

Charity Registration No. 1126084

Company Registration No. 06689362 (England and Wales)

**THE EDWARD JAMES FOUNDATION LIMITED**  
**TRUSTEES' REPORT AND GROUP FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

# THE EDWARD JAMES FOUNDATION LIMITED

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# THE EDWARD JAMES FOUNDATION LIMITED

## TRUSTEES' REPORT

*FOR THE YEAR ENDED 30 SEPTEMBER 2015*

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### CHAIRMAN'S REPORT

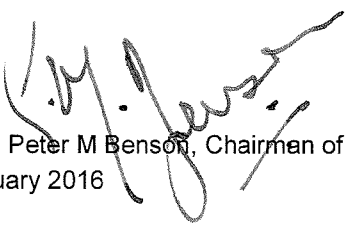
The last year was a challenging one for the Edward James Foundation with a new Chief Executive, Alex Barron, previously the Director of Finance and Enterprise, with over ten years' experience at West Dean taking up the role in July 2015.

Happily the change has provided new impetus in driving the Trustees' determination to ensure that financially material operating surpluses can be generated year upon year so as to cover the extraordinary costs with which the Edward James Foundation is currently burdened. Those burdens, borne of history, a continuing pension fund deficit, major repairs to West Dean House, and much needed improvements to our Estate properties will be with us for a number of years yet.

The Accounts demonstrate only too clearly that problem, in that whilst the operational surplus for the year grew, it was more than eliminated by this continuing level of extraordinary costs.

That said new and determined efforts to maximise income and resources, whilst containing costs, are achieving success and demonstrating that we can look to maintaining and enhancing our two key charitable objectives, the provision of highly subsidised education for both our short and long term students, and the proper maintenance of our great Estate, House and Gardens, with a degree of confidence perhaps not possible for us in recent years. There is yet much to do, but the path is being clearly set.

Our loyal and committed staff are playing their essential part in implementing those further changes that are a necessary part of the process. I and my colleague Trustees are more than grateful for that whole-hearted support.

  
The Hon Peter M Benson, Chairman of Trustees  
26 February 2016

# THE EDWARD JAMES FOUNDATION LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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The Directors of the Foundation are its Trustees for the purposes of charity law and throughout this report are collectively referred to as the Trustees.

The Trustees present their Annual Report and audited accounts for the year ended 30 September 2015 which have been prepared in accordance with the accounting policies set out in Note 1 to the accounts and comply with the Companies Act 2006 and the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005.

### 1 STRUCTURE, GOVERNANCE AND MANAGEMENT

#### GOVERNING DOCUMENT

The Edward James Foundation Limited (the Foundation) is a charitable company (the charitable company or charity) limited by guarantee and governed by its Memorandum and Articles of Association. The original charity (now numbered 1126084-1, formerly 306372) has been retained as a dormant charity.

#### GROUP STRUCTURE

The Foundation delivers education through West Dean College and, as a secondary activity, maintains and preserves the West Dean Estate. Within the Group, the Foundation is the parent company with the following wholly-owned subsidiaries:

- Karova Farms Limited - a trading company which managed the Foundation's in-hand farming activities until this operation ceased in September 2014. It is no longer appropriate to consider the company a going concern and the process of liquidating its assets is nearing completion with a view to the entity being wound-up;
- West Dean Limited – a trading company which manages the activities of the shop and the restaurant in West Dean Gardens, and the conference and event activities of West Dean College;
- Tragopan Corporation Limited – a Cayman Islands investment holding company one hundred percent of the equity in which was acquired by the Foundation in July 2013. The process of liquidating its assets is nearing completion with a view to the entity being wound-up.

#### ORGANISATIONAL STRUCTURE

The Trustees are responsible for policy matters and the overall direction of the charity and have absolute discretion in applying its funds in furtherance of the objects of the Foundation. None of the Trustees has any beneficial interest in the Foundation and each Trustee guarantees to contribute £10 in the event of a winding up.

The Board of Trustees meets five times a year. The Finance and Audit Committee meets at least three times a year prior to the main Board meetings to review budgets, investments, financial performance and controls, the financial implications of any special initiatives, and to finalise the audited accounts and annual report for approval by the Board of Trustees. Salaries for all staff are reviewed and agreed annually by the Remuneration Committee, based upon the recommendations of the Chief Executive. The Education Committee meets at least three times a year to review the range of subject areas, the range of qualifications and the quality of the teaching provision at West Dean College. The Collections Advisory Committee meets

# **THE EDWARD JAMES FOUNDATION LIMITED**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 30 SEPTEMBER 2015***

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as required to review the stewardship of the Foundation's archive and art collections. The Estate Committee meets at least twice a year to keep under strategic review the management of West Dean Estate. The Nominations Committee meets at least once a year to keep under review the size and composition of the Board.

The Chief Executive has responsibility for the day to day management of the Foundation.

### **RECRUITMENT, ELECTION AND TRAINING OF TRUSTEES**

The power of appointing successor or additional Trustees is vested in the Members of the company, who are also the Trustees, the initial selection being delegated to the Nominations Committee. The number of Trustees may not exceed twelve nor be less than three. Trustees serve for five-year terms before being considered for reappointment.

Trustees are selected on the basis of their specialist skills and knowledge of relevance to the Foundation's broad activities. New Trustees are briefed on their legal obligations under charity and company law, the content of the Memorandum and Articles of Association, the charity structure and decision making processes, recent activities and financial performance and plans. There is formal training for Trustees as required.

### **RISK MANAGEMENT**

The Trustees have assessed the major risks to which the Foundation is exposed and are satisfied that systems and procedures are in place to manage and to mitigate these.

Detailed consideration of risks is delegated to the Finance & Audit Committee, assisted by the Chief Executive and the Group Head of Finance, and is carried out at least three times a year. A formal review of the Foundation's risk management processes is undertaken on an annual basis by the Board.

The Trustees recognise that systems can provide only reasonable but not absolute assurance that major risks are being adequately managed.

### **AUDITORS**

A resolution to reappoint Jones Avens as auditors of The Edward James Foundation Limited Group was passed at the first Trustee meeting of 2015.

### **DISCLOSURE OF INFORMATION TO AUDITORS**

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

# THE EDWARD JAMES FOUNDATION LIMITED

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 30 SEPTEMBER 2015*

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### 2 BACKGROUND TO THE FOUNDATION

The Charity was founded in 1964 through the gift of Edward James. Ultimately, the gift comprised the 6,400 acre West Dean Estate including West Dean House (now housing West Dean College) together with its contents.

The key elements of the Foundation today are:

- West Dean College, an internationally-renowned centre for:
  - MFA and MA degrees and diploma programmes in visual arts, conservation studies and creative writing;
  - Short courses in arts and crafts;
  - Continuing Professional Development courses;
  - Conservation commissions for museums and private clients.
- West Dean House, a Grade 2\* listed mansion providing high-quality accommodation for students and guests, and facilities for conferences and events;
- The West Dean Tapestry Studio, one of the few tapestry studios in the world, undertaking public and private commissions;
- The West Dean Estate, with approximately 150 residential properties and 12 farms, 2,000 acres of woodland, 64 Listed Buildings, 11 Scheduled Ancient Monuments, 4 Sites of Special Scientific Interest (including one National Nature Reserve) and one of the country's first and largest biomass district heating schemes using Estate-grown fuelwood. The entire Estate falls within the South Downs National Park;
- The West Dean Gardens, Park and St Roche's Arboretum which are scheduled on the English Heritage Register of Parks and Gardens at Grade 2\*. All are open to the public for the majority of the year. The landscape features a parkland walk, an arboretum with views over the surrounding South Downs, a walled kitchen garden and restored Victorian glasshouses.

# THE EDWARD JAMES FOUNDATION LIMITED

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 3 REFERENCE AND ADMINISTRATIVE INFORMATION

#### CHARITY NAME AND NUMBER

The Edward James Foundation Limited:  
Registered Charity Number 1126084, Company Number 6689362

#### REGISTERED OFFICE

Estate Office, West Dean, Chichester, West Sussex, PO18 0QZ

#### TRUSTEES

The following Trustees served during the period under report:

The Hon Peter Benson LVO MA FCA <sup>1 4 5</sup>	(Chairman)
Nigel Davis MA (Oxon) <sup>1 2</sup>	(Retired 17 April 2015)
Lady Caroline Egremont <sup>2 4</sup>	
Caroline Griffith <sup>2 6</sup>	
Professor Nigel Llewellyn PhD FSA <sup>2 3 6</sup>	
The Viscount Mersey MA (Oxon)	(Retired 17 April 2015)
Professor Paul O'Prey <sup>3</sup>	(Appointed 25 June 2015)
Francis Plowden FCA <sup>1 2 3 4 5</sup>	(Appointed 16 December 2014)
David Seddon <sup>1 4 5 6</sup>	

<sup>1</sup> Member of Finance and Audit Committee

<sup>2</sup> Member of Collections Advisory Committee

<sup>3</sup> Member of Education Committee

<sup>4</sup> Member of Estate Committee

<sup>5</sup> Member of Remuneration Committee

<sup>6</sup> Member of Nominations Committee

#### CHIEF OFFICER

Alexander Barron ACA	(Appointed 11 July 2015)
Peter Pearce BSc FRICS	(Retired 11 July 2015)

