net Current Assets £000s	Long Term Liabilities £000s	Total £000s
Endowed Funds	-	15,555	(126)	-	15,429
Restricted Funds	-	2,558	1,071	-	3,629
Unrestricted Funds	10,711	2,624	2,365	(858)	14,842
Total 2020	10,711	20,737	3,310	(858)	33,900
Endowed Funds	-	19,025	597	-	19,622
Restricted Funds	-	2,872	1,039	-	3,911
Unrestricted Funds	11,493	2,994	718	(793)	14,412
Total 2021	11,493	24,891	2,354	(793)	37,945

11. Operating Leases

	2021 £000s	2020 £000s
The total outstanding commitments in respect of operating lease rentals are:		
In respect of leases expiring:		
Within one year	51	52
Between two and five years	115	46
	166	98

Notes to the Accounts for the Year Ended 31 July 2021 (Continued)

12. Endowed Funds

Consolidated	1 August £000s	Total Incoming Resources £000s	Total Expenditure £000s	Transfers £000s	Investment (Losses)/ Gains £000s	31 July £000s
King Edward's Witley Fund	15,979	571	(23)	(548)	(607)	15,372
The Royal Asylum of St Ann's Society Fund	61	3	(1)	(2)	(4)	57
Funds for pupils' support 2020	16,040	574	(24)	(550)	(611)	15,429
King Edward's Witley Fund	15,372	512	(24)	(488)	3,482	18,854
The Royal Asylum of St Ann's Society Fund	57	704	(-)	(3)	10	768
Funds for pupils' support 2021	15,429	1,216	(24)	(491)	3,492	19,622

- The King Edward's Witley Fund is to be used to provide bursary support for pupils.
- The Royal Asylum of St Ann's Society Fund arises from the merger with the Charity and is to be used to provide bursary support for pupils. It includes a bequest from Harry Hawkins of £701k.
- £488k of the transfer reflects the amount of unapplied total return allocated to income in the year. £9k was spent on governance costs and £479k was spent on other operational costs, supporting the Schools during this challenging financial period.

13. Restricted Funds

Consolidated	1 August £000s	Total Incoming Resources £000s	Total Expenditure £000s	Investment (Losses)/ Gains £000s	31 July £000s
The Enabling Account	2,604	75	(63)	(86)	2,530
Bridewell Foundation Bursary Fund	717	123	(217)	-	623
Mrs Thomson Bursary Fund	236	-	-	-	236
The Royal Asylum of St Ann's Society Fund	130	6	(6)	(5)	125
Other	119	6	(10)	-	115
Funds for pupils' support 2020	3,806	210	(296)	(91)	3,629
The Enabling Account	2,530	58	(68)	303	2,823
Bridewell Foundation Bursary Fund	623	142	(175)	-	590
Mrs Thomson Bursary Fund	236	-	-	-	236
The Royal Asylum of St Ann's Society Fund	125	5	(6)	21	145
Other	115	8	(6)	-	117
Funds for pupils' support 2021	3,629	213	(255)	324	3,911

Notes to the Accounts for the Year Ended 31 July 2021 (Continued)

Of the £255k funds expended for pupil support, £245k related to bursaries.

- The Enabling Account arises from the merger with the King Edward's School Witley Education Trust and is to be used for bursary support for pupils with a boarding need together with funding their further education.
- The Bridewell Foundation Bursary Fund consists of the following:
 - The Bridewell Fellowship Fund which provides income from Fellows to provide bursaries.
 - The Bridewell Foundation Campaign which was set up to provide funding for pupils and other School related purposes.
 - The Annual Giving Fund which receives donations to provide funding for pupils and a specific annual purpose.
- The Royal Asylum of St Ann's Society Fund arises from the merger with the Charity and is to be used to provide bursary support for pupils.
- The Mrs Thomson Bursary Fund arises from a donation to provide support in line with the donor's wishes.
- Other includes the following:
 - The Old Witleians' Scholarship Fund was set up by the Old Witleians' Association for the provision of bursaries for pupils at King Edward's and has now been passed to the School to administer on behalf of the Association.
 - The Garfield Weston Foundation arises from a donation for the renovation of the Charter Hall.
 - The Chase-Haines Award Fund arises from a donation to provide resources for a prize to be awarded to a Sixth Form Foundation Bursary pupil who has gained a place at a Higher Education Institute to study a fashion and textile or related course.
 - The George Wood Fund arises from a donation to provide additional training opportunities for staff.

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

14. Unrestricted Funds

	1 August £000s	Total Incoming Resources £000s	Total Expenditure £000s	Transfers £000s	Investment (Losses)/ Gains £000s	31 July £000s
Consolidated						
School Bursary Fund	3,494	95	(5)	-	(100)	3,484
General Fund	11,866	11,121	(12,179)	550	-	11,358
Funds for pupils' support 2020	15,360	11,216	(12,184)	550	(100)	14,842
School Bursary Fund	3,484	76	(8)	-	376	3,928
General Fund	11,358	11,225	(12,590)	491	-	10,484
Funds for pupils' support 2021	14,842	11,301	(12,598)	491	376	14,412

Notes to the Accounts for the Year Ended 31 July 2021 (Continued)

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

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

£488k of the transfer reflects the amount of unapplied total return allocated to income in the year.

In accordance with the Reserves and Liquidity Policy set out in the Report of the Court on page 14, the General Fund represents fixed assets of £11,493k and net current liabilities of (£216k), less final term deposits due after more than one year of £793k.

16. Capital Commitments

As described in the Future Plans section of the Court Report on pages 12 and 13, Bridewell has embarked on an extensive strategic plan, with the first four projects costing circa. £7m. At the year-end enabling works were complete but contracts for the main works were not yet signed.

17. Post Balance Sheet Events

Since the year-end the first contract for the refurbishment of the Exhibition Hall has been signed. The contract has a value of £3m.

18. Related Party Transactions

During the year donations totalling £3,500 (2020: £3,500) were received from Governors.

During the year the wholly-owned trading subsidiary KES Enterprise Limited charged Bridewell Royal Hospital £71K (2020: £67K) in respect of special educational needs and other services and paid £1k in respect of Gift Aid donations (2020: £7k) to Bridewell Royal Hospital. At the year-end KES Enterprise Limited owed Bridewell Royal Hospital £99k (2020: £97k).