#### PROFESSIONAL ADVISERS

##### LEGAL

Stone King LLP  
13 Queen Square  
Bath  
Somerset BA1 2HJ

Blake Laphorn  
Harbour Court

# THE EDWARD JAMES FOUNDATION LIMITED

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 30 SEPTEMBER 2015*

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	Compass Road North Harbour Portsmouth Hampshire PO6 2ST
<b>BANKERS</b>	National Westminster Bank plc 5 East Street Chichester West Sussex PO19 1HH
<b>AUDITORS</b>	Jones Avens Limited 4 Dukes Court Bognor Road Chichester West Sussex PO19 8FX
<b>INSURERS</b>	NFU Mutual 1 North Pallant Chichester West Sussex PO19 1TJ
<b>INVESTMENT MANAGERS/ADVISERS</b>	CCLA Investment Management Ltd COIF Charity Funds 80 Cheapside London EC2V 6DZ  M&G Securities Limited Charities Investment Managers Laurence Pountney Hill London EC4R 0HH  Mayfair Capital Investment Management Ltd 2 Cavendish Square London W1G 0PU  Newton Investment Management 160 Queen Victoria Street London EC4V 4LA  Mr Roger Morris Independent Investment Adviser
<b>ESTATE MANAGERS</b>	Savills Exchange House Petworth West Sussex GU28 0BF



# THE EDWARD JAMES FOUNDATION LIMITED

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 30 SEPTEMBER 2015*

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### PENSIONS ADMINISTRATORS

JLT Employee Benefits  
The St Botolph Building  
138 Houndsditch  
London EC3A 7AW

Scottish Widows plc  
15 Dalkeith Road  
Edinburgh  
EH16 5BU

National Employment Savings Trust Corporation ('NEST')  
Riverside House  
Southwark Bridge Road  
London SE1 9HA

## 4 STRATEGIC REVIEW

### SUMMARY OF THE FOUNDATION'S OBJECTIVES

The Memorandum of Association states that the income and property of the Foundation are to be used to advance such charitable educational purposes as the Trustees shall from time to time determine. This is realised through the activities of West Dean College. The College exists to be an international centre of excellence for teaching the practice of conservation and creative making. This is achieved using all the resources of the Foundation, including the House, Gardens and Estate. Scholarship funding is ring-fenced and awarded to a number of students.

The specialist disciplines embrace the visual and applied arts, conservation studies, music, writing and gardening. In addition, the College promotes and supports training and education at West Dean by others. It presents concerts and lectures which are open to the public and operates the only remaining tapestry studio in England.

The primary charitable objective is to deliver education. The secondary objective is the preservation of The West Dean Estate.

### SUMMARY OF THE MAIN ACHIEVEMENTS DURING THE YEAR

During the year 2014/15 financial year the Foundation:

- made significant progress to improve its underlying operating result (before one-off costs);
- achieved validation by the University of Sussex of two new programmes of study for 2015/16 entry: Historic Craft Practices and Creative Writing;
- achieved an increase in MA and Diploma student numbers and implemented marketing plans which have resulted in a further increase to record numbers in 2015/16;
- completely redeveloped its website;
- completed the last of a series of tapestries for Stirling Castle, a long-term commission for Historic Scotland;

# THE EDWARD JAMES FOUNDATION LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

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- finalised plans for the renewal and extension of the biomass heating system serving West Dean College and other properties, fuelled by woodchip from West Dean Estate;
- transferred the management of its Final Salary Pension Scheme from The Pensions Trust to Jardine Lloyd Thompson (JLT) and commenced working on a more proactive strategy to permanently meet the liabilities of the Scheme;
- sold a vacant farmhouse in order to provide funding to improve a number of tenanted properties across West Dean Estate;
- celebrated the 20<sup>th</sup> anniversary of West Dean Gardens' Chilli Fiesta with a record 25,000 visitors.

Educational activities during the year included:

	2014/15	2013/14
Number of MA and diploma students	64 FTE	58 FTE
Educational subsidies	£2,240,079	£2,175,842
Scholarships, bursaries and internships awarded	£374,824	£392,066
Number of short course students	5,514	5,662
Number of short course tutors	286	310
Days of Continuing Professional Development delivered	952	606

#### GRANT-MAKING AND DIPLOMA PROGRAMMES

The value of the scholarships and internships awarded to students by the Foundation in the year amounted to £148,917 (£160,757 in 2013/14). Awards totalling a further £225,907 (£231,309 in 2013/14) were made from the West Dean Scholarship Fund, a fund administered by the Foundation using donations from third parties which have been either restricted by the donor or designated by the Foundation's Trustees.

#### ROLE OF VOLUNTEERS

The Foundation is supported by approximately 100 volunteers who assist in the Gardens and the House, and with the Diploma programmes, the Marketing department, the Fundraising department and Exhibitions.

#### PUBLIC BENEFIT

In setting their objectives and planning their activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

In addition to the general subsidies which are applied to all the charity's educational activities, the College awards a number of scholarships and bursaries to enable students who might otherwise be unable to do so to study at West Dean College. Students are considered equally on merit, potential and financial need.

West Dean College shares resources with a number of local, national and international networks of organisations and individuals engaged in conservation and the arts.

# THE EDWARD JAMES FOUNDATION LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

### FINANCIAL REVIEW

#### Operating results for the year

The results for the year are summarised below:

	Income £'000	Expenditure £'000	2015 Net £'000	2014 Net £'000
Financial investments	1,261	25	1,236	1,235
Trading (including profit on disposal of assets)	2,073	1,792	281	717
West Dean Estate	1,950	1,192	758	108
Fundraising	242	93	149	150
Governance	0	68	(68)	(121)
<b>Net operating income before unbudgeted one-off costs</b>	<b>5,526</b>	<b>3,170</b>	<b>2,356</b>	<b>2,089</b>
Boiler impairment	0	261	(261)	0
Staff restructuring costs	0	186	(186)	0
Write-downs of stock and WIP	0	134	(134)	0
Other consultancy costs	0	30	(30)	0
<b>Net operating income available for education</b>	<b>5,526</b>	<b>3,781</b>	<b>1,745</b>	<b>2,089</b>
Net operating cost of education	3,884	6,124	(2,240)	(2,176)
<b>Total operating deficit</b>	<b>9,410</b>	<b>9,905</b>	<b>(495)</b>	<b>(87)</b>
Investment gains			8,634	1,822
Actuarial gains/(losses)			(458)	(376)
<b>Net incoming resources</b>			<b>7,681</b>	<b>1,359</b>
Fund balances at 1 October 2014			63,757	62,398
<b>Fund balances at 30 September 2015</b>			<b>71,438</b>	<b>63,757</b>

As shown above, the Group recorded an increased total operating deficit of £495k as against that of £87k in the previous year. This headline figure masks an underlying operating surplus of £116k on day to day activities, before allowing for the one-off unbudgeted costs. The Trustees are intent upon ensuring growing operational surpluses in future years so as to cover the exceptional expenditure required to deal with closed pension schemes and property maintenance, at present a major financial burden for the Foundation.

# THE EDWARD JAMES FOUNDATION LIMITED

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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### **Simplifying the group structure**

Following the acquisition, for no consideration, of 100% of the equity of Tragopan Corporation Limited in 2012/13, it is anticipated that the process of liquidating or transferring its assets to the Foundation will conclude in 2015/16 with a view to the entity being wound up.

Following the cessation of in-hand farming in September 2014, significant progress has been made with the task of liquidating or transferring to the Foundation the assets of Karova Farms Limited. It is anticipated that this process will conclude in 2015/16 with a view to the entity being wound up.

From 2016/17, it is anticipated that the Group will comprise the Foundation and one trading subsidiary, West Dean Limited. The principal activities of West Dean Limited are the operation of the shop and restaurant located in West Dean Gardens, and the conference and event activities of West Dean College.

### **Investment gains**

The investment gains during the year of £8,633,916 (2013/14 - £1,822,582) represent:

- An increase of £7,717,122 (2013/14 – increase of £1,866,456) in the valuation of the Group's investment assets. This increase was led by a rise of £7,923,423 in the value of West Dean Estate investment property, as reduced by a fall of £206,301 in respect of financial investments. The increase in value of Estate investment property reflects the improved future net income from farm rents following the cessation of in-hand farming. Whilst the income yield of investment assets is the Group's primary focus on an annual basis, it remains policy that the real capital value of assets be preserved over the long-term;
- A gain of £916,794 (2013/14 – loss of £43,874) was realised on the disposal of investment assets during the year. This comprised a gain of £906,019 on disposal of a vacant farmhouse on West Dean Estate and a gain of £10,775 on disposal of financial investments.

### **Actuarial gains**

The deficit for accounting purposes on The Edward James Foundation Final Salary Pension Scheme increased by £57,000 during the year from £2,437,000 to £2,494,000 (2013/14 – increase of £45,000). This deficit is calculated on a different basis to the triennial actuarial valuation, but it nevertheless continues to highlight a significant funding shortfall. The Scheme has been closed to future accruals since July 2011, so eliminating the risk of further deficits arising in respect of future employee service. A deficit repayment plan is in place and repayments are scheduled to continue until December 2025. Management of the Scheme was moved from The Pensions Trust to Jardine Lloyd Thompson in 2014/15; now this transfer is complete, a more proactive exit strategy will be developed.

### **Funding and reserves**

The Foundation holds a wide range of investments which generate income to subsidise its educational activities. The primary sources of income are quoted investments, investment property, the opening of its gardens to the public and the operation of conference and bed and breakfast facilities. This income ensures that the fees charged for education provided by West Dean College can be maintained at significantly lower than cost.

# THE EDWARD JAMES FOUNDATION LIMITED

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

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The general unrestricted funds held by the Foundation represent its available reserves. At present, these funds alone are insufficient to meet planned charitable expenditure, but the intention remains to ensure growing operational surpluses in future years.

#### **Investment policies**

Under the Memorandum and Articles of Association, the charity has the power to invest in any way that the Trustees see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects of the Foundation and in a manner that is legally charitable.

The Finance and Audit Committee monitors performance and reports to the Board on a regular basis. Members of the Finance and Audit Committee have background experience and knowledge of finance and investment markets and property. An independent investment adviser assists the Trustees.

#### **The Foundation's plans for 2015/16**

The main objectives for the coming year include to:

- Continue to improve the Foundation's long-term operating results;
- Draft a 10-year strategic plan for the Foundation targeting the long-term financial and academic sustainability of its charitable activities;
- Continue with plans to raise the Foundation's profile, improve its communications and marketing, increase student numbers, and strengthen its online presence;
- Develop costed plans to undertake and fund the major roof repairs required to West Dean House;
- Reduce the size of the Foundation's art collection to that required to support the core charitable objectives;
- Continue to work with Savills (formerly Smiths Gore) to improve West Dean Estate's properties and their financial contribution;
- Renew and extend the wood-fuelled biomass district heating system.

#### **RISKS AND UNCERTAINTIES**

The Foundation's exposure to potential risk was reduced by the successful letting to tenants under Farm Business Tenancies taking effect in October 2014 of the land and buildings previously directly farmed in hand through Karova Farms Ltd.

The Foundation continues to be exposed to financial risks associated with its Final Salary Pension Scheme. In 2011, the Scheme was closed to further accrual, so eliminating the risk of further deficits arising in respect of future employee service, but the liabilities in respect of past service have yet to be fully secured and therefore fluctuate with movements in markets and actuarial assumptions. During 2014/15, the Foundation transferred the administration of the Scheme to Jardine Lloyd Thompson (JLT) and commenced working on a more proactive exit strategy.

**THE EDWARD JAMES FOUNDATION LIMITED**

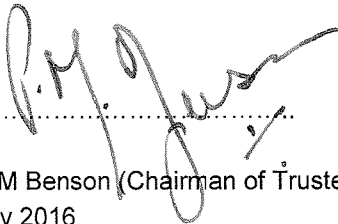
**TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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\* \* \* \*

I declare that the Trustees have approved the report above and have authorised me to sign it on their behalf.



A handwritten signature in black ink, appearing to read 'P. M. Benson', is written over a horizontal dotted line.

Hon Peter M Benson (Chairman of Trustees)  
26 February 2016

# THE EDWARD JAMES FOUNDATION LIMITED

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The Trustees, who are also the Directors of The Edward James Foundation Limited for the purpose of company law, are responsible for preparing the Trustees' Report and the accounts in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Foundation and of the incoming resources and application of resources, including its income and expenditure, for that year.

In preparing these accounts, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Foundation 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 Foundation and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the Foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

# THE EDWARD JAMES FOUNDATION LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF THE EDWARD JAMES FOUNDATION LIMITED

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We have audited the financial statements of The Edward James Foundation Limited for the year ended 30 September 2015 set out on pages 16 to 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of Trustees and auditors**

As explained more fully in the statement of Trustees' responsibilities, the Trustees, who are also the directors of The Edward James Foundation Limited for the purposes of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed auditors under the Companies Act 2006 and section 144 of the Charities Act 2011 and report to you in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the accounts**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on accounts**

In our opinion the financial statements:

- give a true and fair view of the state of the group and parent charitable company's affairs as at 30 September 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and Charities Act 2011.



# THE EDWARD JAMES FOUNDATION LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF THE EDWARD JAMES FOUNDATION LIMITED

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#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Annual Report for the financial year for which the accounts are prepared is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 and the Charities Act 2011 requires us to report to you if, in our opinion:

- the parent charitable company has not kept adequate accounting records, or that returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Neville Lacey BSc FCA (Senior Statutory Auditor)**  
for and on behalf of Jones Avens Limited

#### **Chartered Accountants**

#### **Statutory Auditor**

Piper House 4 Dukes Court  
Bognor Road Chichester  
West Sussex PO19 8FX

Dated: 8 March 2016

# THE EDWARD JAMES FOUNDATION LIMITED

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<b><u>Incoming resources from generated funds</u></b>					
Voluntary income	2	43,276	198,377	241,653	208,982
Activities for generating funds	3	2,072,716	-	2,072,716	2,938,775
Investment income	4	3,154,420	57,609	3,212,029	2,486,470
		<u>5,270,412</u>	<u>255,986</u>	<u>5,526,398</u>	<u>5,634,227</u>
Incoming resources from charitable activities	5	3,881,223	2,784	3,884,007	3,635,211
Profit on disposal of assets	6	-	-	-	147,630
		<u>3,881,223</u>	<u>2,784</u>	<u>3,884,007</u>	<u>3,635,211</u>
<b>Total incoming resources</b>		<b>9,151,635</b>	<b>258,770</b>	<b>9,410,405</b>	<b>9,417,068</b>
<b><u>Resources expended</u></b>					
<b>Costs of generating funds</b>					
West Dean Estate		1,265,111	-	1,265,111	1,129,168
Trading costs	3	1,802,162	-	1,802,162	2,371,012
Investment management and fundraising costs		120,092	-	120,092	72,569
		<u>3,187,365</u>	<u>-</u>	<u>3,187,365</u>	<u>3,572,749</u>
<b>Charitable activities</b>					
Continuing education courses		3,126,825	17,582	3,144,407	2,817,163
Diploma programmes		2,995,014	122,786	3,117,800	2,609,693
Tapestry Studio		104,672	-	104,672	173,588
Training conferences and courses		283,519	-	283,519	210,609
		<u>6,510,030</u>	<u>140,368</u>	<u>6,650,398</u>	<u>5,811,053</u>
<b>Total charitable expenditure</b>		<b>6,510,030</b>	<b>140,368</b>	<b>6,650,398</b>	<b>5,811,053</b>
Governance costs		67,904	-	67,904	120,573
		<u>67,904</u>	<u>-</u>	<u>67,904</u>	<u>120,573</u>
<b>Total resources expended</b>	7	<b>9,765,299</b>	<b>140,368</b>	<b>9,905,667</b>	<b>9,504,375</b>
<b>Net (outgoing)/incoming resources before transfers</b>		<b>(613,664)</b>	<b>118,402</b>	<b>(495,262)</b>	<b>(87,307)</b>
Gross transfers between funds		38,682	(38,682)	-	-
		<u>38,682</u>	<u>(38,682)</u>	<u>-</u>	<u>-</u>
<b>Net (outgoing)/incoming resources</b>		<b>(574,982)</b>	<b>79,720</b>	<b>(495,262)</b>	<b>(87,307)</b>
<b>Other recognised gains and losses</b>					
Gains on investment assets	14	8,644,728	(10,812)	8,633,916	1,822,582
Actuarial loss on defined benefit pension scheme	21	(458,000)	-	(458,000)	(376,000)
		<u>8,186,728</u>	<u>(10,812)</u>	<u>8,175,916</u>	<u>1,446,582</u>
<b>Net movement in funds</b>		<b>7,611,746</b>	<b>68,908</b>	<b>7,680,654</b>	<b>1,359,275</b>
Fund balances at 1 October 2014		62,438,902	1,318,440	63,757,342	62,398,067
		<u>62,438,902</u>	<u>1,318,440</u>	<u>63,757,342</u>	<u>62,398,067</u>
<b>Fund balances at 30 September 2015</b>		<b>70,050,648</b>	<b>1,387,348</b>	<b>71,437,996</b>	<b>63,757,342</b>
		<u><u>70,050,648</u></u>	<u><u>1,387,348</u></u>	<u><u>71,437,996</u></u>	<u><u>63,757,342</u></u>

All incoming resources and resources expended derive from continuing activities.

# THE EDWARD JAMES FOUNDATION LIMITED

## CHARITY STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 30 SEPTEMBER 2015

	Notes	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<b><u>Incoming resources from generated funds</u></b>					
Voluntary income	2	43,276	198,377	241,653	2,693,665
Activities for generating funds	3	385,924	-	385,924	340,688
Investment income	4	3,460,382	57,609	3,517,991	3,506,460
		<u>3,889,582</u>	<u>255,986</u>	<u>4,145,568</u>	6,540,813
Incoming resources from charitable activities	5	3,881,223	2,784	3,884,007	3,635,211
<b>Total incoming resources</b>		<u>7,770,805</u>	<u>258,770</u>	<u>8,029,575</u>	10,176,024
<b><u>Resources expended</u></b>					
<b>Costs of generating funds</b>					
West Dean Estate		1,265,111	-	1,265,111	1,129,168
Trading costs	3	419,513	-	419,513	442,765
Investment management and fundraising costs		110,711	-	110,711	62,544
		<u>1,795,335</u>	<u>-</u>	<u>1,795,335</u>	1,634,477
<b>Charitable activities</b>					
Continuing education courses		3,126,825	17,582	3,144,407	2,817,163
Diploma programmes		2,995,014	122,786	3,117,800	2,609,693
Tapestry Studio		104,672	-	104,672	173,588
Training conferences and courses		283,519	-	283,519	210,609
<b>Total charitable expenditure</b>		<u>6,510,030</u>	<u>140,368</u>	<u>6,650,398</u>	5,811,053
Governance costs		60,661	-	60,661	105,248
<b>Total resources expended</b>	7	<u>8,366,026</u>	<u>140,368</u>	<u>8,506,394</u>	7,550,778
<b>Net (outgoing)/incoming resources before transfers</b>		<u>(595,221)</u>	<u>118,402</u>	<u>(476,819)</u>	2,625,246
Gross transfers between funds		38,682	(38,682)	-	-
<b>Net (outgoing)/incoming resources</b>		<u>(556,539)</u>	<u>79,720</u>	<u>(476,819)</u>	2,625,246
<b>Other recognised gains and losses</b>					
Gains/(losses) on investment assets	14	8,620,150	(10,812)	8,609,338	(1,031,982)
Actuarial loss on defined benefit pension scheme	21	(458,000)	-	(458,000)	(376,000)
<b>Net movement in funds</b>		<u>7,605,611</u>	<u>68,908</u>	<u>7,674,519</u>	1,217,264
Fund balances at 1 October 2014		<u>62,468,019</u>	<u>1,318,440</u>	<u>63,786,459</u>	62,569,195
<b>Fund balances at 30 September 2015</b>		<u>70,073,630</u>	<u>1,387,348</u>	<u>71,460,978</u>	63,786,459

All incoming resources and resources expended derive from continuing activities.

# THE EDWARD JAMES FOUNDATION LIMITED

## SUMMARY INCOME AND EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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	<b>Group 2015 £</b>	2014 £	<b>Charity 2015 £</b>	2014 £
Gross income	<b>9,410,405</b>	9,417,068	<b>8,029,575</b>	10,176,024
Gain/(loss) on disposal of investment assets	<b>916,794</b>	(43,874)	<b>916,794</b>	(29,217)
Provision for loss in value of investments below cost	<b>1,158,936</b>	243,500	<b>1,134,358</b>	(2,625,721)
Total income	<b>11,486,135</b>	9,616,694	<b>10,080,727</b>	7,521,086
Total expenditure from income funds	<b>9,905,667</b>	9,504,375	<b>8,506,394</b>	7,550,778
<b>Net income for the year</b>	<b>1,580,468</b>	112,319	<b>1,574,333</b>	(29,692)

The summary income and expenditure account is derived from the statement of financial activities on page 16 which, together with the notes on pages 21 to 45, provides full information on the movements during the year on all funds of the charity.

All incoming resources and resources expended derive from continuing activities.

## STATEMENTS OF RECOGNISED GAINS AND LOSSES

<b>Net income for the year</b>	<b>1,580,468</b>	112,319	<b>1,574,333</b>	(29,692)
Unrealised gains on investment assets	<b>6,558,186</b>	1,622,956	<b>6,558,186</b>	1,622,956
Actuarial loss on defined benefit pension schemes	<b>(458,000)</b>	(376,000)	<b>(458,000)</b>	(376,000)
	<b>7,680,654</b>	1,359,275	<b>7,674,519</b>	1,217,264

# THE EDWARD JAMES FOUNDATION LIMITED

## BALANCE SHEETS

AS AT 30 SEPTEMBER 2015

	Notes	Group 2015 £	2014 £	Charity 2015 £	2014 £
<b>Fixed assets</b>					
Intangible assets	15	6,000	8,000	6,000	8,000
Tangible assets	16	24,570,764	24,696,638	17,181,308	17,301,914
Investments	17	48,169,121	40,509,034	55,835,120	48,199,611
		<u>72,745,885</u>	<u>65,213,672</u>	<u>73,022,428</u>	<u>65,509,525</u>
<b>Current assets</b>					
Stocks		280,517	761,462	218,284	345,100
Debtors	18	1,452,510	1,772,833	1,548,273	1,952,363
Cash at bank and in hand		2,476,679	1,289,620	2,132,575	928,679
		<u>4,209,706</u>	<u>3,823,915</u>	<u>3,899,132</u>	<u>3,226,142</u>
<b>Creditors: amounts falling due within one year</b>	19	<u>(3,023,595)</u>	<u>(2,843,245)</u>	<u>(2,966,582)</u>	<u>(2,512,208)</u>
<b>Net current assets</b>		<u>1,186,111</u>	<u>980,670</u>	<u>932,550</u>	<u>713,934</u>
<b>Total assets less current liabilities</b>		<u>73,931,996</u>	<u>66,194,342</u>	<u>73,954,978</u>	<u>66,223,459</u>
<b>Defined benefit pension liability</b>	21	<u>(2,494,000)</u>	<u>(2,437,000)</u>	<u>(2,494,000)</u>	<u>(2,437,000)</u>
<b>Net assets</b>		<u>71,437,996</u>	<u>63,757,342</u>	<u>71,460,978</u>	<u>63,786,459</u>
<b>Income funds</b>					
Restricted funds	23	1,387,348	1,318,440	1,387,348	1,318,440
<i>(including revaluation reserve of £226,745 (2014: £238,208))</i>					
Unrestricted funds:					
Designated funds	24	71,931,332	63,309,432	71,931,332	63,309,432
<i>(including revaluation reserve of £13,389,463 (2014: £6,895,178))</i>					
Other charitable funds					
Unrestricted income funds		613,316	1,566,470	636,298	1,595,587
Pension reserve	21	(2,494,000)	(2,437,000)	(2,494,000)	(2,437,000)
		<u>71,437,996</u>	<u>63,757,342</u>	<u>71,460,978</u>	<u>63,786,459</u>

The accounts were approved by the Board and authorised for issue on 26 February 2016

The Hon Peter Benson LVO MA FCA  
Company Registration No. 06689362

Chairman

# THE EDWARD JAMES FOUNDATION LIMITED

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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	Notes	2015 £	2014 £
<b>Net cash inflow from operating activities</b>	<b>26</b>	<b>545,611</b>	178,522
<b>Capital expenditure and financial investment</b>			
Payments to acquire tangible fixed assets	(332,790)	(158,587)	
Payments to acquire investments	(288,190)	(1,589,835)	
Receipts from sales of tangible fixed assets	1,646	495,434	
Receipts from sales of investments	1,262,019	3,277,120	
<b>Net cash inflow from capital expenditure and financial investment</b>		<b>642,685</b>	2,024,132
<b>Net cash inflow before financing</b>		<b>1,188,296</b>	2,202,654
<b>Financing</b>			
Repayment of long term bank loan	-	(1,517,393)	
Capital element of hire purchase and finance lease rentals	(1,237)	(113,590)	
<b>Net cash outflow from financing</b>		<b>(1,237)</b>	(1,630,983)
<b>Increase in cash</b>	<b>27</b>	<b>1,187,059</b>	571,671

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# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS

**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

The financial statements have been prepared in order to present the results of the charitable company and the consolidated results of the charitable company and its wholly owned subsidiaries.

Information presented in the notes to the accounts relates to the consolidated position. Any adjustments required to present the charity position are shown in italics.

The financial statements are drawn up on the historical cost accounting basis modified to include the revaluation of certain fixed assets.

The accounts have been prepared in accordance with applicable accounting standards, the Statement of Recommended Practice, "Accounting and Reporting by Charities", issued in March 2005 and the Companies Act 2006.

#### **1.2 Incoming resources**

Legacies are accounted for when it becomes reasonably certain that the legacy will be received and the value of the incoming resources can be measured with sufficient reliability.

Donations are recognised when received. Those for the general purposes of the charity are included as unrestricted funds. Those for activities restricted by the wishes of the donor are taken to "restricted funds" these wishes being legally binding.

Grants are recognised in Incoming Resources when both entitlement and ability to meet any conditions imposed by the funder are demonstrable. Grants which provide scholarship and bursary funding for students are recognised in "Incoming Resources from Charitable Activities" and are treated as restricted funds. Grants which provide core funding are recognised in "Voluntary Income" and normally represent unrestricted funds.

Fees receivable and income for goods and services and use of premises are accounted for in the period in which provided. Fees receivable include bursaries granted by the charity from its unrestricted funds as well as contributions received from restricted funds for scholarships, bursaries and other grants.

#### **1.3 Resources expended**

Resources expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. These estimates are based on staff time, floor area, student and delegate activity levels and equipment utilisation. The irrecoverable element of VAT is included within the area of expense to which it relates.

The Cost of Generating Funds represents the costs associated with generating incoming resources other than from undertaking charitable activities, and includes costs relating to: the letting of land and buildings on West Dean Estate, in-hand forestry, in-hand farming, the management of quoted investments, West Dean Gardens, conference and event activities and fundraising.

Charitable activities represent the costs applied by the charitable company in undertaking its work to meet its charitable objectives. They include all direct costs of West Dean College's educational provision, all bursaries and scholarships payable to students and those support costs incurred that enable the educational activity to be undertaken.

All grants, bursaries and allowances towards fees are included as expenditure in the period for which the award is given.

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

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#### 1 Accounting Policies

(continued)

Governance costs are those associated with constitutional and statutory requirements. They include both direct costs and a share of indirect staff costs.

Support costs represent the costs incurred by the charitable company which, while not directly related to the charitable educational provision of West Dean College, are necessary to facilitate their provision. These costs include marketing, finance, human resources and IT.

#### 1.4 Intangible assets - design rights

Intangible assets represent design rights with a cost of £10,000. These are being amortised on a straight line basis over 5 years.

#### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings

Straight line over 50 years \*

Leasehold property

Straight line over 25 years

Plant and machinery

straight line over 4 to 20 years

Fixtures, fittings & equipment

straight line over 10 years

Motor vehicles

straight line over 5 years

\* No depreciation is provided on those freehold buildings and chattels whose useful economic life exceeds 120 years as the accumulated charge is considered to be immaterial.

Capitalisation and replacement

Building improvements costing more than £2,500 together with furniture and equipment costing more than £500 per item are capitalised and carried in the balance sheet at historical cost less depreciation.

#### 1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.



# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

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#### 1 Accounting Policies

(continued)

##### 1.7 Investments

All quoted investments are stated at mid-market value and the movement shown comprises both realised and unrealised gains and losses.

Investment property on West Dean Estate, comprising let houses, let farms, commercial land and buildings and forestry, is included at valuation on an open market, existing use basis. Valuations are carried out by Andy Bryant FCCA, The Foundation's Group Head of Finance.

Shares in West Dean Limited are stated at their fair value on transfer from The Edward James Foundation on 1 October 2008. Shares in Tragopan Corporation Limited are stated at their fair value at 30 September 2014, since this is considered to be lower than that at the date of acquisition in July 2013. Shares in Karova Farms Limited are stated at their fair value at 30 September 2015, since this is considered to be lower than that at the date of transfer from The Edward James Foundation in October 2008.

All income arising from investments is accounted for on a receivable basis.

##### 1.8 Stock

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

##### 1.9 Pensions

With effect from 1 April 2014, the company has automatically enrolled qualifying employees into a workplace pension scheme administered by the National Employment Savings Trust Corporation ('NEST'). Employer contribution rates match those chosen by employees up to a maximum rate of 7.5%.

With effect from 1 July 2011, the charity has contributed to a defined contribution scheme administered by Scottish Widows. Employer contribution rates match those chosen by employees up to a maximum rate of 7.5%.

Until 30 June 2011, the charity also contributed towards further pension accrual for members of The Edward James Foundation Pension Scheme, a final salary, defined benefit scheme administered by The Pensions Trust. This scheme was closed to new members with effect from 1 October 2002 and closed to further accrual with effect from 1 July 2011. Ongoing contributions to meet the existing liabilities of the scheme are included within Resources Expended.

##### 1.10 Accumulated funds

###### Restricted funds

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the accounts.

###### Designated funds

Designated funds comprise funds which have been set aside by the Trustees for specific purposes. The purposes and uses of the designated funds are set out in the notes to the accounts.

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 1 Accounting Policies

(continued)

#### Unrestricted funds

These funds are unrestricted and have not been designated by the Trustees for particular purposes.

#### Pension Scheme fund

The Pension Scheme fund represents an interim deficit on The Edward James Foundation Limited Pension Scheme, derived using actuarial assumptions more fully explained in note 21. The Fund remains ring-fenced from the Foundation's other assets and a formal Recovery Plan is in place to repay the deficit by December 2025.

#### 1.11 Basis of consolidation

The financial statements consolidate the results of the charitable company and its wholly-owned subsidiaries, Karova Farms Limited, West Dean Limited and Tragopan Corporation Limited (with effect from 26 July 2013 only) on a line by line basis.

Karova Farms Limited was engaged in the activity of farming. In November 2013, the Trustees of The Edward James Foundation Limited determined to cease the in-hand farming operation managed through Karova Farms Limited, with effect from September 2014. This decision meant it was no longer appropriate to consider Karova Farms Limited a going concern and the following adjustments were reflected in the financial statements in regard to that company's assets:

Tangible fixed assets (leasehold land and buildings) - these assets had no recoverable value on the cessation of the farming operation, so an impairment charge of £101,167 was reflected in 2012/13, sufficient to eliminate their net book value. These assets were fully disposed of in 2013/14.

Tangible fixed assets (plant and machinery) - it was anticipated that these assets would be sold on cessation of the farming operation and would realise a sum at least equivalent to their net book value of £337,458. In order to reflect their imminent disposal, these assets were transferred from Fixed Assets to Current Assets in 2012/13. These assets were fully disposed of in 2013/14.

Both Karova Farms Limited and West Dean Limited donate their taxable profits by way of gift aid to The Edward James Foundation Limited and, where applicable, pay interest on loans from The Edward James Foundation Limited. A summary of the trading results of both companies is included in note 17.

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Donations and gifts	43,276	198,377	241,653	208,982
<i>Add donation to parent</i>	-	-	-	2,484,683
<i>Charity income</i>	43,276	198,377	241,653	2,693,665

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 3 Activities for generating funds

	West Dean Gardens		Farming	Conferences	Total	Total
	The Edward James Foundation Limited	West Dean Limited	Karova Farms Limited	West Dean Limited	2015	2014
	£	£	£	£	£	£
Turnover	385,924	840,660	482,109	364,023	2,072,716	2,938,775
Operating expenses	(419,513)	(738,741)	(506,687)	(137,221)	(1,802,162)	(2,371,012)
<b>Net surplus/(deficit) from trading</b>	<b>(33,589)</b>	<b>101,919</b>	<b>(24,578)</b>	<b>226,802</b>	<b>270,554</b>	567,763
Profit on disposal of assets	-	-	-	-	-	147,630
Rent paid to parent	-	(17,004)	-	(115,200)	(132,204)	(304,308)
Gift aid paid to parent	-	(75,620)	-	(99,380)	(175,000)	(725,000)
	<b>(33,589)</b>	<b>9,295</b>	<b>(24,578)</b>	<b>12,222</b>	<b>(36,650)</b>	(313,915)

Operating expenses include a recharge of administrative expenses from the Foundation as follows:

Karova Farms Limited	6,263	24,983
West Dean Limited	51,687	51,085
	<b>57,950</b>	<b>76,068</b>

West Dean Gardens comprises the activities of Gardens Admissions, Events, Gardens Shop and Restaurant. Included in the operating expenses is a share of the total running costs of the gardens.

In respect of Karova Farms Limited, operating expenses include overdraft interest of £nil (2014 - £995), loan interest of £nil (2014 - £239) and hire purchase interest of £nil (2014 - £4,065).

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Income from West Dean Estate	1,950,355	-	1,950,355	1,237,415
Income from listed investments	1,058,598	57,498	1,116,096	1,160,831
Other finance income	142,000	-	142,000	79,000
Interest receivable	3,467	111	3,578	9,224
<b>Total investment income</b>	<b>3,154,420</b>	<b>57,609</b>	<b>3,212,029</b>	<b>2,486,470</b>
<i>Add rent from subsidiaries</i>	<i>132,204</i>	<i>-</i>	<i>132,204</i>	<i>304,308</i>
<i>Add gift aid from subsidiaries</i>	<i>175,000</i>	<i>-</i>	<i>175,000</i>	<i>725,000</i>
<i>Less subsidiaries investment income included in above</i>	<i>(1,242)</i>	<i>-</i>	<i>(1,242)</i>	<i>(9,318)</i>
<i>Charity income</i>	<i>3,460,382</i>	<i>57,609</i>	<i>3,517,991</i>	<i>3,506,460</i>

West Dean Estate income includes £1,799,362 (2014 - £1,122,408) in respect of rental income from land and buildings.

Rent from subsidiaries includes £17,004 (2014 - £189,639), received under annual licences and £115,200 (2014 - £114,669) under a 29 year lease, all in respect of land and buildings.

Income from West Dean Estate has increased, and rent from subsidiaries has decreased, following the cessation with effect from September 2014 of the in-hand farming operation managed through Karova Farms Limited. The land previously farmed in-hand is now let on a series of Farm Business Tenancies.

### 5 Incoming resources from charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Continuing education courses	2,461,768	2,784	2,464,552	2,399,679
Diploma programmes	1,176,409	-	1,176,409	978,614
Tapestry studio	18,693	-	18,693	117,334
Training conferences and courses	224,353	-	224,353	139,584
	<b>3,881,223</b>	<b>2,784</b>	<b>3,884,007</b>	<b>3,635,211</b>

Included in Unrestricted funds are bursaries and scholarships for Continuing Education courses of £14,584 (2014 - £14,892) and for Diploma Programmes of £134,333 (2014 - £145,865) in both cases funded internally by the Foundation.

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

**FOR THE YEAR ENDED 30 SEPTEMBER 2015**

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### 6 Other incoming resources

	<b>2015</b>	2014
	<b>£</b>	£
Net gain on disposal of Karova Farms Limited assets		
Profit on disposal of plant and machinery	-	111,573
Profit on disposal of herd and flock	-	36,057
	<hr/>	<hr/>
	<b>-</b>	<b>147,630</b>
	<hr/> <hr/>	<hr/> <hr/>

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 7 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Grant funding £	Total 2015 £	Total 2014 £
<b>Costs of generating funds</b>						
West Dean Estate	347,235	48,591	869,285	-	1,265,111	1,129,168
Trading costs	644,525	15,188	1,142,449	-	1,802,162	2,371,012
Investment management costs	8,549	-	17,051	-	25,600	23,548
Fundraising costs	84,677	-	9,815	-	94,492	49,021
<b>Total</b>	<b>1,084,986</b>	<b>63,779</b>	<b>2,038,600</b>	<b>-</b>	<b>3,187,365</b>	<b>3,572,749</b>
<b>Charitable activities</b>						
<u>Continuing education courses</u>						
Activities undertaken directly	1,053,591	195,570	1,209,037	-	2,458,198	2,223,809
Grant funding of activities	-	-	-	32,166	32,166	38,646
Support costs	444,188	7,795	202,060	-	654,043	554,708
<b>Total</b>	<b>1,497,779</b>	<b>203,365</b>	<b>1,411,097</b>	<b>32,166</b>	<b>3,144,407</b>	<b>2,817,163</b>
<u>Diploma programmes</u>						
Activities undertaken directly	1,212,672	165,759	866,677	-	2,245,108	1,831,924
Grant funding of activities	-	-	-	342,658	342,658	353,420
Support costs	359,379	9,498	161,157	-	530,034	424,349
<b>Total</b>	<b>1,572,051</b>	<b>175,257</b>	<b>1,027,834</b>	<b>342,658</b>	<b>3,117,800</b>	<b>2,609,693</b>
<u>Tapestry Studio</u>						
Activities undertaken directly	59,621	2,293	13,267	-	75,181	141,684
Support costs	18,499	865	10,127	-	29,491	31,904
<b>Total</b>	<b>78,120</b>	<b>3,158</b>	<b>23,394</b>	<b>-</b>	<b>104,672</b>	<b>173,588</b>
<u>Training conferences and courses</u>						
Activities undertaken directly	69,548	12,760	127,650	-	209,958	133,686
Support costs	48,947	699	23,915	-	73,561	76,923
<b>Total</b>	<b>118,495</b>	<b>13,459</b>	<b>151,565</b>	<b>-</b>	<b>283,519</b>	<b>210,609</b>
	<b>3,266,445</b>	<b>395,239</b>	<b>2,613,890</b>	<b>374,824</b>	<b>6,650,398</b>	<b>5,811,053</b>
<b>Governance costs</b>	<b>30,182</b>	<b>-</b>	<b>37,722</b>	<b>-</b>	<b>67,904</b>	<b>120,573</b>
<b>Group</b>	<b>4,381,613</b>	<b>459,018</b>	<b>4,690,212</b>	<b>374,824</b>	<b>9,905,667</b>	<b>9,504,375</b>
<i>Less subsidiaries costs</i>	<i>(379,674)</i>	<i>(6,823)</i>	<i>(1,012,776)</i>	<i>-</i>	<i>(1,399,273)</i>	<i>(1,953,597)</i>
<i>Charity</i>	<i>4,001,939</i>	<i>452,195</i>	<i>3,677,436</i>	<i>374,824</i>	<i>8,506,394</i>	<i>7,550,778</i>

Governance costs include amounts payable to the auditors in respect of audit fees of £17,611 (2014 - £22,568) and accountancy fees of £5,263 (2014 - £16,102).

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 8 Activities undertaken directly

	2015	2014
	£	£
Other costs relating to continuing education courses comprise:		
Staff related costs	7,904	11,752
Visiting tutors	377,303	366,229
Premises costs	248,086	237,549
Insurance	47,337	41,253
Catering supplies	148,064	137,637
Irrecoverable VAT	99,202	73,969
Materials and course costs	178,881	181,777
Vehicle costs	20,595	28,971
Write-downs of stock and WIP	11,287	-
Sundry costs	70,378	36,964
	<u>1,209,037</u>	<u>1,116,101</u>
Other costs relating to diploma programmes comprise:		
Staff related costs	26,827	12,549
Visiting lecturers	57,540	65,262
Premises costs	181,897	153,693
Insurance	47,063	38,401
Catering supplies	120,249	97,787
Irrecoverable VAT	64,951	45,663
Materials and course costs	139,399	104,567
Vehicle costs	10,258	13,292
Library costs	14,078	15,508
Bad debts	400	227
Write-downs of stock and WIP	121,526	-
Sundry costs	82,489	74,886
	<u>866,677</u>	<u>621,835</u>
Other costs relating to tapestry studio comprise:		
Staff related costs	551	2,117
Premises costs	461	401
Materials	1,421	2,374
Exhibition costs	1,835	275
Sundry costs	8,999	13,680
	<u>13,267</u>	<u>18,847</u>

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

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### 8 Activities undertaken directly (continued)

	2015	2014
	£	£
Other costs relating to training conferences and courses comprise:		
Staff related costs	428	420
Visiting tutors	74,522	51,198
Premises costs	16,669	10,339
Insurance	3,215	1,974
Catering supplies	9,788	5,422
Irrecoverable VAT	1,925	842
Materials and course costs	16,828	4,911
Write-downs of stock and WIP	746	-
Sundry costs	3,529	2,917
	<u>127,650</u>	<u>78,023</u>

### 9 Grants payable

	2015	2014
	£	£
Continuing education courses	32,166	38,646
Diploma programmes	342,658	353,420
	<u>374,824</u>	<u>392,066</u>

Grants to individuals include bursaries and scholarships of £148,917 (2014 - £160,757) funded internally by the Foundation, together with bursaries and scholarships of £225,907 (2014 - £231,309) paid from the West Dean Scholarship Fund.



# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

### 10 Support costs

	Continuing education courses £	Diploma programmes £	Tapestry Studio £	Training conferences and courses £	Total 2015 £	Total 2014 £
Marketing costs	89,172	40,558	565	12,957	143,252	113,496
Office and staff related	57,688	60,712	4,547	5,317	128,264	94,179
Staff costs	444,188	359,379	18,499	48,947	871,013	704,583
Depreciation	7,795	9,498	865	699	18,857	35,995
Other costs	55,200	59,887	5,015	5,641	125,743	139,631
	<b>654,043</b>	<b>530,034</b>	<b>29,491</b>	<b>73,561</b>	<b>1,287,129</b>	<b>1,087,884</b>

### 11 Governance costs

	2015 £	2014 £
Other governance costs comprise:		
Trustee related expenses	1,521	-
Trustees insurance	1,863	1,860
Accountancy	3,262	16,102
Audit fees	17,611	22,568
Legal and professional fees	13,465	49,229
	<b>37,722</b>	<b>89,759</b>
<i>Less subsidiaries costs</i>	<i>(7,243)</i>	<i>(15,325)</i>
Charity	<b>30,479</b>	<b>74,434</b>

Legal and professional fees comprise governance costs associated with the acquisition of 100% of the share capital of Tragopan Corporation Limited, together with the ongoing legal and administration costs of the investment holding company.

### 12 Trustees

None of the Trustees (or any persons connected with them) received any remuneration during the year. Expenses totalling £1,521 (2014 - £nil) relating to travel and subsistence were either reimbursed to, or paid directly on behalf of, four Trustees.

During the year, £1,863 (2014 - £1,860) was paid in respect of insurance to:

- protect the charity from loss arising from the neglect or defaults of its Trustees;
- indemnify the Trustees against consequences of any neglect or default on their part.

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 13 Employees

##### Number of employees

The average monthly number of employees during the year was:

	<b>2015</b>	2014
	<b>Number</b>	Number
Direct charity staff	<b>164</b>	160
Other staff	<b>28</b>	32
	<u><b>192</b></u>	<u>192</u>

The average monthly number of full time equivalent staff was 140 (2014 - 137).

##### Employment costs

	<b>2015</b>	2014
	<b>£</b>	£
Wages and salaries	<b>3,882,503</b>	3,581,967
Social security costs	<b>270,072</b>	284,191
Other pension costs	<b>229,038</b>	211,895
	<u><b>4,381,613</b></u>	<u>4,078,053</u>

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

	<b>2015</b>	2014
	<b>Number</b>	Number
£240,000 to £249,999	1	-
£100,000 to £109,999	-	1
£90,000 to £99,999	1	-
£70,000 to £79,999	-	1
£60,000 to £69,999	3	-
	<u>3</u>	<u>-</u>

The tables above include staff restructuring costs.

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 14 Gains/(losses) on investment assets

	Total 2015 £	Total 2014 £
Unrealised gain/(loss) on revaluation of investments:		
Restricted fund: quoted investments (Scholarship fund)	(10,812)	57,067
Designated fund: quoted investments (Scholarship fund)	(17,199)	82,961
Designated fund: quoted investments (Main fund)	(178,290)	998,493
Designated fund: West Dean Estate	7,923,423	727,935
	<u>7,717,122</u>	<u>1,866,456</u>
Realised gain/(loss) on disposal of investments:		
Restricted funds: quoted investments (Scholarship fund)	-	(1,717)
Designated fund: quoted investments (Scholarship fund)		(2,469)
Designated fund: quoted investments (Main fund)	10,775	(25,031)
Designated fund: West Dean Estate	906,019	-
Unrestricted funds	-	(14,657)
	<u>8,633,916</u>	<u>1,822,582</u>
<i>Loss on investments in subsidiaries</i>	(24,578)	(2,869,221)
<i>Subsidiaries (gain)/loss on disposal of investments</i>	-	14,657
	<u>8,609,338</u>	<u>(1,031,982)</u>

The increase in value of West Dean Estate investment property reflects the improved future net income from farm rents following the cessation of in-hand farming.

#### 15 Intangible fixed assets - Group & Charity

	Group Design rights £
<b>Cost</b>	
<b>At 1 October 2014 and at 30 September 2015</b>	<b>10,000</b>
<b>Amortisation</b>	
At 1 October 2014	2,000
Charge for year	2,000
<b>At 30 September 2015</b>	<b>4,000</b>
<b>Net book value</b>	
<b>At 30 September 2015</b>	<b>6,000</b>
At 30 September 2014	8,000

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 16 Tangible fixed assets - Group

	Freehold land and buildings	Chattels	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 October 2014	7,335,337	16,472,534	1,627,715	500,271	185,373	26,121,230
Additions	70,591	24,099	204,245	7,328	26,527	332,790
Disposals	-	-	(26,534)	-	(11,265)	(37,799)
<b>At 30 September 2015</b>	<b>7,405,928</b>	<b>16,496,633</b>	<b>1,805,426</b>	<b>507,599</b>	<b>200,635</b>	<b>26,416,221</b>
<b>Depreciation</b>						
At 1 October 2014	3,373	-	898,129	377,578	145,512	1,424,592
On disposals	-	-	(21,480)	-	(11,265)	(32,745)
Charge for the year	552	-	395,892	23,686	33,480	453,610
<b>At 30 September 2015</b>	<b>3,925</b>	<b>-</b>	<b>1,272,541</b>	<b>401,264</b>	<b>167,727</b>	<b>1,845,457</b>
<b>Net book value</b>						
<b>At 30 September 2015</b>	<b>7,402,003</b>	<b>16,496,633</b>	<b>532,885</b>	<b>106,335</b>	<b>32,908</b>	<b>24,570,764</b>
At 30 September 2014	7,331,964	16,472,534	729,586	122,693	39,861	24,696,638

#### Tangible fixed assets - Charity

	Freehold land and buildings	Chattels	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 October 2014	7,335,337	9,112,274	1,554,784	500,271	185,373	18,688,039
Additions	70,591	24,099	202,690	7,328	26,527	331,235
Disposals	-	-	(26,534)	-	(11,265)	(37,799)
<b>At 30 September 2015</b>	<b>7,405,928</b>	<b>9,136,373</b>	<b>1,730,940</b>	<b>507,599</b>	<b>200,635</b>	<b>18,981,475</b>
<b>Depreciation</b>						
At 1 October 2014	3,373	-	859,662	377,578	145,512	1,386,125
On disposals	-	-	(21,480)	-	(11,265)	(32,745)
Charge for the year	552	-	389,069	23,686	33,480	446,787
<b>At 30 September 2015</b>	<b>3,925</b>	<b>-</b>	<b>1,227,251</b>	<b>401,264</b>	<b>167,727</b>	<b>1,800,167</b>
<b>Net book value</b>						
<b>At 30 September 2015</b>	<b>7,402,003</b>	<b>9,136,373</b>	<b>503,689</b>	<b>106,335</b>	<b>32,908</b>	<b>17,181,308</b>
At 30 September 2014	7,331,964	9,112,274	695,122	122,693	39,861	17,301,914

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 17 Fixed asset investments - Group

	West Dean Estate	Quoted investments Main fund	Quoted investments Scholarship fund	Shares in subsidiaries	Total
	£	£	£	£	£
Market value at 1 October 2014	17,010,251	20,576,137	2,922,646	-	40,509,034
Disposals at book value	(6,000)	(339,225)	-	-	(345,225)
Acquisitions at cost	288,190	-	-	-	288,190
Change in value in the year	7,923,423	(178,290)	(28,011)	-	7,717,122
<b>Market value at 30 September 2015</b>	<b>25,215,864</b>	<b>20,058,622</b>	<b>2,894,635</b>	<b>-</b>	<b>48,169,121</b>
<b>Historical cost:</b>					
At 30 September 2015	15,873,345	16,355,774	2,362,032	-	34,591,151
At 30 September 2014	15,591,155	16,619,635	2,362,032	-	34,572,822

#### Fixed asset investments - Charity

	West Dean Estate	Quoted investments Main fund	Quoted investments Scholarship fund	Shares in subsidiaries	Total
	£	£	£	£	£
Market value at 1 October 2014	17,010,251	20,576,137	2,922,646	7,690,577	48,199,611
Disposals at book value	(6,000)	(339,225)	-	-	(345,225)
Acquisitions at cost	288,190	-	-	-	288,190
Change in value in the year	7,923,423	(178,290)	(28,011)	(24,578)	7,692,544
<b>Market value at 30 September 2015</b>	<b>25,215,864</b>	<b>20,058,622</b>	<b>2,894,635</b>	<b>7,665,999</b>	<b>55,835,120</b>
<b>Historical cost:</b>					
At 30 September 2015	15,873,345	16,355,774	2,362,032	10,559,798	45,150,949
At 30 September 2014	15,591,155	16,619,635	2,362,032	10,559,798	45,132,620

The West Dean Estate is held as part of the group's charitable activities. The valuation was undertaken by Andy Bryant FCCA, the Foundation's Group Head of Finance. The valuation was based upon the present value of future net rental income streams. The increase in value of West Dean Estate investment property reflects the improved future net income from farm rents following the cessation of in-hand farming.

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 17 Fixed asset investments

(continued)

The portfolio of quoted investments is held primarily to provide an investment return for the group and is divided into the following funds:

- Charifund - £13,727,961 (2014 - £14,422,032)

(a unit trust restricted to charities managed by M & G Securities Limited for Charities Investment Managers Limited)

- COIF - £802,914 (2014 - £732,630)

(a charities property fund, managed by CCLA Investment Management Limited)

- Newton Global Income - £5,781,778 (2014 - £5,934,715)

(a unit trust managed by Newton Investment Management Limited for BNY Mellon Fund Managers)

- Mayfair PITCH - £2,640,604 (2014 - £2,409,406)

(a property income trust for charities managed by Mayfair Capital Investment Management Limited)

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Karova Farms Limited	England	Ordinary £1	100
West Dean Limited	England	Ordinary £1	100
Tragopan Corporation Limited	Cayman Islands	Common stock	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Principal Activities	Capital and reserves	Profit/(loss) for the year
		£	£
Karova Farms Limited	Farming	19,863	(24,578)
West Dean Limited	Gardens shop & restaurant, and conference & event management	35,373	21,517
Tragopan Corporation Limited	Investment holding	<u>427,952</u>	<u>(15,382)</u>

The figures above in respect of Tragopan Corporation Limited are based upon accounts which state financial investments at historic cost.

The trading activities of the subsidiaries utilise spare capacity in the charitable company's land and buildings to generate profits which can then be donated to the charitable company to support its objects.

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2015

18 Debtors	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	<b>1,088,285</b>	1,053,945	<b>1,061,300</b>	315,403
Income tax recoverable	<b>77,263</b>	42,180	<b>77,263</b>	42,180
Amounts owed by group undertakings	-	-	<b>133,394</b>	1,228,628
Other debtors	<b>4,189</b>	147,723	<b>4,189</b>	37,581
Prepayments and accrued income	<b>282,773</b>	528,985	<b>272,127</b>	328,571
	<b>1,452,510</b>	1,772,833	<b>1,548,273</b>	1,952,363

19 Creditors: amounts falling due within one year	Group		Charity	
	2015	2014	2015	2014
	£	£	£	£
Net obligations under finance lease and hire purchase contracts	-	1,237	-	-
Trade creditors	<b>593,083</b>	523,811	<b>561,951</b>	467,832
Taxes and social security costs	<b>220,136</b>	257,090	<b>220,136</b>	252,667
Other creditors	<b>147,234</b>	175,972	<b>147,234</b>	173,860
Accruals	<b>392,397</b>	724,692	<b>366,516</b>	457,406
Deferred income	<b>1,670,745</b>	1,160,443	<b>1,670,745</b>	1,160,443
	<b>3,023,595</b>	2,843,245	<b>2,966,582</b>	2,512,208

## 20 Provisions for liabilities

Full disclosure in respect of the pension scheme is given in note 21, including a breakdown of the movement in the surplus/deficit on the scheme.

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 21 Pension costs - The Pensions Trust - Edward James Foundation Pension Scheme

##### Composition of the Scheme

The employer operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 30 September 2012, while the scheme was part of the Pensions Trust, and updated to 30 September 2015 by a qualified actuary. The major assumptions used by the actuary are shown below.

Over the 12 months to 30 September 2015 the Employer paid deficit contributions at the rate of £271,179 per annum (payable in equal monthly instalments). These deficit contributions increase by 3.9% each October until 31 December 2025; from 1 October 2015 the annual contribution will be £281,755. The Employer also pays contributions to cover Scheme expenses of £65,400 per annum (payable in equal monthly instalments) with effect from 1 April 2014.

##### Present values of scheme liabilities, fair value of assets and surplus (deficit)

	2015 £000	2014 £000	2013 £000
Fair value of scheme assets	12,020	11,570	10,638
Present value of scheme liabilities	14,514	14,007	13,030
Surplus (deficit) in scheme	(2,494)	(2,437)	(2,392)
Asset (liability) to be recognised	(2,494)	(2,437)	(2,392)

##### Reconciliation of opening and closing balances of the present value of the scheme liabilities

	2015 £000	2014 £000
Scheme liabilities at start of period	14,007	13,030
Expenses	78	72
Interest cost	525	589
Actuarial losses (gains)	365	832
Benefits paid, death in service insurance premiums & expenses	(461)	(516)
Scheme liabilities at end of period	14,514	14,007



# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 21 Pension costs - The Pensions Trust - Edward James Foundation Pension Scheme (continued)

##### Reconciliation of opening and closing balances of the fair value of scheme assets

	2015	2014
	£000	£000
Fair value of scheme assets at start of period	11,570	10,638
Expected return on scheme assets	667	668
Actuarial gains (losses)	(93)	456
Contributions by employer	337	324
Benefits paid, death in service insurance premiums & expenses	(461)	(516)
	<u>12,020</u>	<u>11,570</u>

The actual return on the scheme assets over the period ending 30 September 2015 was £574,000.

##### Total expense recognised in statement of financial activities

	2015	2014
	£000	£000
Expenses	78	72
Interest cost	525	589
Expected return on scheme assets	(667)	(668)
	<u>(64)</u>	<u>(7)</u>

##### Statement of total recognised gains and losses

	2015	2014
	£000	£000
Difference between expected and actual return on scheme assets: Amount: gain (loss)	(93)	456
Experience gains and losses arising on the scheme liabilities: Amount: gain (loss)	-	145
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities: Amount: gain (loss)	(365)	(977)
	<u>(458)</u>	<u>(376)</u>

Total amount recognised in statement of total recognised gains and losses: Amount: gain (loss)

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses since adoption of FRS17 is (£4,276,000) (a loss).

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 21 Pension costs - The Pensions Trust - Edward James Foundation Pension Scheme (continued)

##### Assets

	<b>2015</b>	2014	2013
	<b>£000</b>	£000	£000
Equities	<b>6,377</b>	7,287	6,950
Property	<b>1,228</b>	877	774
Bonds	<b>4,342</b>	3,359	2,943
Other	<b>73</b>	47	(29)
	<hr/>	<hr/>	<hr/>
Total assets	<b>12,020</b>	11,570	10,638
	<hr/>	<hr/>	<hr/>

None of the fair values of the assets shown above include any of the employer's own financial instruments or any property occupied by, or other assets used by, the employer.

##### Assumptions

	<b>2015</b>	2014	2013
	<b>(per annum)</b>	(per annum)	(per annum)
Rate of discount	<b>3.60%</b>	3.80%	4.60%
Inflation (RPI)	<b>3.00%</b>	3.20%	3.30%
Inflation (CPI)	<b>2.00%</b>	2.20%	2.40%
Salary increases *	<b>3.00%</b>	4.20%	4.30%
Allowance for revaluation of deferred pensions of RPI or 5.0% p.a. if less	<b>3.00%</b>	3.20%	3.30%
Allowance for pension in payment increases of CPI or 5.0% p.a. if less	<b>2.00%</b>	2.20%	2.40%
Allowance for pension in payment increases of CPI or 3.0% p.a. if less	<b>1.80%</b>	2.00%	2.20%
Allowance for pension in payment increases of CPI or 2.5% p.a. if less	<b>1.70%</b>	1.80%	2.00%
Allowance for commutation of pension for cash at retirement	<b>80% of Post A Day</b>	90% of Post A Day	90% of Post A Day

The mortality assumptions adopted at 30 September 2015 imply the following life expectancies:

	<b>years</b>
Male retiring at age 65 in 2015	<b>23.5</b>
Female retiring at age 65 in 2015	<b>25.2</b>
Male retiring at age 65 in 2035	<b>25.6</b>
Female retiring at age 65 in 2035	<b>27.2</b>

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 21 Pension costs - The Pensions Trust - Edward James Foundation Pension Scheme (continued)

##### Expected long-term rate of return

The long-term expected rate of return on cash is determined by reference to bank base rates at the balance sheet dates. The long-term expected return on bonds is determined by reference to UK long dated government and corporate bond yields at the balance sheet date. The long-term expected rate of return on equities is based on the rate of return on bonds with an allowance for out-performance.

The expected long term rates of return applicable for each period are as follows

	<b>2015</b>	2014
	(per annum)	(per annum)
Growth Type	<b>7.00%</b>	7.60%
Property	<b>6.00%</b>	6.40%
Bonds	<b>3.16%</b>	3.74%
Other	<b>0.50%</b>	0.50%
Overall for scheme	<b>5.78%</b>	6.33%

##### Amounts for the current and previous four years

	<b>2015</b>	2014	2013	2012	2011
	<b>£000</b>	£000	£000	£000	£000
Fair value of scheme assets	<b>12,020</b>	11,570	10,638	9,678	9,016
Present value of scheme liabilities	<b>14,514</b>	14,007	13,030	12,874	12,009
Surplus (deficit) in scheme	<b>(2,494)</b>	(2,437)	(2,392)	(3,196)	(2,993)
Experience adjustment on scheme assets	<b>(93)</b>	456	741	296	(637)
Experience adjustment on scheme liabilities	-	145	361	137	124

The best estimate of contributions to be paid by the employer to the scheme for the period commencing 1 October 2015 is £347,155.

#### 22 Other pension costs

With effect from 1 July 2011, the company has contributed to a defined contribution pension scheme administered by Scottish Widows. Employer contribution rates match those chosen by employees up to a maximum rate of 7.5%. Contributions payable by the company amounted to £125,117 (2014 - £111,663). There were no amounts unpaid or prepaid at the year end.

With effect from 1 April 2014, the company has automatically enrolled qualifying employees into a workplace pension scheme administered by the National Employment Savings Trust Corporation ('NEST'). Employer contribution rates match those chosen by employees up to a maximum rate of 7.5%. Contributions payable by the company amounted to £11,915 (2014 - £5,025). There were no amounts unpaid or prepaid at the year end.

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 23 Restricted funds

These comprise the following unexpended balances of donations and grants held on trust for specific purposes:

	<b>Group and Charity Movement in funds</b>					
	<b>Balance at 1 October 2014</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>Investment gain/(loss)</b>	<b>Balance at 30 September 2015</b>
	£	£	£	£	£	£
West Dean Scholarship Fund	1,292,963	195,088	(140,368)	-	(10,812)	<b>1,336,871</b>
Other restricted funds	25,477	63,682	-	(38,682)	-	<b>50,477</b>
	<u>1,318,440</u>	<u>258,770</u>	<u>(140,368)</u>	<u>(38,682)</u>	<u>(10,812)</u>	<u><b>1,387,348</b></u>

#### West Dean Scholarship Fund:

The fund was established to provide bursaries and scholarships for students attending courses at West Dean College. The Fund's capital is invested in quoted investments and its income is derived from this source, as well as from donations, grants and legacies. The Fund is analysed between Restricted and Designated funds, according to whether the use of the original income was specifically restricted by the donor or whether it was determined by the Trustees of the Foundation.

#### Other restricted funds:

Other restricted funds comprise grants and donations received for specific purposes other than to provide bursaries and scholarships for students attending courses at West Dean College. Such grants and donations are held as restricted funds until the terms of the original restriction are satisfied, following which a transfer to unrestricted or designated funds (as appropriate) takes place.

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 24 Designated funds

These funds have been designated by the Trustees to ensure the continuation and support of the educational activities and are represented by the following groups of assets:

	<b>Group and Charity Movement in funds</b>					
	<b>Balance at 1 October 2014</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Transfers</b>	<b>Investment gain/(loss)</b>	<b>Balance at 30 September 2015</b>
	£	£	£	£	£	£
Freehold property (charitable use)	7,331,964	-	-	70,039	-	<b>7,402,003</b>
Chattels (charitable use)	16,472,534	-	-	24,099	-	<b>16,496,633</b>
Investment property & subsidiaries	17,097,666	1,950,355	-	(1,692,743)	8,804,864	<b>26,160,142</b>
Quoted investments	20,576,137	993,909	-	(1,343,909)	(167,515)	<b>20,058,622</b>
West Dean Scholarship Fund	1,831,131	64,689	(234,567)	169,878	(17,199)	<b>1,813,932</b>
	<u>63,309,432</u>	<u>3,008,953</u>	<u>(234,567)</u>	<u>(2,772,636)</u>	<u>8,620,150</u>	<u><b>71,931,332</b></u>

#### Freehold property (charitable use):

The fund represents those freehold properties which are essential for the provision of the Foundation's charitable activities.

#### Chattels (charitable use):

The fund represents the artworks which are considered essential to the provision of the Foundation's charitable activities. This area is currently being evaluated with a view to the creation of a rationalised working collection of chattels.

#### Investment property and subsidiaries:

The fund represents investment assets essential for the generation of investment income required to support the charitable activities.

#### Quoted investments:

The fund represents the quoted investments which are essential for the generation of investment income required to support the charitable activities.

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

#### 24 Designated funds

(continued)

West Dean Scholarship Fund:

The fund was established to provide bursaries and scholarships for students attending courses at West Dean College. The Fund's capital is invested in quoted investments and its income is derived from this source, as well as from donations, grants and legacies. The Fund is analysed between Restricted and Designated funds, according to whether the use of the original income was specifically restricted by the donor or whether it was determined by the Trustees of the Foundation. When awards are made, a transfer to unrestricted funds takes place.

#### 25 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
Fund balances at 30 September 2015 are represented by:			
Intangible fixed assets	6,000	-	<b>6,000</b>
Tangible fixed assets	24,570,764	-	<b>24,570,764</b>
Investments	46,987,625	1,181,496	<b>48,169,121</b>
Current assets	3,965,754	243,952	<b>4,209,706</b>
Creditors: amounts falling due within one year	(2,985,495)	(38,100)	<b>(3,023,595)</b>
Defined benefit pension liability	(2,494,000)	-	<b>(2,494,000)</b>
<b>Group reserves</b>	<b>70,050,648</b>	<b>1,387,348</b>	<b>71,437,996</b>
<i>Subsidiaries reserves</i>	<i>22,982</i>	<i>-</i>	<i>22,982</i>
<i>Charity reserves</i>	<i>70,073,630</i>	<i>1,387,348</i>	<i>71,460,978</i>
Unrealised gains included above:			
On investments	13,389,463	226,745	13,616,208
	13,389,463	226,745	13,616,208
Reconciliation of movements in unrealised gains:			
Unrealised gains at 1 October 2014	6,895,178	238,208	7,133,386
In respect of disposals in year	(75,364)	-	(75,364)
	6,819,814	238,208	7,058,022
Net gains on revaluations in year	6,569,649	(11,463)	6,558,186
Unrealised gains at 30 September 2015	13,389,463	226,745	13,616,208

# THE EDWARD JAMES FOUNDATION LIMITED

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2015

<b>26</b>	<b>Net cash (outflow)/inflow from operating activities</b>	<b>2015</b>	<b>2014</b>		
		£	£		
	Reconciliation to changes in resources				
	Changes in resources before revaluations	<b>(495,262)</b>	(87,307)		
	Depreciation of tangible fixed assets	<b>453,610</b>	201,620		
	Amortisation of intangible fixed assets	<b>2,000</b>	2,000		
	Loss/(profit) on disposal of tangible fixed assets	<b>3,408</b>	(149,730)		
	Difference between pension charge and cash contributions	<b>(401,000)</b>	(331,000)		
	Decrease in stocks	<b>480,945</b>	519,837		
	Decrease/(increase) in debtors	<b>320,323</b>	(699,466)		
	Increase in creditors	<b>181,587</b>	722,568		
		<b>545,611</b>	178,522		
<b>27</b>	<b>Reconciliation of net cash flow to movement in net funds</b>	<b>2015</b>	<b>2014</b>		
		£	£		
	<b>Increase in cash</b>	<b>1,187,059</b>	571,671		
	Repayment of long term bank loan	-	1,517,393		
	Capital element of hire purchase and finance lease rentals	<b>1,237</b>	113,590		
	<b>Movement in net funds</b>	<b>1,188,296</b>	2,202,654		
	<b>Net funds at 1 October 2014</b>	<b>1,288,383</b>	(914,271)		
	<b>Net funds at 30 September 2015</b>	<b>2,476,679</b>	1,288,383		
<b>28</b>	<b>Analysis of net cash balances</b>				
		<b>At 1 October 2014</b>	<b>Cash flow</b>	<b>Non-cash changes</b>	<b>At 30 September 2015</b>
		£	£	£	£
	Cash at bank and in hand	1,289,620	1,187,059	-	2,476,679
	Hire purchase and finance leases	(1,237)	1,237	-	-
		<b>1,288,383</b>	<b>1,188,296</b>	-	<b>2,476,679</b>